



**CHANCES AND CHALLENGES FOR NGOs  
IN THE REFORMED WATER SECTOR  
IN KENYA**

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zur Erlangung des akademischen Grades  
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## Acknowledgement and Preface

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I thought it would be easy to write a great thesis in a couple of month- I thought the phrase "just do it" would guide me on my way sufficiently.

But then I had to face reality and this work did give me a lot of challenges. I have learned about implementation of reforms, teamwork and personal approaches, managing resources as well as managing my personal resources- energy and time and finally not to let me throw off course from challenges in my private life.

Of course I wanted to write a short abstract- but it finished to be longer ...

When you start taking a closer look at thing and start dealing with things, they tend to get more complicate. This must be some of the difference between theory and practice we hear so many people talking of...

I have the impression that those experiences have something in common with the challenges one must come across during implementing a reform- the difference between theory and practice, initial ambitions and what comes out in the end. Well, what did teachers say at school? "You do not learn for school, you learn for your life." I would say I have learned several things for my life with this work- but again you know... theory and practice are a bit tricky sometimes.

Three sayings do fit the process of my thesis:

"Dem der eine Reise tut, öffnet der Horizont seine Weiten" ~if you are travelling the horizon opens up for you.

"Es könnte alles so einfach sein- ist es aber nicht" (Die fantastischen Vier) ~ everything could be so easy- but it isn't.

"Irgendwann muss man einen Punkt machen" ~ you have to let it be sometimes.

The following work is my choice between ambitions and reality.

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## List of Abbreviations and Acronyms

<b>ADA</b>	Austrian Development Agency
<b>ADB</b>	African Development Bank
<b>AFD</b>	French Development Agency
<b>AWSPR</b>	Annual Water Sector Performance Report 2007
<b>BDS</b>	Business Development Services
<b>CBO</b>	Community Based Organisation
<b>CDF</b>	Constituency Development Fund
<b>CDTF</b>	Community Development Trust Fund
<b>CPC</b>	Community Project Cycle
<b>CSO</b>	Civil Society Organisation
<b>DP</b>	Development Partner
<b>DWO</b>	District Water Office
<b>ESHWG</b>	Environmental Sanitation and Hygiene Working Group
<b>GoK</b>	Government of Kenya
<b>GTZ</b>	German Technical Cooperation
<b>IA</b>	Implementing Agency
<b>IGA</b>	Income Generating Activity
<b>KfW</b>	German Development Bank
<b>KJAS</b>	Kenyan Joint Assistance Strategy
<b>Ksh</b>	Kenya Shilling
<b>KSI</b>	Key Sector Indicators
<b>KWAHO</b>	Kenya Water for Health Organisation
<b>KWSP</b>	Kenya Water and Sanitation Programme
<b>KEWASNET</b>	Kenyan Water and Sanitation Network
<b>LAVICTORS</b>	Lake Victoria South Water Services Board
<b>MDGs</b>	Millennium Development Goals
<b>MWI</b>	Ministry for Water and Irrigation
<b>NGO</b>	Non-Governmental Organisation
<b>NWSC</b>	Nairobi Water and Sewerage Company
<b>NWSS</b>	National Water Services Strategy
<b>PCPC</b>	Participatory Community Project Cycle
<b>PO</b>	Partner Organisation
<b>PPIP</b>	Pro Poor Implementation Plan
<b>QCA</b>	Quality Control Advisor
<b>RWSS</b>	Rural Water Supply and Sanitation
<b>SDC</b>	Swiss Agency for Development and Cooperation

<b>SIP</b>	Sector Investment Plan
<b>SIS</b>	Sector Information System
<b>SO</b>	Support Organisation
<b>SPA</b>	Service Provision Agreement
<b>SWAP</b>	Sector Wide Approach to Planning
<b>UN</b>	United Nations
<b>UNICEF</b>	United Nations Children's Fund
<b>VIP</b>	Ventilation Improved Pit Latrine
<b>WAB</b>	Water Appeal Board
<b>WPI</b>	Water Partners International
<b>WS</b>	Water Sector
<b>WSB</b>	Water Services Board
<b>WSP</b>	Water Services Provider
<b>WSP-WB</b>	Water and Sanitation Programme - World Bank
<b>WSR</b>	Water Sector Reform
<b>WSRB</b>	Water Services Regulatory Board
<b>WSRS</b>	Water Sector Reform Secretariat
<b>WSRSC</b>	Water Sector Reform Steering Committee
<b>WSS</b>	Water Supply and Sanitation
<b>WSTF</b>	Water Services Trust Fund
<b>WSWG</b>	Water Sector Working Group
<b>WUA</b>	Water User Association

## Abstract in English

NGOs in Kenya are confronted with a recently reformed water sector. The Water Sector Reforms started in 2002 and are still on going. This is changing the situation and possibilities of NGOs, rural communities and many other stakeholders. This study investigates on the chances and challenges arising for NGOs through the Water Sector Reform (WSR).

The Austrian Development Agency (ADA) has funded the Kenyan NGO "Kenya Water for Health Organisation" (KWAHO) for more than 10 years. KWAHO was the entry point for this study. The NGO KWAHO is confronted to the upcoming changes in the water sector as well. KWAHO is dealing with water provision in rural areas and community training mainly.

The focus of this study is on NGOs that are cooperating with rural communities. Rough investigation is done on the integration of rural communities in the Water Sector Reform and if the reform is adequate for rural communities.

The method applied is literature research and a field study following the grounded theory. Interviews and focus group discussions were conducted with institutions, implementing organisations such as NGOs and rural communities (representing the consumers).

Results of the field study are separated in the conception of the Water Sector Reform (WSR) and the perception of the WSR by stakeholders (stakeholders are: institutions, consumers in urban and rural communities and actors such as enterprises, consultants, implementing agencies and NGOs). From there possibilities are deduced for NGOs arising in the frame of the WSR and possibilities for NGOs arising from the way the WSR is perceived and implemented in practice.

The main issues of the study are: the function and tasks of Water Sector institutions (WSRB; WSB, WSP, WSTF and the PCPC), the communication, the issue of asset holding, weaknesses of the reforms and its adaptations, the big issue of financing and finally open questions arising from all this information.

Results show that there are lots of possibilities for NGOs: in the conception of the WSR there are possibilities for NGOs to get involved e.g. by being an SO (Support Organisation to facilitate the implementation of projects); WSBs (Water Services Boards) wish to be assisted by NGOs to implement the WSR: NGOs shall assist in spreading the information and in reaching the people on the ground. The know-how of NGOs is appreciated by institutions and communities.

Further results are that there is a lack of communication; stakeholders are well aware of weaknesses of the reforms and are thinking about adaptations; asset holding and the ownership of water facilities are being worked on. Financing is a big challenge and this issue is very controversial. On the one hand it is said that there is a general lack of funds, on the other hand it is mentioned that there are enough funds. Often it is an open question how the services of NGOs should be paid for. NGOs are often seen as donors, rather than organisations that have to be paid for their work.

The whole sector aims at a demand driven approach. It can therefore be highly recommended to NGOs to be as present as possible in order to get involved in upcoming issues and tasks.

Further this study gives various insights in the WSR and the present situation in the reformed water sector. The institutional setup of the Water Sector can be roughly explained as follows: WSBs are in charge to provide water service in their area. WSBs are bound to performance contracts. Provision of water to the customers shall be executed through Water Services Providers (WSPs). The WSPs are contractors of the WSB. The WSBs themselves are licensed by the Water Services Regulatory Board (WSRB). Another task of the WSRB, besides licensing

WSBs, is to regulate the institutions and the basic conception in the water sector. The Water Services Trust Fund (WSTF) is responsible to fund selected disadvantaged areas only.

There NGOs can get active by: cooperating with the WSB to make the reforms reach the people on the ground, give feedback on their experience to the WSB and the WSRB; get involved in projects of the WSTF e.g. as an SO and by considering water provision as a WSP.

Many issues (financing, communication, adaptations of the reforms, ...) lead to a variety of answers. This shows a certain lack of transparency. The situation in the reformed water sector still needs to settle. Now the transition phase to implement the WSR step by step is still on going. It can be recommended to NGOs to use the dynamic of the situation in order to get active.

The field study was conducted from September to December 2007.

## Abstract in Deutsch

NGOs in Kenia müssen sich mit einem reformierten Wassersektor befassen. Die Wassersektorreform (WSR) begann 2002 und wird immer noch umgesetzt. Das verändert die Situation und Möglichkeiten von NGOs, ländlichen Gemeinden und vielen anderen Beteiligten. Diese Arbeit untersucht die Chancen und Herausforderungen, die sich durch die Wassersektorreform für NGOs ergeben.

Die Austrian Development Agency (ADA) fördert die kenianische NGO „Kenya Water for Health Organisation“ (KWAHO) seit mehr als 10 Jahren. KWAHO ist daher der Einstieg in dieses Thema. Die NGO KWAHO ist genauso mit den jüngsten Änderungen im Wassersektor konfrontiert. Hauptsächlich beschäftigt sich KWAHO mit Wasserversorgung von ländlichen Gemeinden und der Schulung der Gemeinden.

Im Zentrum dieser Studie stehen NGOs, die in ländlichen Gemeinden tätig sind. Ein kleinerer Teil der Arbeit untersucht, ob die WSR für ländliche Gemeinden adäquat ist und ob diese genügend in der Reform berücksichtigt wurden.

Diese Arbeit bedient sich der Methoden: Literaturrecherche und Feldstudie. Die Feldstudie folgt der Grounded Theory. Es wurden Interviews und Gruppendiskussionen durchgeführt mit Institutionen, ausführenden Organisationen, also NGOs und ländlichen Gemeinden, welche die Verbraucher darstellen.

Ergebnisse der Studie sind aufgeteilt in die theoretische Konzeption der Wassersektorreform und die Wahrnehmung durch Beteiligte unterteilt. (Beteiligte sind in dieser Studie: Institutionen, Verbraucher in ländlichen und städtischen Gemeinden und ausführende Unternehmen, wie Firmen, Berater und NGOs). Aus dieser Aufteilung folgt der Schluss auf die Möglichkeiten von NGOs die sich sowohl aus der theoretischen Konzeption der WSR ergeben, als auch aus der praktischen Umsetzung der WSR durch Beteiligte.

Die Hauptthemen der Arbeit sind die Funktion und Aufgaben der Institutionen des Wassersektors (WSRB, WSB, WSP, WSTF und PCPC), wie die Reform kommuniziert wird, der Besitz der Wasserversorgungsanlagen, Unzulänglichkeiten der Reform und mögliche Anpassungen, die Finanzierung und schließlich offene Fragen, die durch die Recherche aufgeworfen werden.

Die Ergebnisse zeigen viele Möglichkeiten für NGOs auf: in der theoretischen Konzeption der Wassersektorreform gibt es die Möglichkeit für NGOs, z.B. die Rolle einer SO zu übernehmen (SO Support Organisation, eine Beratende und Unterstützende Rolle um die Umsetzung von Projekten zu begleiten und zu erleichtern); WSBs (Water Services Boards) wünschen die Unterstützung von NGOs, um die WSR umzusetzen: NGOs sollen sich beteiligen, die WSR bekannt zu machen und die Verbraucher in Gemeinden informieren. Die Arbeitsweise und das Know-how von NGOs wird von Institutionen und der Bevölkerung geschätzt.

Weitere Ergebnisse sind: ein vorhandener Mangel an Kommunikation, die Beteiligten sind sich der Schwachpunkte der Reform wohl bewusst und arbeiten bereits an Anpassungen; auch Besitzverhältnisse der Wasserversorgungseinrichtungen werden überarbeitet. Die Finanzierung ist eine große Herausforderung und Informationen dazu sind sehr widersprüchlich. Einerseits herrscht die Meinung, dass die Finanzierung nicht ausreicht, andererseits wird über weit ausreichende Finanzierungsmöglichkeiten berichtet. Oft steht es in Frage, wie die Leistungen von NGOs bezahlt werden sollten. NGOs werden oft als Geber gesehen, anstatt als Organisationen, die auf die Entlohnung ihrer Leistungen angewiesen sind.

Der Wassersektor strebt nach aktiver Nachfrage um Projekte zu initiieren. Daher ergibt sich die dringende Empfehlung an NGOs so präsent wie möglich zu sein, um in aufkommende Aktivitäten und Aufgaben eingebunden zu werden.

Weiters gibt diese Arbeit Einblick in die WSR und die gegenwärtige Situation im reformierten Wassersektor. Die Aufgaben und die Hierarchie der Institutionen kann folgendermaßen zusammengefasst werden: WSBs sind für die Wasserversorgung in ihrer Region zuständig. WSBs unterliegen performance contracts (Leistungsverträge). Die Betreuung der Wasserversorgungseinrichtungen hat durch Water Services Providers (WSP) zu erfolgen. WSP werden von WSBs unter Vertrag genommen. Die WSBs wiederum unterliegen der Lizenzierung durch das Water Services Regulatory Board (WSRB). Eine weitere Aufgabe des WSRB ist es, die Institutionen und die Konzeption des Wassersektors zu regulieren. Der Water Services Trust Fund (WSTF) ist für die Finanzierung, von ausschließlich benachteiligten Regionen, zuständig.

In Kooperation mit Institutionen haben NGOs folgende Möglichkeiten: in Zusammenarbeit mit WSBs die Bevölkerung über die WSR informieren, Erfahrungsberichte sind für WSBs und das WSRB von Interesse, Aufgaben in Projekten des WSTF übernehmen z.B. als SO und NGOs können als WSP fungieren.

Viele Themen (Finanzierung, Kommunikation, Anpassungen der Reform, ...) führen zu sehr verschiedenen Antworten. Das deutet auf mangelnde Transparenz hin. Die Abläufe der Wassersektorreform werden zum Teil erstmals umgesetzt. Die Transition Phase der WSR ist noch im Gange. Eine Empfehlung an NGOs ist die Dynamik der Situation für sich zu nutzen.

Die Feldstudie wurde von September bis Dezember 2007 durchgeführt.

# 1. Introduction

The Kenyan Water Sector has been undergoing major changes since 2002. National institutional structures as well as international guidelines have been modified. The stakeholders involved in the Kenyan Water Sector face new conditions. (stakeholders are: institutions, consumers in urban and rural communities and actors; actors include: enterprises, consultants, implementing agencies and NGOs.) Those stakeholders meet varied duties and possibilities now and they still have to adapt to the new situation.

The two major changes are:

- On the national level, the institutional system of the Water Sector has been reformed, according to the so called Water Sector Reform. The Water Sector includes politics, infrastructure and activities for water service and sanitation partly. Involved stakeholders are facing modified duties, tasks, conditions and possibilities. NGOs are stakeholders too and their field of operation is now varied as well. Their frame to cooperate with partners or international donors is modified. Also project settings and the course of projects are changing, e.g. the implementation of projects has to follow a certain concept and funding periods get tighter.

The Water Sector Reform influences the community level in Kenya too. The reforms open new possibilities for communities and also give them an altered roll.

- On the international level the relation between donor countries and recipient countries is modified. The main changes are due to an international agreement, the Paris Declaration. This declaration aims at harmonising efforts of donors and to align them with the recipient country's plans and structures. Thereafter funds are channelled to state institutions and shall not bypass them anymore, as it is while targeting an NGO directly. For NGOs that were linked to an external donor, this is a big change.

The Austrian Development Agency (ADA) was one of the donors that did channel funds directly to an NGO in Kenya. ADA has funded an NGO program on water supply in rural areas for 17 years since there were no governmental activities in the selected project areas. The receiving and implementing NGO was the Kenya Water for Health Organisation (KWAHO). KWAHO "is a national non-governmental organisation based in Kenya. Its efforts are geared towards providing sustainable water and sanitation for the disadvantaged communities in Kenya." (KWAHO, 2009) The NGO KWAHO is as well facing the challenges due to recent changes in the Water Sector.

This thesis aims to analyse the situation of NGOs in the reformed water sector. The focus lies on NGOs that are active in rural area. The situation of communities in rural areas has been analysed in an earlier thesis. Both theses are related.

- The first part, the integration of rural communities in the reformed water sector, has been analysed in the thesis "Analysis of the Kenyan Water Sector Reform and the Integration of Implementing Agencies and Communities in Rural Areas" by MAIR (2007). One of the reasons to analyse this situation was due to the experience that big sector reforms do not adequately consider and integrate rural communities. This occurs at the WSR in Kenya as well.

- This thesis now analyses the second part how an NGO (active in water supply in rural areas) can be integrated in the reformed Water Sector. It explores how an NGO can get active and use its skills in the framework of the new Water Sector Reform. It looks at where funds are available and what difficulties are to be expected in this new situation.

## **Introduction**

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Information acquired was mainly based on interviewing stakeholders on all levels, besides literature was consulted. The thesis was established in close cooperation with KWAHO.

Time period of research: Sept. - Dec. 2007, literature was review till end of 2008.

## 2. Problem Statement and Justification

The following explains the recent changes in the Kenyan Water Sector. It describes the Water Sector (WS) before and after the influence of the Water Sector Reform (WSR) and the Paris Declaration.

While speaking of NGOs, the focus is on NGOs that are active in rural areas, with the aim to establish water supply or to facilitate the access to water for the rural population. The NGOs that are considered in this study do provide soft skills and training to the communities. They prepare community members for management tasks that are related to water supply and sanitation. In many cases NGOs provide technical support and facilitate constructions related to water supply as well.

### 2.1 Problem Statement

#### Before 2002:

Before 2002 NGOs were in the centre of the stakeholders active in the WS and they were more or less fulfilling all tasks and rolls. NGOs were in the middle between institutions, consumers in communities and the actors such as implementing agencies.

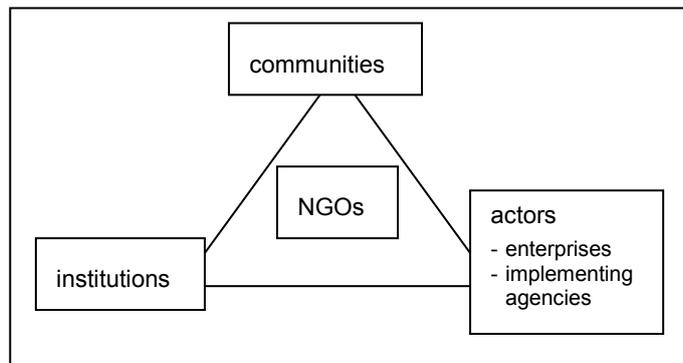
They fulfilled tasks of institutions in regions where institutions were not present. In former times the institutional structures, which were entrusted with the management of the WS, were not very well developed or installed. Neither were those institutions very present in rural areas, nor was their linkage to the ministry obvious.

Besides fulfilling the tasks of institutions, NGOs also acted as communities. This was because NGOs were present in and in touch with communities. NGOs also had offices in rural areas. So sometimes they were the voice of communities, concerning specific topics.

The third role of NGOs was to be the actors that implement projects and operate the facilities. They provided technical skills and soft skills such as training on maintenance of a technical facility to the communities. (Figure 1)

In Kenya NGOs have a long tradition. The important role and presence of NGOs in Kenya can hardly be compared to the minor role of NGOs in Austria or other EU countries. They have been established out of the unsteady political and economic conditions, such as in many other economically less developed countries. In Kenya the efforts, presence and importance of NGOs are high. They are active in all kinds of issues and implement a lot of projects, e.g. projects about health, education, agriculture,...

Often NGOs were funded directly by a donor of another country. NGOs were the direct negotiation partners of international donors.



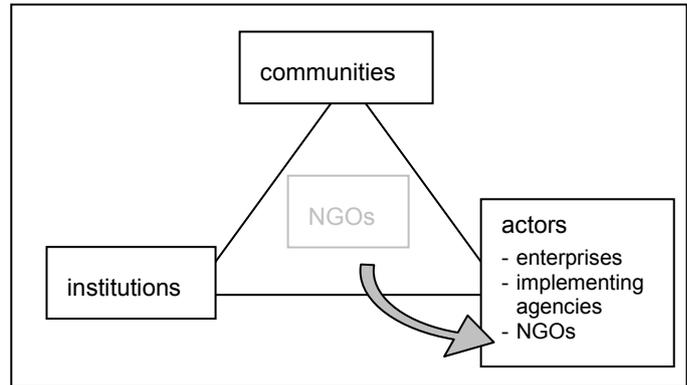
**Figure 1: Stakeholder relationship before 2002- NGOs in a central position**

## Problem Statement and Justification

### Since the WSR started in 2002:

Through the WSR and the Paris Declaration the relationship of donors and recipient country changed and consequently the interaction of the stakeholders changed as well. The conditions for all the participants are modified now. The legal basis of the WSR is the Water Act 2002. (Figure 2)

- First change: The WSR requires a separation of the functions and tasks of the different stakeholders. The tasks of planning, implementing, running and maintaining a facility shall be executed by



**Figure 2: Stakeholder relationship after 2002-NGOs in line with other actors**

different stakeholders and actors. The regulation of all those steps shall be within the power of water sector institutions. On the other side the regulating institution is not involved in planning or implementing. The regulator of water services is the Water Services Regulatory Board (WSRB).

This concept is adequate and successful in urban areas. In urban areas there are enterprises that can execute the planning and implementing phase. However in rural areas the private sector is not established strong enough now, as far as issues of water supply and sanitation are concerned.

Rural communities face modified conditions and possibilities through the WSR as well. E.g. communities shall now be applicants and demand the installation of water services. Rural communities shall no longer be bound to wait till an institution or an NGO comes up to them to suggest water services.

- The second change: the Paris Declaration influences the donors. This Declaration claims that national structures policies, legal settings and priorities have to be adhered to by donors. Donor funds shall be channelled to state institutions in order to align the activities with the sector strategy and harmonize the activities of the different donors. Therefore funds shall not go straight to NGOs anymore. As a result NGOs do not negotiate with donors directly but have to cooperate and agree with state institutions now.

### Consequences and implications for NGOs

NGOs are now confronted to a new general framework through the separation of functions in the WSR. This means that NGOs are no longer in the middle of the stakeholders involved in the Kenyan Water Sector but are now in line with the actors in the Water Sector, namely enterprises, consultants... As a result NGOs are confronted to the private sector and to more competition, such as other actors. So NGOs have to increase their professionalism and have to carefully plan their activities.

The way how projects and assignments arise is changed as well. The process of starting a project shall start at the community level. Communities shall express their demand about water services. This expressed demand shall then reach state institutions. Those institutions are in charge for financing as institutions shall also receive donor funds.

In this process NGOs are involved sooner or later as an actor and as an implementing agency. NGOs shall no longer receive donor funds right away and start a project disconnected from national plans and aims. Now the ideal case is that communities express their demand, approach an institution and start the process. Then an actor such as an enterprise or NGO shall be given an assignment for implementation either by an institution or by the community itself. As

## **Problem Statement and Justification**

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a demand driven approach is now aimed at, NGOs have to create this demand and support communities to express their demand.

From those changes a lot of questions arise for NGOs. It is not clear now what the scope of the new structure of the WSR is and what the possibilities are. It has to be found out which institutions are in charge of which tasks and how institutions shall be approached. The new conditions and guidelines have to be understood. The situation is still new and NGOs are not familiar to it now.

### **2.2 Justification**

There are several reasons to set up and position NGOs well in the reformed Water Sector. The focus of this thesis is on the rural context. It explores the situation of NGOs active in the rural area and on how to set NGOs up for the rural area.

One main reason for this focus is that the majority of Kenyans, about two thirds, lives in rural areas.

A reason to focus on the situation of NGOs that are active in the rural area is that NGOs have a high importance for rural areas. State institutions and even the private sector are not very present in rural areas and reforms tend to neglect rural areas. Experience about big reforms similar to the WSR in other countries has shown that rural areas are often not considered adequately. The thesis "Analysis of the Kenyan Water Sector Reform and the Integration of Implementing Agencies and Communities in Rural Areas" (MAIR, 2007) indicates that there are deficits at integrating rural areas in the reformed Kenyan Water Sector. Compare 4.4 "The situation of rural communities, regarding water supply and the WSR".

The importance of NGOs in rural areas is among others due to their role as intermediate and link between people in rural areas and national institutions. NGOs are working well together with people in rural communities. Further NGOs are the group that is implementing projects and thus raising infrastructure in rural areas.

The private sector is hardly developed in rural areas. There are almost no enterprises present in the rural area that could be assigned to establish water service or provide the according training to community members. Economically and legally it is not attractive for enterprises to get active in the rural area. Those areas are difficult to access as there might be no roads or they might be at a far distance. Cultural barriers might add to the geographical barriers. An enterprise has to be adapted to the local language as well. From the economical point of view assignments in rural areas are not tempting either as the profit margin is very narrow. The contact between rural communities and enterprises hardly ever occurs due to a lack of possibilities and knowledge of community members and because of low interest of enterprises to approach rural communities deliberately.

NGOs however are adapted to get active in rural areas. They are adapted to difficult working conditions and also know how to bridge cultural gaps. Further an NGO is not bound to make profit such as a private enterprise is. NGOs are therefore the actors that are available for assignments in rural areas. It is not likely that a private sector will establish in rural areas the coming years or decades.

All this makes it important to set up NGOs well in rural areas. It is thus important to closely look at the situation and possibilities of NGOs in the reformed Water Sector. Well established NGOs are a possibility for the population in rural areas to increase their infrastructure and supply and thus a chance to enhance their situation and position.

### 3. Aim and Scope

In this chapter the aim and scope of this thesis is explained. The aim is separated into three main points. First: the analysis of the WSR, second: the tasks and assignments that can be deduced for NGOs from there and third: how NGOs can get active in the frame of the integration of rural communities into the reformed water sector.

Most of this research uses the findings of „Analysis of the Kenyan Water Sector Reform and the Integration of Implementing Agencies and Communities in Rural Areas“ (MAIR, 2007) as a starting point. Some of Mair’s findings are introduced here.

Additionally the chapter explains topics that have been looked at closely along the study. Finally it gives detail on definitions, the limitations and the structure of the thesis.

#### 3.1 Aim and main questions of the thesis

Three main points have been studied.

##### 3.1.1 Analysis of the WSR

In a first step the WSR is analysed and shall be understood. The basic conception of the WSR with its institutions and the duties of the stakeholders are investigated. The allocation of tasks and responsibilities among the sector stakeholders is looked at.

As well the financial situation is explored. The thesis studies which institutions are in charge of financing the sector such as the rules applied to financing. The envisaged track of financial flows shall be understood.

Besides the basic conception of the reform, the implementation of the WSR is analysed. On the ground, at implementing it comes into account how the stakeholders perceive the WSR. Both the conception of the WSR and its perception by stakeholders are compared. This comparison is to find out how dynamic the reforms are in its implementation. From there it is investigated how open institutions are towards adaptations.

##### 3.1.2 Tasks and assignments for NGOs in the reformed Water Sector

In this thesis the focus is on how much predefined and earlier identified tasks are within the interest and ability of an NGO and therefore a possibility for an NGO at all. Soon it turned out that mainly the financial backup of identified tasks had to be checked.

The findings of MAIR’s thesis were used as a starting point for this present thesis

##### Tasks for an NGO identified earlier

The preceding thesis on „Analysis of the Kenyan Water Sector Reform and the Integration of Implementing Agencies and Communities in Rural Areas“ (MAIR, 2007) was partly dealing with possibilities of NGOs to get active in the reformed water sector. His findings can roughly be summarised as follows:

an NGO can get active as an Support Organisation (SO) . SOs are in charge to assist communities during the implementation of a project. Those SOs are active in projects of the WSTF (also see 6.1.1.1.3 “Water Services Trust Fund (WSTF) - basic conception”). Projects of the WSTF follow a model for their implementation – the Participatory

## Aim and Scope

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Community Project Cycle (PCPC). Also fulfilling other tasks along the PCPC has been recommended.

Additionally it was recommend for NGOs to focus on the dissemination of information on the WSR and to get involved in the implementation of the WSR, the further development and readjustment of the reform. KWAHO should therefore use its popularity and presence at the institutions.

An NGO could act as a WSP (Water Services Provider) - managing and running the water provision in communities.

The WSTF seemed to be responsible for funds, especially when donors are involved in funding.

It was suggested to explore the possibility of earmarked funds which would be channelled through the WSTF, as a further funding channel.

Several ideas were given for NGOs that are doing the technical implementation of projects such as drilling. This issue is not dealt with here however (see 3.2 "Limitations of the thesis and definitions").

### Basic conception of the WSR- clear tasks for an NGO

It is sought for tasks and assignments arising for an NGO in the reformed Water Sector. Upon the analysis of the WSR it is investigated which tasks are arranged and planned for an NGO. One possible and clear task for an NGO is to act as a Support Organisation (SO).

Here it is further sought for tasks that can be expected for an NGO after the separation of functions in the water sector. Jobs and missions that are called for by the sector institutions are investigated.

It is explored where an NGO can employ its know-how and abilities generally in the reformed Water Sector, besides fulfilling tasks that are designed for NGOs. Through the analysis of the WSR it shall be found out where the know-how of NGOs is or can be necessary. The thesis studies the opportunities where an NGO can provide its skills and experiences in a proactive way. It also explores the possibility and willingness of institutions to negotiate and interact with NGOs on projects and activities that are not called for by institutions.

The issue of financing is highly influencing the possibilities of NGOs. Therefore the new financial situation is looked at. It is planned to channel funds directly to institutions now. The access and way for NGOs to collaborate with those institutions is not clear yet and thus is studied. Further it has to be found out whether institutional funds are available for assignments and projects suggested by an NGO, without being called for by an institution first.

### Can NGOs contribute to shape and adapt the WSR?

Through the investigation of the differences between the basic conception and the perception of the WSR (mentioned earlier), it shall be found out how flexible institutions are towards adaptations of the WSR. This shall show the frame in which NGOs can move in the reformed water sector and how close they have to stick to the basic conception of the WSR.

If institutions are found to be open towards adaptations of the WSR this is an opportunity for an NGO. NGOs could then also get active about contributing to shape the reform e.g. by reporting about their experiences. Hence the possibilities and options for NGOs to get active shall be estimated.

### What are alternative options for an NGO to get active, beyond the WSR?

## **Aim and Scope**

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Besides exploring the possibilities in the reformed Water Sector (e.g.: acting as SO), alternative options for NGOs are shortly looked at. It is studied what possibilities there are for NGOs if they do not stick to predefined tasks in the sector, called for by institutions.

One alternative explored is how NGOs can liaise with the private sector and which possibilities open there. Further it is shortly looked at what an NGO can learn or adopt from the private sector e.g. increasing its professionalism or thinking about its status e.g. considering turning to a consultant.

What concerns the financial situation: one option to be more independent from sector finance is micro finance. Experience about micro finance in the water sector exists already. This idea is explored shortly as well.

### **3.1.3 Activities for NGOs at the integration of rural communities in the reformed Water Sector**

The thesis further investigates on how an NGO can get active while integrating rural communities into the reformed Water Sector.

It is to find out which tasks an NGO can do when a project or program on water service is implemented in rural areas. Both while implementing the projects, such as in consulting and assisting institutions. It shall be found out if an NGO can, besides assisting communities, also support the sector institutions. NGOs could offer their experience with rural communities.

There is the assumption that rural communities might not have been considered adequately while planning their integration to the reformed Water Sector. It is an open question whether rural communities have been appreciated sufficiently with their needs and interests.

The thesis „Analysis of the Kenyan Water Sector Reform and the Integration of Implementing Agencies and Communities in Rural Areas“ (MAIR, 2007) was dedicated to the integration of rural communities in the WSR already. He has found some trouble then e.g.: inadequate communication of the reforms in the rural area, open questions about the limit to install a Water Services Provider... In this thesis now those topics are reviewed and the present status is captured. This shall explore how much or if the reforms have been adapted to needs of rural communities since then or if an effort about it can be noticed.

This study shall further explore if the aspired integration and final tasks of communities in the reformed water sector does fit their needs, aims and abilities at all.

It shall be investigated how an NGO can get active liaising the WSR and rural communities.

### **3.1.4 Further issues**

Some particular issues have been looked at. Most of them had been identified as crucial questions earlier, before this thesis had started.

#### Communication- How the WSR is communicated to rural communities

Communication has been identified as doubtful earlier, because communities had not heard a lot about the WSR so far. As the WSR is based on a demand driven approach, this would be an important prerequisite. Good communication would at least increase the possibilities of communities to direct their situation about water supply. Therefore the status on the communication issue shall be updated.

Again it was also to explore how much an NGO could make itself available and useful in order to facilitate information dissemination.

### Asset holding, ownership of water facilities

The idea behind questions about asset holding was to find out whether there were trouble to expect while implementing projects in communities. Community projects are very much depending on responsibility, which is closely linked to ownership. People in communities feel responsible about facilities when they are owned by the community.

The ownership of rural water facilities does not seem to be clear now and MAIR (2007) identified this as a challenging topic earlier.

### Weaknesses of the WSR and its implementation, possibilities to adapt the reform

The main reason to investigate about weaknesses of the WSR was to find out if there were gaps NGOs could get active in, such as communicating the WSR to rural communities.

It was also investigated if it was welcomed by institutions that NGOs tell their impression, ideas and recommendations on how to improve some processes in the WSR. It shall be verified how useful it would be that an NGO would make itself available for thoughts on improvements and adaptations. KWAHO had expressed some interest in contributing to adaptations earlier.

Further it was to estimate how likely the WSR would be adapted along its implementation and if the spectrum of activities for NGOs would be modified.

### Financing in the water sector

A further special focus was on understanding the financial situation in the WSR. It shall be explored where the financial conception of the WSR opens opportunities and possibilities for communities and NGOs. It is investigated if those new possibilities are a real option for NGOs at all.

Through the WSR the financial situation in the WSR has changed. At the beginning of this study the author had a certain understanding of the financial structures in the reformed water sector. The Water Services Trust Fund (WSTF) seemed to be the only institution in charge to fund water service in rural areas. The WSTF defines target areas and funds projects in those target areas only. From there the question arose if those target areas could be varied, in order to allow NGOs to get active in rural areas that are not included in those target areas. It shall be found out how much the WSTF restricts its activities on those target areas.

Further it shall be investigated what funding channels were established or planned for rural areas that are outside those target areas. The institution in charge and the possibilities for NGOs access those funding channels shall be explored.

Earmarking of funds through the WSTF seemed to be a helpful option. Is should be clarified.

Alternatives to institutional funding structures were looked for and looked at. Funding options other than the institutional funding options increase the possibilities of communities and NGOs. One option is micro finance and micro credits. It shall be investigated if this is an option for NGOs and communities. Any other funding options obvious shall be noted.

### Is it compulsory to apply the PCPC model?

The WSTF has established a Participatory Community Project Cycle (PCPC or CPC) as a scheme to implement projects in rural areas.

The PCPC has a high dominance in literature. It shall be explored in what case it is compulsory to follow the PCPC model while implementing a project. One if the PCPC had to be applied for

every project that was funded by a state institution. Another question was if the PCPC could be applied in areas other than target areas.

### **3.2 Limitations of the thesis and definitions**

One limitation of this thesis is the timeframe and the time setting. As most of the research was conducted end of 2007 it is used as “present”. The past tense relates to the time before 2007, future indicates the time after 2007.

A difference to the preceding thesis is the perception of KWAHO as an implementing agency (IA). Activities such as drilling were closely related to tasks of an “implementing agency” then. In this thesis the aspect of drilling is not considered anymore in relation with KWAHO. Through the WSR a license is necessary to provide drilling. KWAHO does not have this license. Moreover KWAHO itself perceives its strengths in the provision of soft skills such as training. In this thesis KWAHO is handled as an NGO that provides soft skills.

The problem of distance between communities and institutions has not been investigated on closely. The WSR does not seem to have progressed far enough to make this an accurate issue. Institutions are not in the position to be aware of the problem on distance, as they are too far away from communities now. Currently only a problem in communication can be assessed.

The problem of distance between communities and institutions increases with District Water Offices (DWOs) being dissolved. In this thesis the distance problem was not focussed on. Further the assumption was made that DWOs would more or less be replaced by Water Services Providers (WSPs). It is a task of the Water Services Board (WSB) and in the interest of the WSB to provide water through WSPs. Therefore the distance to rural communities and the gap in communication could be partly bridged by initiatives of the WSB, through WSP. Thus distance was assumed to be not a major problem in the basic conception of the WSR. Consequently it was not focussed on in this thesis.

Communities have not been asked about their attitude towards asset holding, because it has been considered as too early, and too vaguely fixed in the basic conception of the WSR to ask precise questions about it.

#### **Definitions:**

“stakeholders“ includes: water sector institutions, NGOs, rural communities as customers.

“communities“ is most of the time used to write about “rural communities”.

“institutions“ is used for Water Sector institutions, often excluding Waster Services Providers.

“NGO“ focuses on NGOs that are active in the water sector.

### **3.3 Structure of the Thesis**

The abstract gives a short insight in the frame, the research, the results and conclusion of this thesis.

## **Aim and Scope**

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The first chapter introduces the frame of the thesis. It is explained that this thesis deals with an NGO active in the Kenyan water sector. Further it points out that this water sector has been undergoing changes recently. The liaison of the NGO KWAWO in Kenyan and the ADA in Austria is mentioned.

The second chapter "Problem statement and Justification" explains the changes in the Kenyan water sector and how this affects NGOs. It further explains the role of NGOs and why it is relevant to deal with the situation of NGOs.

Chapter 3 explains "Aim and Scope" The aim is separated into three main points. First: the analysis of the WSR, second: the tasks and assignments that can be deduced for NGOs from there and third: how NGOs can get active in the frame of the integration of rural communities into the reformed water sector.

Additionally the chapter explains topics that have been looked at closely along the study, such as definitions and the limitations of the thesis. The structure of the thesis is presented shortly.

"Background" (chapter 4) explains the country facts of Kenya, the background and the function of the WSR roughly. Detail is given on the situation of rural communities and NGOs regarding water supply or their activities to get active about water supply.

In chapter 5 the methods used for the research are cited. Experiences made during the research are described as well.

In chapter 6 "Results and Discussion" the results of the research are summarized and sometimes shortly discussed. Additionally the results are summarized in a table. Stakeholder relationships and their functions are illustrated in diagrams.

Chapter 7 draws the conclusion of the results and adds discussion.

In the last chapter, chapter 8, the thesis is shortly summarized.

## 4. Background

### 4.1 Country facts and challenges for Kenya (according to MAIR, 2007)

Kenya is a water scarce country. With a renewable fresh water supply of 647 cubic meters per capita per year for all uses, Kenya lies considerable under the boundary value of 1000 cubic meters, where countries are classified as “water scarce”. Only 8.3% of the countries worldwide are in this category (NETWAS, 2006). This fact emphasises the need for the sustainable use of the countries water resources.

Concerning the coverage of water supply and sanitation services, Table 1 illustrates the situation in Kenya. The country’s coverage is significantly different between urban and rural areas. With water supply coverage of only 46% in rural regions, these areas were considerably neglected in the past. Referring to reports, the coverage even declined due to the collapse of some large rural schemes (WSP-WB, 2003). Although it is mentioned, that 89% of the urban population is covered, it is most likely that the poor receive an inferior quality of service and coverage numbers do not tell the whole story about the level of services and related costs.

Region	Population		Water Supply		Sanitation	
	Total (thousands)	% of total inhabitants	Total (thousands)	% of coverage by region	Total (thousands)	% of coverage by region
Urban	11,990	38	10,670	89	6,710	56
Rural	19,550	62	8,990	46	8,410	43
Total	31,540	100	19,550	62	15,140	48

Source: WHO, UNICEF, 2004

**Table 1: Level of WSS access in Kenya**

Table 2 shows the share of the population which is served by the central, regional or local government as well as the involvement of Non-Governmental actors. Remarkable is the significance of Non-Governmental sector’s contribution in the provision of rural areas with WSS services, where for almost a third of the population the Government is not directly involved. The table also shows that Local Governments in Kenya are mainly involved in the Service Provision for urban areas.

Region	Share of served population by type		
	Central or regional Government	Local Government	Non Government
Urban	37.9	50.5	11.6
Rural	65.6	3.3	31.3
Total	51.4	27.6	21.1

Source: WSP-WB, 2003  
population % of served

**Table 2: Share of served population by type of service provider**

### 4.2 Background of the WSR (according to MAIR, 2007)

#### 4.2.1 Historical background

Conflicts in the water sector caused by overlapping roles of institutions made changes in the old system necessary (NETWAS, 2006). The characteristics of the former water sector included a distribution of responsibilities with the involvement of different key government players, namely the Ministry of Water Resources, the Ministry of Culture and Social Services and the Ministry of Agriculture, Livestock Development and Marketing.

History and changes of the water sector are described as follows by KWAHO (KWAHO, 2006): An overview of the water sector in Kenya reveals that over the past two decades the sector has undergone substantial decline in performance owing to: poor institutional arrangements, dilapidated infrastructure (examples of ineffective and dysfunctional government managed water supply services are numerous), diminishing financial resources flow, operational inefficiencies, diminishing water resources, inadequate storage that limits the ability to buffer against water shocks. The government through recent sector reforms has decentralised most of her implementation functions too many other actors i.e. the Water Service Boards, and to Water Service Providers who include NGOs and other civil societies.

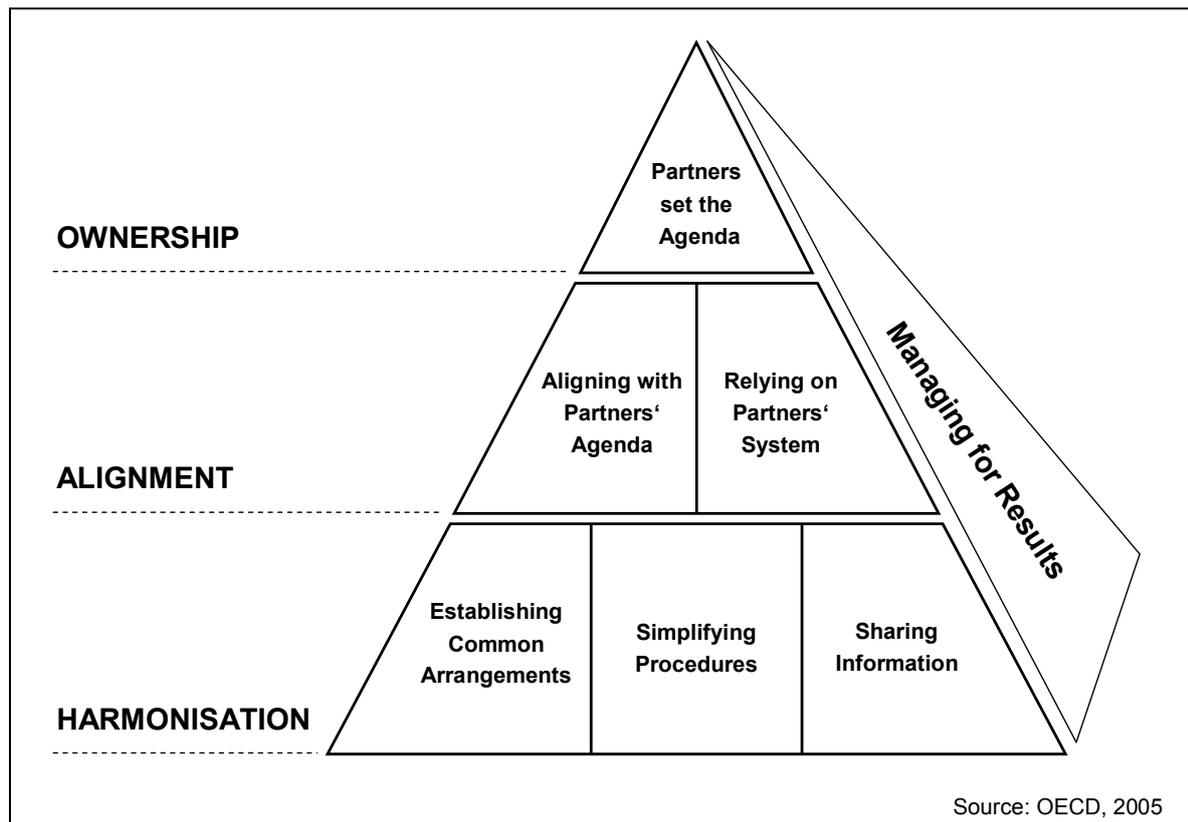
#### 4.2.2 MDGs

The UN Millennium Development Goals (MDGs), ranging from the eradication of extreme hunger and poverty through combating HIV/AIDS and other diseases to the establishment of a global partnership for development draw an outline agreed by all countries and leading development institutions. To “halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation” is mentioned as Target 10 in “Goal 7: Ensure Environmental Sustainability” (UNITED NATIONS, 2006). Halving the proportion is a target for rural and urban areas, considering that no areas should be neglected or favoured because of difficulties in achieving the goal in one or the other. However, the progress is delayed and more efforts will be needed especially in Sub-Saharan Africa, where the development in rural area water supply is classified as “progress but lagging” and in sanitation as “no change” (UNITED NATIONS, 2005).

#### 4.2.3 Paris declaration

The Paris Declaration was endorsed on 2<sup>nd</sup> March 2005. It is an international agreement which commits the signatory countries and organisations to put more effort into increasing the effectiveness of aid delivered to and managed in recipient countries. It also promotes better coordination between all stakeholders in the field of development work.

The keywords of the Paris Declaration can be summarised as ‘harmonisation’, ‘alignment’ and ‘managing for the results’, supported by a set of monitorable actions and indicators (Figure 3).



**Figure 3: Partnership for Greater Aid Effectiveness**

The pyramid illustrates the main points of the agenda of the Paris Declaration 2005. By setting the agenda, the partner countries gain ownership of the programme for achieving the development results. Donors can now support this agenda by aligning with the partner's programme and make use of the partner's system. The support for capacity building and strengthening the institutions at these levels is crucial. At the bottom of the pyramid, donors harmonise their activities by establishing common arrangements, simplifying procedures and sharing the information. These activities should be focused on results at all stages of the development cycle, starting from planning through implementation to evaluation (OECD, 2005).

Even if the Pyramid is not followed completely in this sequence, certain elements of the common approach should also increase the impact of aid and reduce its costs.

Next to the aim of higher effectiveness of aid, it was also agreed in the Paris Declaration 2005, that the volume of aid and other development resources has to increase in order to accelerate the achievement of the United Nations (UN) Millennium Development Goals (MDGs), adopted by all the world's Governments in 2005 (OECD, 2005).

#### **4.2.4 SWAP- Sector Wide Approach to Planning**

Sector Wide Approach to Planning "brings together governments, donors and other stakeholders within any sector. SWAP is characterized by a set of operating principles rather than a specific package of policies and activities" (WHO, 2000). The prime goal of SWAP is to contribute towards improvement of sector performance through collaboration and coordination (MWI, 2005). It is an opportunity for donors and development partners to conciliate their activities with the commitment entered into with the Paris Declaration 2005.

## Background

The main components of the water sector SWAP in Kenya were developed in the year 2005 (MWI, 2005). Hence, the SWAP already exists but it needs further attention and is still in the process of development. In Table 3 the priority issues and principles for the SWAP are summarised.

<b>Priority Issues</b>	Opportunities in connection with a SWAP	<ul style="list-style-type: none"> <li>– SWAP and reforms complement and reinforce each other</li> <li>– SWAP can lead to reduction of transaction costs and increase efficiency</li> <li>– Mobilisation of more resources</li> <li>– Improvement of the flow of funding in the sector</li> </ul>
	Challenges which need to be addressed	<ul style="list-style-type: none"> <li>– Decentralised rather than centralised planning</li> <li>– Simplify rather than complicate reforms</li> <li>– Enhance rather than reduce NGO involvement in the sector</li> <li>– Increase government capacity rather than overwhelm it</li> </ul>
<b>Principles</b>	<ul style="list-style-type: none"> <li>– Ownership and involvement of government ministries</li> <li>– SWAP should be simple and minimise the complexity of the sector</li> <li>– SWAP should support the ongoing reforms</li> <li>– The reforms are the main roadmap</li> <li>– Adoption of the framework for planning and funding</li> <li>– Gradual convergence of donor activities with the SWAP</li> </ul>	
Source: WATER SECTOR POLICY WORKSHOP, 2006 & MWI, 2005		

**Table 3: Priority Issues and Principles of the Water Sector SWAP in Kenya**

According to the priority issues and principles, stakeholders should work together in order to strengthen the water sector SWAP. Eight core elements were developed for that purpose, which are situated within a policy, planning and funding framework (Table 4).

Framework	Main elements of the SWAP
Policy framework	<ol style="list-style-type: none"> <li>1. Definition of the national sector framework (what to align to)</li> <li>2. Partnership principles (common donor policies on how to align)</li> </ol>
Planning framework	<ol style="list-style-type: none"> <li>3. Sector Investment Plan –SIP (tool for prioritisation)</li> <li>4. Sector Information System – performance monitoring</li> <li>5. Coordination – both inter-sectoral and with external partners</li> </ol>
Funding framework	<ol style="list-style-type: none"> <li>6. Channels of funding (ladder of options – project, basket, budget support)</li> <li>7. Financial management (transparency, accountability, value for money)</li> <li>8. Resource mobilisation (using SWAP to increase funding)</li> </ol>
Source: MWI, 2006	

**Table 4: Core-elements of the SWAP framework**

### 4.3 Principles and institutional setup of the reformed Water Sector (according to MAIR, 2007)

The WSR has modified the water sector in several ways, in order to enhance water supply in Kenya. The new institutional structure shall facilitate actions towards water supply. Commercialisation was introduced in the Water Sector. The WSR is based on a business model. This business model shall ease and attract activities in the water sector. Also the private sector shall be attracted more easily by this business model. Institutions such as the Water Services Boards are bound to perform through contracts. They have signed performance contracts with the Ministry. Another focus of the reforms is on the separation of policy, regulation and service provision. Also decentralised decision making is highly lightened. A further focus is on a demand driven approach. Users and customers shall express their demand in order to get the process started from the grassroots level.

All this makes conditions and relations between stakeholders in the WS more “normal”. Communities shall express their demand instead of getting their demand explained by an external agent. NGOs are meant to react on this demand. This approach opens the possibility to appoint and employ agents in a more targeted way.

#### 4.3.1 General Principles

The key principles underlying the water sector reform can be summarised as follows (MWI, WSP, 2005 & NETWAS, 2006):

- Decentralized decision making by separation of policy, regulation and service provision within the water and sanitation sector
- Separation of water resource management from water services provision to avoid conflicts between water allocation and water management
- Delegation of responsibilities for water resource management and water services provision to the local level
- Water as a social and economic good
- Commercialisation of water related services and private sector participation
- Cost-recovery principle taking into account a pro-poor pricing policy that meets equity, economic, financial and environmental concerns
- Stakeholder involvement and participation

#### 4.3.2 Institutional setup

With the water sector reform a whole set of new institutions was created. Authority over the sector has been decentralized and the new group of actors operates on all levels, from the Ministry of Water and Irrigation (MWI) down to the communities themselves. [Figure 4](#) illustrates the new institutional set-up under the Water Act 2002.

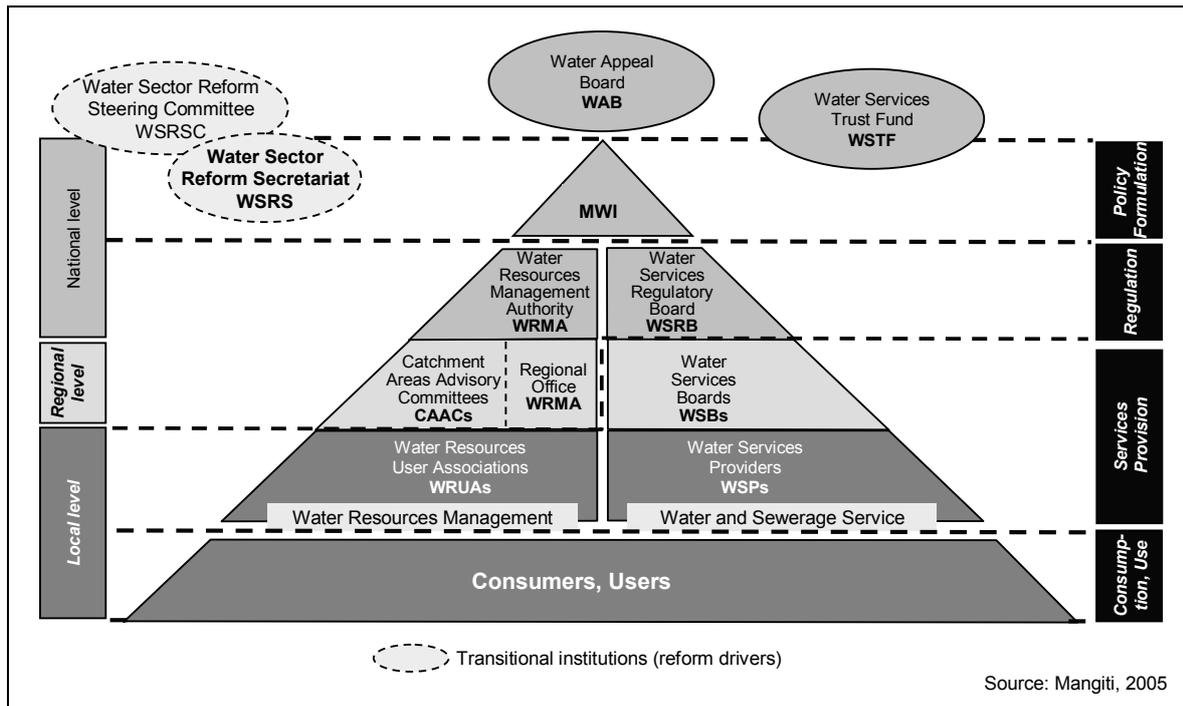


Figure 4: Institutional set-up under Water Act 2002

The Water Sector Reform Steering Committee (WSRSC) and the Water Sector Reform Secretariat (WSRS) are transitional institutions and act as reform drivers. While the WSRSC as an interministerial institution guides the reforms and coordinates the process, the function of the WSRS is to implement its decisions.

The following is a description of the permanent institutions dealing with water and sewerage service. Those institutions were established or are still in the process of implementation in connection with the Kenyan water sector reform. This is equivalent with the right side of the pyramid. The left side, institutions dealing with water resources management, is not further described here.

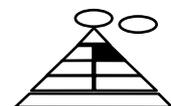
The connection and interaction of Water Sector institutions can be roughly explained as follows: The WSBs are in charge to provide water service in their area. WSBs are bound to performance contracts. Provision of water to the customers shall be executed through WSPs. Those WSPs are contractors of the WSB and the according contract is the SPA. The WSBs themselves are licensed by the WSRB. Besides licensing WSBs another task of the WSRB is to regulate the institutions and the basic conception in the water sector.

### Ministry of Water and Irrigation (MWI)



The new distribution of responsibilities also changed the role of the Ministry of Water and Irrigation. The Ministry is not involved in operational functions anymore and is now primarily dealing with the development and formulation of policy, sector coordination, planning and financing, direction and supervision of the public institutions as well as parliamentary business (NETWAS, 2006 & WSRS, 2003).

### Water Services Regulatory Board (WSRB)

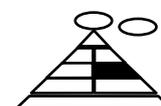


## Background

The Water Services Regulatory Board, established in 2003, is the national institution for the regulation of water services and provides general oversight and monitoring for the WSS sector. At the national level, the WSRB is responsible for the implementation of Government policies and strategies in connection with WSS, additional functions include

- Licensing of Water Services Boards (WSBs)
- Giving consent to Service Provision Agreements (SPAs) between WSBs and Water Services Providers (WSPs)
- Development of model licence agreements (btw. WSRB and WSBs)
- Development of model Service Provision agreements (btw. WSBs and WSPs)
- Development of tariff guidelines for the fixing of tariffs and other charges imposed on water services
- Determination of service standards
- Establishment of procedures for customer complaints

(NETWAS, 2006 & WSRS, 2003)



### Water Services Boards (WSBs)

The responsibility for the provision of water services is vested in the Water Services Boards. They were established on regional level and their area of jurisdiction is delineated on the basis of catchments, administrative boundaries and economic viability. So far, 7 WSBs have been licensed by the WSRB.

Water Services Board	No. of districts	Area km <sup>2</sup>	1999 population (thousands)
Coast	7	82,816	2,487
Athi	6	40,130	5,617
Central	13	52,777	5,032
Rift Valley	8	113,771	2,999
Northern	9	244,864	1,703
Lake Victoria North	11	16,977	5,135
Lake Victoria South	16	20,340	5,730
<b>Total</b>	<b>70</b>	<b>571,675</b>	<b>28,703</b>

Source: Kisima, 2005

**Table 5: Gazetted Water Services Boards**

The functions and responsibilities of WSBs include:

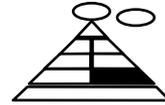
- Development of facilities and management of the systems
- Preparation of business plans and performance targets
- Applying (at the WSRB) for a licence to provide WSS services

## Background

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- Applying regulations on water services and tariffs
- Purchasing, leasing or acquiring water and sewerage infrastructure and land

WSBs are realising their mandate in service provision by contracting WSPs with so-called Service Provision Agreements (SPAs), which have to be confirmed by the WSRB (NETWAS, 2006 & WSRS, 2003).



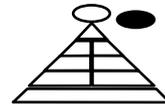
### Water Services Providers (WSPs)

Water Services Providers have the sole mandate to provide water and sanitation services in accordance with the SPA set up with the competent WSB and approved by the WSRB. Water Services Provision may be undertaken by the communities themselves or third parties (in any case registered as a legal person). Whoever provides water to either “more than twenty households, more than twenty-five thousand litres of water a day for domestic purposes or more than one hundred thousand litres of water a day for any purpose” (WATER ACT, 2002), has to be registered as a WSP. WSPs have to bid for services provision, operate and maintain the facilities, comply with quality standards and service levels as well as bill and collect the revenue from consumers of water services.



### Water Appeal Board (WAB)

The Water Appeal Board has “jurisdiction to hear and determine disputes” (WATER ACT, 2002). It provides mechanisms for the resolving of conflicts in the water sector. The Board consists of a chairman, appointed by the President and two other persons, appointed by the minister. An appeal on a matter of law goes to the High Court. The WAB has been gazetted but has not become functional yet (NETWAS, 2006).



### Water Services Trust Fund (WSTF)

The Water Services Trust Fund was established to “assist in financing the provision of water services to areas of Kenya which are without adequate water services” (WATER ACT, 2002). It derives its mandate from Section 83 of the Water Act 2002. The WSTF became operational in May 2004 and is basically a basket fund, mobilizing resources through government budgetary allocations, development partners, grants and donations from institutions and individuals (WSTF, 2006a). The WSTF acts as a financing mechanism but not as an agency for the implementation of projects. It provides financing and support towards (WSRS, 2003)

- Capital investment for WSS projects
- Capacity building initiatives
- Awareness creation and information dissemination for community management of water services
- Community participation in the implementation and management of water services

### 4.4 The situation of rural communities, regarding water supply and the WSR

The following presents two views on the situation of rural communities. The field of attention is water management in communities and the difficulties foreseen at applying the WSR on communities.

Water supply coverage is of only 46% in rural regions, as mentioned in 4.1 “country facts” above.

#### 4.4.1 Community management of the rural water supply (WSP- WB, 2007)

The water sector in Kenya is characterized by an unusually high level of user investment. Often rural communities will mobilize substantial contributions before seeking financial or technical assistance from NGOs or from staff in the district water office. About 3,000 community organizations and small private providers account for water supply schemes in Kenya. A number of rural projects appear to have been financed with no public subsidy. Many have been running quite successfully for many years.

The schemes have the following general characteristics:

- Community commitment and interest to run schemes is high. Many communities have taken over government assets. There is a general history of community investment in rural water supplies.
- Projects are registered as formal entities with a defined set of rules. Projects commonly start as self-help groups and acquire more formal legal status over time.
- New schemes and major rehabilitation have invariably been financed partly from local fundraising, while operations have a reliable cash flow from user tariffs.
- Most schemes use water for many purposes, including domestic drinking water, livestock and small-scale agriculture. Scheme income is seasonal as a result of rainwater in the rainy seasons. Operation costs are heavily influenced by the technology and service.

#### 4.4.2 Difficulties foreseen at applying the WSR on communities

Difficulties at applying the WSR on rural communities are suspected because sector reforms often do not consider rural communities adequately. (As mentioned earlier in 2.2 “Justification”). The institutions in charge are in a big distance from communities and reforms are often made for an urban setting, away from rural areas. The communities’ needs, possibilities and challenges in all day life are not sufficiently taken into account.

„Analysis of the Kenyan Water Sector Reform and the Integration of Implementing Agencies and Communities in Rural Areas“(MAIR, 2007) investigated on the issue of integrating communities in the reformed water sector. The main points of concern are listed:

- With the intended model of licensed WSPs, commercialisation should also be carried out in rural areas. According to LEVIN (2006), “1% and 5% of the tariffs are supposed to be delivered monthly as a ‘Regulatory Levy’ and a ‘Licensee Remuneration’ to the institutions”. This regulation causes practical difficulties in remote areas (access to bank account, distance to WSB) and profitability is not given because the administrative costs are expected to be higher than the revenues
- Rural communities can be self-sustaining but problems arise with commercialisation. The lack of financial resources is normally bridged by increased personal involvement.

## Background

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- A decrease in the willingness to pay can be expected if money has to be paid to the WSRB and the WSB without getting an obvious service back
- Metering is intended in the SPAs for all new connections and according to the 'Asset Management Plan' and 'Capital Works Plan' for all existing connections. How this should be done for point sources is still open. In this regulation the inflexibility of the proposed model and its focus on piped schemes becomes obvious
- The question of the transfer of asset ownership to the WSBs is still open. A change in the attitude of rural communities to the negative can be expected if the ownership gets transferred
- The intended model for acting as a WSP is too demanding for the people living in rural areas. Without support and capacity building, communities are in danger of entering into contracts with WSBs without being able to fulfil them
- Existing structures of District Water Offices (DWOs) have been dissolved without providing sufficient information about the reform.  
(Explanation: DWOs in an accessible distance for rural communities were important to give rural communities an access to institutions. Now without DWOs the distance to the institution in charge (WSB) increases significantly. This demands tremendous efforts for the community members to bridge this distance.)
- The planned communication between communities and the WSB is difficult because of the increased gap between community and institution (WSB on provincial instead of district level)
- Although the PCPC provides support towards the implementation of WSS projects, a lack of continuing assistance will limit the effectiveness in meeting the needs of the rural poor.

Some answers to those questions are given in 6.1.4.1 "Results according to the questions of R. Mair"

KWAHO as an experienced local NGO as well high lights concerns about the transfer of assets. (KWAHO, 2006)

A Plan for the transfer of Assets from the rural small communities to water boards is part of the legal requirement within the sector reforms. Considering that most of our water committees for example are basically community water points that do not generate surplus revenue that a board would require in the transfer plan, KWAHO finds a need to be proactive and develop mechanisms and models how the new legal framework will work even for the rural water communities that have not been adequately reached.

## 4.5 NGOs and their situation in Kenya

### 4.5.1 General facts about NGOs

#### 4.5.1.1 Definition of an NGO by the UN:

A non-governmental organization (NGO) is a not-for-profit, voluntary citizens' group, which is organized on a local, national or international level to address issues in support of the public good. Task-oriented and made up of people with common interests, NGOs perform a variety of services and humanitarian functions, bring citizens' concerns to governments, monitor policy and programme implementation, and encourage participation of civil society stakeholders at the community level. They provide analysis and expertise, serve as early warning mechanisms, and

help monitor and implement international agreements. Some are organized around specific issues, such as human rights, the environment or health. Their relationship with offices and agencies of the United Nations (UN) system differs depending on their location and their mandate. (UN, 2009)

### 4.5.1.2 Justification for NGOs, tasks of an NGO and reasons for NGOs to get active

- the very own reason and duty of an NGO is to strengthen and support civil society against the state
- a second reason for NGOs to get active are the socioeconomic circumstances

Some areas and conditions do neither attract activities of governmental institutions, nor activities of private enterprises. To reach a rural community there can be barriers in area and culture. Many communities are situated in a remote area and are not well accessible by roads. Further the culture and religion of different ethnical groups and even political disputes can be barriers. To allow interaction, adapted methods are required. Language as well is crucial. If governmental institutions are not adapted to these conditions and do not have the necessary staff, they can not reach the communities. The same applies to private enterprises. Another obstruction for private enterprises is the economical frame. Jobs and assignments in rural communities are often too small and difficult to ensure profit.

In those conditions an NGO can chip in as it is not bound to make profit and also specialized on the demands of the communities.

### 4.5.1.3 General economic conditions and legal status of NGOs

NGOs are usually non profit organisations. Therefore they have special conditions on paying tax or are not paying tax at all. Sometimes NGOs are not allowed to take part in tendering, or only under varied conditions. (oral communication, Jung, 2008)

The specific legislation depends on the particular country.

## 4.5.2 The role of NGOs in Kenya

The Kenyan Non- Governmental Organisations Co-Ordination Act, 1990 defines “NGO” as follows: “Non-Governmental Organization” means a private voluntary grouping individuals or associations, not operated for profit or for other commercial purposes but which have organized themselves nationally or internationally for the benefit of the public at large and for the promotion of social welfare, development, charity or research in the areas inclusive of, but not restricted to, health, relief, agriculture, education, industry, and the supply of amenities and services. (The Non- Governmental Organisations Co-Ordination Act, 1990)

Every NGO in Kenya has to be registered under the Non- Governmental Organisations Co-Ordination Act, 1990.

NGOs have a long tradition in Kenya. NGOs have developed there due to the political infrastructure that was sometimes insufficient. (oral communication, Jung, 2008)

Further information could be found at the Kenyan NGO council.

### 4.5.2.1 The ideal case of NGOs getting active in the water Sector in Kenya:

The best is when communities assign NGOs as an advisor. That way communities take action and start the process. This is as well in line with the principle of subsidiarity. (Subsidiarity is an organizing principle that matters ought to be handled by the smallest, lowest or least centralized competent authority.) (WIKIPEDIA, 2009) Nowadays NGOs are still more acting as a governmental institution and a process is more often started by NGOs than the communities. (oral communication, Jung, 2008)

An equilibrated role of NGOs in Kenya is to support civil society through development of basic infrastructure together with donors and local government.

### 4.5.3 How the situation of NGOs changes due to the WSR

The situation for NGOs has changed in recent past.. The major change is due to the separation of functions in the water sector. Now NGOs do not have a central position among the stakeholders anymore but are in line with other agents in the water sector that provide services. This approach is more commercial and NGOs are exposed to more competition now. Also compare chapter 2. "Problem Statement and Justification"

Before the reforms NGOs were the link between communities and foreign or international donors. NGOs approached communities directly and it was up to NGOs to decide, which community to approach and what needs would be assessed. After that the case was presented to the donor and maybe come by in a project. Often donors had a strong relation to a certain agent, rather than to the communities or to the broader situation in the county.

Donors such as ADA had certain agreements with the Kenyan government, a memorandum of understanding for instance. Further cooperation with national institutional structures was scarce. As a result the link from the implementing agency to the donor on the one hand and the beneficiary community on the other hand was very direct.

Now due to the separation of the different functions in the WS and also due to the economic development the private sector gets more involved. NGOs have to compete with that now. There is a demand driven approach and NGOs have to create the demand or make obvious the demand of communities.

According to the latter described new structures and reforms the situation in the water sector is more "formalized" (new WSR institution to separate regulation and implementation and business approach). There is a demand driven approach and this demand shall be met by different agents. NGOs shall no longer together with donors create a parallel structure to the GoK, its institutions and plans. NGOs, as well as other agents, shall be financed out of the GoK budget, ask for funds or take loans. That way financing is more regulated than in former times with its direct funding.

### Tasks for an NGO identified before the WSR

The scope of activities that had been identified earlier includes e.g. training communities as an SO and focusing on funds of the WSTF. Compare with Chapter 3 "Aim and Scope" to see tasks that had been identified for an NGO by MAIR (2007) in his thesis. Those recommendations were the starting point for research of the present thesis.

### 4.5.4 Case study: the NGO KWAHO

The Kenya Water for Health Organisation (KWAHO) was chosen as the NGO for the case study, as there is a long tradition of cooperation between KWAHO and ADA in Austria. As explained in chapter 1. "Introduction" ADA has funded an NGO program on water supply in rural areas for 17 years and the receiving and implementing NGO was KWAHO. Therefore KWAHO did provide the entry point to the local situation. The thesis was established in close cooperation with KWAHO staff.

Parts of this subchapter are taken from the thesis Analysis of the Kenyan Water Sector Reform and the Integration of Implementing Agencies and Communities in Rural Areas (MAIR, 2007).

#### 4.5.4.1 Historical Context

1975 was declared by the UN as the International Women's year under the theme 'Equality, Development and Peace'. As part of the Kenyan Government's preparation of its delegates, women were engaged to participate in finding their priority agenda for development. Water was on the top of the priority list in the country.

Women NGOs under the umbrella of the 'National Council of Women in Kenya' went into partnership with UNICEF and created the 'UNICEF/NGO Water for Health Programme' (KWAHO, 2005a). The programme was recognized by the government and various donors and resulted in a nationwide movement, giving birth to the 'Green Belt Movement' and the 'Kenya Water for Health Organisation' which was initially founded as a project in the year 1976. KWAHO translated its status with the registration under the Society's Act in the year 1983 to an NGO (KWAHO, 2005b). It has since implemented 200 projects in 8 provinces of Kenya, assisting over the years about 2 million people to get access to safe water and sanitation. KWAHO currently operates with a staff of 53 people in 5 regional offices (KWAHO, 2005a; cit. in MAIR, 2007).

#### 4.5.4.2 KWAHO- objectives and mission

KWAHO describes its objectives and mission as follows: (KWAHO, 2006)

Austrian Development Agency has been funding KWAHO projects in Coast Province and Nyanza Province for the last 12 years. The major objective of KWAHO's project activities is to bring water and sanitation facilities to the Kenyan people in rural and peri-urban areas by supplementing the Kenya Government's efforts of improving the standards of living and health of Kenyans.

KWAHO mission is to offer partnership to disadvantaged communities to improve their social and economic standards by facilitating the provision of clean water, hygienic sanitation, management of sustainable environment, and promotion of income generating initiatives.

KWAHO's mission is to "partner with disadvantaged communities to improve their livelihoods by facilitating the access to safe water and sanitation and by hygiene education" (KWAHO, 2005c; cit. in MAIR, 2007).

#### 4.5.4.3 Fields of Activities and Current Programmes

The core business of KWAHO can be summarised as follows:

- Water and sanitation

## Background

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- Hygiene education and promotion
- Community capacity building
- Environmental management
- Promotion of income generating activities (IGAs)

KWAHO is currently active with projects in 4 Provinces of Kenya. The main activities include provision of water through the drilling of boreholes fitted with hand pumps or the installation of rainwater harvesting tanks. The technologies chosen for sanitation contain Ventilated Improved Pit (VIP) Latrines and Ecological Sanitation (EcoSan). Participatory methodologies like HUMASA (Huduma za Maji safi) or PHAST (Participatory Hygiene and Sanitary Transformation) are used to support sustainability of the projects and for the facilitation of hygiene behaviour change (KWAHO, 2005a ; cit. in MAIR, 2007).

KAWHOs description of the target in the current ADA programme gives further insight to its field of activity:

The program's new target is to serve communities with clean water and sanitation facilities in the project areas. This will be achieved through community mobilization and training and setting up of O & M structures in close cooperation with local authorities and water administration. This is a key component of the two projects as it conditions the sustainability of the facilities. This component will continue to aim at community empowerment through provision of relevant skills, gender development, cultural behavioral change, health education, and promotion of hygienic sanitation, and environmental management. (KWAHO, 2006)

(The focus in this thesis lies on the possibilities of KWAHO as an NGO providing soft skills as capacity building, even though technical implementation and activities, such as drilling of boreholes are mentioned as activities provided by KWAHO. - compare 3.2 "Limitations of the thesis and definitions")

### 4.5.4.4 Partners and Funding (MAIR, 2007)

Caused by the historical development of the organisation a close relationship with the Government Sector Ministries and Departments prevails. This is displayed by the fact that KWAHO is one of the members of WSB Lake Victoria South, whose members are appointed by the Minister of Water and Irrigation. KWAHO offices are also partly subsidised by the Government of Kenya (KWAHO, 2005a).

Funding Partners play a major role in the work of the organisation. KWAHO can look back on a history of working with well known partner organisations within the water sector, from UNICEF over Water Aid to the World Bank. [Current funding partners include next to others ADA and WaterCan EauVive.]

### 4.5.4.5 KWAHO's position in the WSR and approach to the WSR

At the time of the field study Ms. Mwango is part of the Lacey Victoria South- Water Services Board. This position is a direct connection to information and a possibility to contribute to the WSR at a central point, get information or being present.

Some few ideas about how to integrate KWAHO in the WSR are described in KWAHO's document Phase V (KWAHO, 2006) and the Strategic Plan (KWAHO, 2005). E.g.: partnering of an NGO with a private enterprise for social activities, the possibility of partnering with other

## **Background**

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NGOs and participating in forums. Also compare 6.2.3 “Specific information on KWAHO and perception of the WSR by KWAHO”.

### 5. Material and Methods

Through the different methods different aspects of the WSR should be captured and give a rather complete picture.

As a start literature was consulted. The main part of information acquisition was through interviews.

The interviews were held to give insight in the present situation and perception of the WSR and they were to give information on aspects that were not covered by literature then:

- Up to date information on the implementation of the WSR
- All levels of stakeholders were interviewed (communities, institutions, NGOs). Interviews shall make obvious the interpretation of the WSR on the different stakeholder levels (and if there are differences). Also the stakeholders' perception of the WSR, their view and priorities shall be captured through interviews.
- It shall be investigated if there is a difference in the conception of the WSR and its perception by the stakeholders.
- Critical issues have been identified in the thesis preceding this one. It shall be verified if anything has changed about it or if adaptations and improvements are already ongoing.

Collection of literature and other information has continued during the field research. A workshop and a conference were attended as well.

The results are qualitative. Results do not aspire to be quantitative.

#### 5.1 Applied Methods

##### Literature review

A first step of research was the literature review. It started with the preceding thesis „Analysis of the Kenyan Water Sector Reform and the Integration of Implementing Agencies and Communities in Rural Areas“ of MAIR (2007).

Documents related to the WSR were read and consulted. E.g. reports of the MWI, documents of WSP- WB, ...

Documents related to KWAHO were investigated on as well. E.g. KWAHO's Strategic Plan (KWAHO, 2005), Proposal for Phase V (KWAHO, 2006), ...

##### Grounded theory

„Grounded Theory“ is a research method that combines the generation of a theory with the process of research.

The process of research is influencing the data that will be found and registered. Grounded Theory takes into account that interpretation of data is connected to the way data has been collected. „Generating a theory from data means that most hypotheses and concepts not only come from the data, but are systematically worked out in relation to the data during the course of the research. Generating a theory involves a process of research.“ (GLASER and STRAUSS, 2009).

## **Material and Methods**

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The researcher is adapting the focus of the research due to the incoming data. Conclusions are drawn from the data already collected. From there it is decided who shall be interviewed, or which information shall be consulted and the issues that shall be dealt with in the further research. In "Sozialforschung" FLICK (2009) explains that importance and appropriateness to the issue, as well as interpretation are the key factors for the evolution of the research. The relevance of data to the topic is more important than its statistic representativity.

The research is conducted step by step. Every day of research and field study can give new insights. If an issue is sufficiently clear it is not further investigated on. Other issues are focussed then. For the evolution of the research priorities see also 6.5 "Evolution of the set of questions". (according to TORDY, 2008)

This proceeding led to 17 interviews, 8 focus group discussions, the attendance of 1 workshop and 1 conference. Besides literature has been collected and consulted during the research. Findings were discussed with KWAHO staff members from time to time.

### **Reflection and self-reflection**

Self-reflection was indispensable along the research. It was necessary to estimate whether questions in interviews were clear to the interviewee, or if the interviewee might have been miss guided. The author is aware that her interpretation of the answers is at risk to be biased. There is further the risk that attention is systematically attracted by specific topics, while other topics might be neglected systematically.

### **Interviews** (according to MAIR, 2007)

Different sorts of interviews were applied.

#### **Qualitative Research Interviews**

Qualitative research interviews lend themselves well to use in combination with other methods in a multimethod approach (ROBSON, 2002). They are a useful tool to complement information previously gathered in the literature review. The applied types of qualitative research interviews include the following:

*Semi-structured Interviews:* This type is characterized by predetermined questions, but the order and wording is open (ROBSON, 2002).

*Unstructured Interviews:* Unstructured interviews let the conversation develop within an area of general interest and concern (ROBSON, 2002).

#### **Focus Group Discussions**

This is a group discussion guided by a researcher on a specific topic (ROBSON, 2002). It was mainly applied in communities.

Both the qualitative research interviews and the focus group discussions have the same potential of information. Neither type of interview is rated higher on an informational level than the other. The choice how to best integrate and use the information is up to the researcher, following the grounded theory.

### **Further information collected**

A workshop of the organisation "Water Partner International" has been attended in October 2007, Kisumu. It was about the organisations experience of combining micro credits with the construction of water infrastructure in rural areas. This initiative is called "water Credit".

The annual Water Sector Conference, launched by the MWI, was attended in November 2007, Nairobi.

### SWOT Analysis

In order to gain a better understanding of the situation and possibilities of KWAHO in the reformed water sector, a SWOT-Analysis has been carried out by the author.

The SWOT-Analysis provides a good framework for identifying the strategy, position and direction of an organisation (CHAPMAN, 2006). It gives an idea about the internal situation of an organisation (strengths and weaknesses) as well as an understanding of the position in the external environment (opportunities and threats).

The SWOT-Analysis was carried out after the review of the results and the general impression of the author.

Strategies how KWAHO can cope with the situation were deduced as well. Four combinations are used therefore in a SWOT: “strengths- opportunities”, “strengths- threats”, “weaknesses- opportunities”, “weaknesses- threats”.

## **5.2 Procedure to gather information and evolution of interview cycles**

The research was a permanent process of iteration between collecting information and reorienting questions according the grounded theory. Along the entire informational track the acquired knowledge was integrated and the questions were adapted. From the acquired information of the WSR, possibilities for NGOs were deduced. Then assumptions were verified in interviews and the author’s view of the WSR was corrected. Often new questions arose. It was finally aimed at extracting the most likely and coherent version of the answers to build further theories upon.

One example for reorientation: In a first phase it was very much concentrated on exploring whether it was possible to get access to earmarked funds. Those earmarked funds could be channelled through the WSTF and come from donors. This would be a way to integrate direct funding as much as possible in the structure of reformed water sector and the spirit of the Paris Declaration (see 4. “Background”). Soon it turned out that earmarking of funds would be possible but however not be the crucial question for an NGO that has to get more independent of donors. Such as it was the case for KWAHO, as ADA was ending the project. So the focus of the research turned to get a broader insight in the possibilities of NGOs in the reformed water sector.

The main sources of information were unstructured interviews on all involved stakeholder levels. Further a workshop and a conference were attained and all acquired literature was consulted.

In a first phase, literature was reviewed and after this a first set of questions was elaborated.

In a first interview- cycle, institutions were interviewed; a second interview- cycle was to interview rural communities. This led to a second interview-cycle at institutions and finally to questioning some NGOs as well.

The thesis was developed in close cooperation with KWAHO staff. On one hand KWAHO provided contact with institutions and the communities. On the other hand acquired information was discussed with the CEO and other staff members from time to time. The staff was not very well informed about the WSR so far. Those feedback rounds aimed at getting input and some impulse or new ideas from persons that were not so much involved in the topic. Further it should help to avoid forgetting or leaving out issues that were obvious for people not so much involved.

## Material and Methods

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In general questions and ideas were discussed with some of the staff (Violet Mucheni, Project Officer and Edmond Odaba, Project Assistant) accessible for it and informed about the WSR.

Another drafting on the so far output of the research was at the field visit with Garsen- staff members.

### 5.3 Set of questions used in interviews

Here some of the questions asked or followed in the interviews are presented.

The interviews are summarised in the Appendix.

The questions evolved along the informational track and not all the questions displayed here were asked in each interview. Find a description on how those questions and the focus of the analysis evolved in chapter 6.5 “Evolution of the set of questions”.

#### Some of the questions were:

What about possibilities to get active as an NGO in rural areas besides being a SO (Support Organisation)

- Is the WSTF the only funding channel and possibility for rural areas?
- How shall areas out side the target areas be financed?
- Is in those areas also a model as the PCPC recommended, to implement projects?
- Could an NGO also get active as a SO there?
- What about the possibility of applying directly at the WSTF to be a SO?
- Why is it not possible anymore to forward proposals directly to the WSTF?

How can the task as WSP be fulfilled? Is it really an option for an NGO to be a WSP?

- What are the tasks of a WSP?
- Is it realistic for a rural WSP to be financially self sustaining?
- Is it realistic for NGOs or rural communities to act as a WSP?

What is the general attitude of institutions towards NGOs?

- Are institutions willing to work together with NGOs at all? Or do doubts about accountability make them hesitate a lot?
- Where would institutions like NGOs to get active?

When it is difficult to get active in the WSR, can this frame be adapted?

- How open are the institutions of the ministry for adaptations?
- Where is the entry point to contribute with ideas?

What about the communication strategy?

What are funding channels for NGOs beside the now established structure of the WSR?

- Is earmarking of funds through the WSTF and WSB to NGOs possible?
- What about the future development of direct funding? Is this in conflict with the SWAP?

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- Has it be possible to attract the private sector as a funding source?
- What are the possibilities arising from micro credits?

### About institutions of the WSR:

- WSRB: was überhaupt in der Struktur möglich ist, was es schon wieder für neue Ansätze gibt, was offensichtliche Mängel sind, die auch auf der Ebene wahrgenommen werden
- WSB: was an der Schnittstelle v Theorie u Praxis auffällt, was sie so zu berichten haben, was sie für Ideen für NGOs u d Versorgung d Kommunen haben

### Rural communities and the WSR:

- How ready do rural communities feel to fulfil the tasks of a WSP (maintenance of the facility, revenue collection and book keeping)?
- Have communities heard of the WSR and what information channel would they consider to be appropriate?
- What is their vision about their future concerning water and what challenges do they foresee on this way?

### What is the current situation of asset holding?

- Are there trouble expected?

## **5.4 Experience made and difficulties encountered during the field research and with KWAHO**

### **5.4.1 During field research generally**

During the field research the author made the experience that people in institutions and communities were very cooperative. Adherents to institutions remained very cooperative even when it came to discuss critical issues or problems of the WSR. Nothing such as pride seemed to interfere in the discussion.

It was much more difficult to deal with the collected information. There was a lot of different input and different points of view. That made it difficult to integrate all the information and not to lose the track of thought.

It was a steady jumping from the accurate attitude and perception of the interviewed people to the most likely conception of the WSR. The situation often seemed confusing. This can be due to a lack of communication or clear information on the WSR. This issue has been followed during the research.

It was therefore decided to work on both sides- the conception of the WSR and the perception of the WSR. On the one hand the possibilities of NGOs shall be deduced from the conception of the WSR. On the other hand the assessment of the different perceptions should give the scope and the margin of possibilities of NGOs. It shall be deduced how much an organisation has to stick to the conception of the WSR, or how flexible the concept and the stakeholders are. As there was a big variety of perceptions and interpretations, the assumption arose that there was certain flexibility. As well the dynamic of the process did not seem to be strongly restricted by any sanctions. Thus the scope for NGOs as well as the really critical points should be deduced from all that different information.

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Finally also parts of the Water Act 2002 were consulted in order to get an idea of the underlying conception.

Communication revealed some challenges as well. Some times it became clear at a later point, that there must have been a misunderstanding in the interview. And that interviewer and interviewee might have deduced the exact opposite of a statement. This led first to contradicting conclusions and then to further research. In the results the logical string of information is deduced.

In the end there was an interesting experience as well. All the research seemed to have led back to the starting point again. E.g. the starting point of information at KWAHO was: "the WSTF only is financing rural areas." Therefore it was investigated for further options and if other institutions were responsible of the rural area as well. Other institutions were found to be in charge but due to short funds the WSTF remained to be the only institution presently financing rural areas. It could not be clarified if the acquired information was new and additional information, or only an investigation leading to already existing knowledge for KWAHO.

An interesting learning process was how the goal, which was initially set very high, came down to earth during the research. In the beginning of the research the goal was to find out how an NGO could improve the link between institutions and communities. There was also the idea that NGOs could have some straight forward suggestions due to their experience on the ground. But soon it became clear that on the many clever people were dealing with the very complex situation. Involved institutions are very well aware of many different problems and possible solutions. Positive and negative aspects of the WSR are discussed. The whole process is reflected on and closely watched. It is tried to coordinate ideas to always advance the situation.

Along the research it was more and more focussed on the question "how an NGO could contribute to improve this complex situation a little bit?" Also: "maybe there are already existing new ideas where an NGO could contribute to with its experience?"

At length it was experienced how easy it is to get lost in details. It was not easy to keep the focus on the main aim. Often new perspectives opened up and it took some time to find out the importance of the new information. Then it took some time to get back to the main aim or find a new way to move forward in the "right" direction.

### **5.4.2 Experience made while cooperating with KWAHO**

KWAHO provided very good infrastructural support, however it was not easy to find a consensus and to cooperate concerning the content of the research.

KWAHO did provide good support to fix interviews on the institutional level and the community level. And KWAHO did support a lot in recommending good interview partners.

In areas where KWAHO had no good connection to the institutions (Coast WSB) it was not easy to find a qualified person to make an interview with.

The infrastructure provided by KWAHO in rural areas was very good as well.

Despite the good infrastructural support it was difficult to get input to the content of the research, let alone support.

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First it was tried to develop the precise direction of the research through discussions with the CEO, Ms. Mwango on the WSR. Soon however the author recognised that those attempts were not very prosperous. It was difficult to talk to the CEO about the WSR and to find out which way KWAHO would like to approach the WSR, or if there could be and contributions this thesis could offer. But there was little input concerning the content and it was not possible to define any contribution this thesis should provide. It was felt that the only aspiration was that the thesis would reveal and easy access to funds. Later the author had the idea that this might also be an effect of KWAHO's CEO assuming, that the author would be close to the funding section of ADA.

However during the research the author decided to minimise hindering discussions with the CEO and to rather concentrate on the aim of the thesis.

Other staff members of KWAHO had only very little knowledge on the WSR. Violet Mucheni (Project Officer) and Edmond Odaba (Project Assistant) were the two staff members often consulted concerning some questions of the content of the research.

## 6. Results and discussion

The results show the information that has been collected and deduced during the field study. Information collection was through interviews and literature research.

The interview partners were the institutions, the communities and NGOs. The roll of institutions is to structure, control and regulate the WSR. Community members are in the position of users with needs that have to be satisfied. NGOs are often an intermediate between institutions and users and could link both sides. Through those stakeholders the conception of the WSR and the perception of the WSR shall be compared to the needs of the users.

The results are arranged in different sections.

In 6.1 “Results of the field study of the Water Sector Reform (WSR)” the content of the interviews and literature are summarised. The information is separated in several subchapters. The conception as well as the perception of the WSR by stakeholders and the implementation of the WSR is displayed.

In 6.2 “Further results of the field study” are listed. Literature of 2008 is shortly reviewed. Open questions that arose at the end of the research, or questions that could not be answered during the research are outlined. Finally the situation of the case study NGO KWAHO is presented, including a SWOT analysis.

Subchapter 6.3 summarises the results in a table.

In 6.4 the stakeholder’s relationships and functions are displayed in graphics.

Finally 6.5 explains the evolution of the set of questions. It shows that the focus of the information seeking was constantly changing and progressing.

The interviews cited are indicated with numbers in brackets (see table 6). Interviews are summarised in the appendix. Information from different interviews are summarized, combined and sometimes reformulated in this chapter of results.

Information from literature is summarised in paragraphs titled:”Literature”.

Interview Number	Organisation	Person / Group/Function	Date
1	KWSP	F. K. Kyengo Programme Coordinator	02/10/2007
2	WSTF	Japheth Mutai Chief Executive Officer	02/10/2007
3	NGO KWAHO	Catherine Mwango KWAHO C.E.O.	16/10/2007
4	WSRB	Daniel Barasa C.E.O.	17/10/2007
5	NGO bureau	Henry Ochido NGO bureau Officer	18/10/2007

**Table 6: List of Interviews (continuing)**

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6	WSTF/ GTZ	André Lammerding GTZ advisor of the WSTF	19/10/2007
7	WSB Lake Victoria South	Petronilla Ogut Chief Technical Manager	24/10/2007
8	CBO	Ogara Nyozziwa Women group	27/10/2007
9	CBO	Nyaolo Women group	27/10/2007
10	WSP	Aluor- WSP	29/10/2006
11	CBO	Alour Self Help Group	29/10/2006
12	WSB Lake Victoria South	P. L. Ombogo C.E.O.	30/10/2007
13	CBO	Konoroao Umbrella Organisation	30/10/2007
14	CBO	Ngao Umbrella Organistaion	13/11/2007
15	District education institution	Education Officer	15/11/2007
16	CBO	Community near Garsen	15/11/2007
17	DWO	Keboga	16/11/2007
18	CBO	Wema Umbrella Organistaion	16/11/2007
19	WSB Coast	Kanui Project Engineer	20/11/2007
20	KWSP	Kabando Managing Consultant	22/11/2007
21	WSP World Bank	Mbuvu Water and Sanitation Specialist	5/12/2007
22	WSFT	Matseshe Quality Assurance Manager	6/12/2007
23	NGO Umande Trust	Omoto C.E.O.	7/12/2007
24	NGO Maji na Ufanisi	Githaiga Programme Manager	11/12/2007

**Table 6: List of Interviews (continuing)**

25	NGO NETWAS	Misheck Programme Officer	14/12/2007
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**Table 6: List of Interviews**

### 6.1 Results of the field study of the Water Sector Reform (WSR)

The results of the interviews, the literature review and the research are summarised here. Sometimes those results are discussed as well.

Soon it became clear, that it would better be to distinguish two types of information. One type describes the basic conception of the WSR 6.1.1 "General improved understanding of the basic conception of the WSR and institutional tasks". The other type captures the perception of the WSR by the different stakeholders 6.1.2 "Perceptions by the stakeholders concerning the WSR". This is because some of the answers seemed to be close to some basic conception of the WSR, whereas others seemed to be a broader or even dubious interpretation of this conception.

In 6.1.1 "basic conception" is understood as the idea and conception of the WSR as it is documented in official documents. Namely documents of Water Sector institutions explaining the WSR and the Water Act 2002. The WSR and its procedures shall be clarified here. Therefore information was used that had been endorsed enough or information that seemed sufficiently coherent and logic to the author.

6.1.2 deals with the perception of the WSR. The present implementation of the WSR is integrated here. Here information includes statements that seem to be diverging from the basic conception of the WSR and information that could not be sufficiently endorsed by other interviews or literature. The answers had a great variety and were even contradicting sometimes. This subchapter shall allow an insight in the implementation of the WSR. It shall as well provide an overview on various assumptions, new ideas and misinterpretations of involved stakeholders, including the author.

Both subchapters are divided in a section "roll and tasks of institutions" and several other issues. Those "other issues" are e.g. communication, asset holding, financing... Those issues had been identified as priority issues earlier. Some issues were added during the research e.g. idea of the WSR.

Results of the interviews and acquired information have been sorted according to the groups of stakeholders. Sometimes a paragraph with results of the literature is added.

6.1.3 "The situation and possibilities of NGOs in the reformed Water Sector" explains the situation of NGOs. The way NGOs perceive their situation is drawn up. The attitude of institutions concerning NGOs is worked as well as activities that are suggested for NGOs by institutions.

6.1.4 "the situation of Communities in the reformed water sector and how communities perceive their situation towards the WSR" presents the situation of rural communities in the reformed water sector.

The frame of reference for the questions asked was the basic conception of the WSR. At times reflection and self-reflection has been integrated in the results.

## Results and discussion

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Some answers were quite surprising or out of the line. It is difficult to estimate how much this is due to some lack of knowledge of the interviewee or due to questions of the interviewer being imprecise.

The results shall besides others, testify the different and even controversial existing points of view in the same sector. They shall also allow an estimation of the complexity of the issue. Further it can also give an insight in how difficult it was to choose the direction of the next interview.

### **6.1.1 General improved understanding of the basic conception of the WSR and institutional tasks**

#### **6.1.1.1 Roll and tasks of Institutions- basic conception**

##### **6.1.1.1.1 *Water Services Regulatory Board (WSRB) - basic conception***

Transparency and an overview on processes in the sector seem to be aimed at by the WSB.

##### Institutions:

The regulator has to be informed both by the WSB and the WSP. Through this information the WSRB can evaluate various issues, e.g. access numbers give the possibility of evaluating funds allocated to the WSB. (6)

##### **6.1.1.1.2 *Water Services Board (WSB) - basic conception***

The allocation of responsibilities is different than expected begin of the research. The WSB is the institution in charge for most of the issues in its area, also for financial issues. The WSTF has a minor role in financing.

##### Institutions:

WSBs are responsible for water services and allied asset development in their catchment area. It is up to them to fund related activities and therefore also actively participate in resource mobilisation. A very sharp statement from Mr. Matseshe clarified the perpetual question of how much the WSTF, instead of the WSBs, might exclusively be in charge to fund rural areas. He says that WSBs are responsible for the water services by law, even if the WSTF was not there. Further he adds that everybody that is not served could sew the WSBs.

WSBs use a business model where revenue from the facilities shall be collected. The commercial approach of the WSR is further reflected in the performance contracts signed between the WSBs and the MWI. One of the funding sources of the WSBs is the GoK, other possibilities to acquire funds are e.g. the local government, donors, AFD, CDF... WSBs can be financed through grants and loans.

The framework how money channelled through the WSBs has to be allocated is: tendering. Also partners of the WSB have to be found through tendering. Still, donors channelling funds through the WSB can decide how this money shall be used.

Further task of the WSBs are to disseminate information on the WSR and to inform communities. The initiative to call for WSPs and SOs is also up to the WSBs. WSPs and SOs

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are agents of the boards. When WSPs (e.g. in communities) are too small to operate in a viable way, it is as well up to the WSBs to get active about that, e.g. by clustering communities.

Each WSB can choose how to achieve its aims and so the different boards use different approaches. It is up to them to allocate their resources as considered useful by them and partner in any way useful to them, as long as there is a structured agreement. Ms. Ogut states: to meet its tasks the WSB has to come up with proposals, which meet its needs. Further the WSBs should know about everything going on in their area such as financing activities and activities of NGOs, in order to allow some coordination.

One approach declared to be the best and helpful for WSB is if proposals e.g. from NGOs were forwarded to the WSB, because it is easier to match proposals with a donor then and to channel money to where there is an expressed demand. Proposals targeted at the WSTF always have to go through the WSB first and depending on the case it will be forwarded to the WSTF or not. (4, 6, 7, 12, 20, 21, 22)

### **6.1.1.1.3 Water Services Trust Fund (WSTF) - basic conception**

Even if there is no direct way for NGOs to approach the WSTF, e.g. being an SO directly, there is still space for NGOs to agree with the WSTF about activities. This option seems to be independent of target areas.

#### Institutions:

The WSTF aims at a pro poor approach and targets areas, which are not likely to attract investments in a business model, or any other investments. The WSTF acts as a funding channel for those disadvantaged areas, because the WSB might not target them.

Target areas were chosen in order to focus resources, as funds of the WSTF are limited.

The criteria for a target area are e.g.: distance to water facilities, if there is some investment already... Those criteria have been set to be as neutral as possible. For further information see: Strategic Plan 2005- 2008 of the WSTF.

Those areas are not static, if e.g. an area attracts other investments, then the WSTF can shift to another area. In general the idea is to serve 50 selected communities in the area of each WSB, every year and then define new ones for the next year.

Mr. Lammerding mentions that financial support from the WSTF cannot be restricted to the target areas as there are so many other applications coming in.

Mr. Matseshe explains that some time ago people brought their proposal, but the WSTF saw that it had to change its strategy to target the poor better. He asks: "From a received proposal, how do you know who is targeted?" That is why the target areas and the CPC (Community Project Cycle) have been established. Related statements are: "Sometimes the impression arises that the donor is more interested in the agent than in the beneficiary. The WSTF targets the beneficiary and therefore developed the CPC. Everybody would like to control the resources and wonders about money being given directly to CBOs (Community Based Organisations). The WSTF wants agents that explain CBOs how to use this money. NGOs shall provide services that the WSTF wants to pay for."

Additionally he points out that there are also some very remote areas, where no one wants to get active and if somebody started a project there, the WSTF would be very happy about that and support them.

Since the establishment of the PCPC model it is not possible for somebody or for an NGO to apply directly at the WSTF as an SO, the proposal has to come to the WSB. SOs are agents of

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the board, not the WSTF. Also proposals of communities have to come to the WSB and are then forwarded to the WSTF if need be. Moreover national implementation rules such as tendering have to be followed by the WSTF.

If the WSTF is given money by a donor, it can be agreed on how the money should be used. Following the CPC is not compulsory. Donors that want to channel all the money through the WSTF (instead the WSB) will not be restricted either.

Additional information is mentioned in the context with the funding situation of the WSTF: at the moment there is more money channelled directly to NGOs than through the WSTF.

An explanation suggested to the question why most of the literature and many people seem to perceive the WSTF as the only funding channel for rural areas is that, with time, the WSTF is going to have more responsibilities, than just covering the target areas. (6, 22)

### **6.1.1.1.4 Participative Community Project Cycle (PCPC) - basic conception**

#### Institutions:

The PCPC shall be an example how to install water service facilities and the according soft- and management skills in a community. It shall further increase the possibility of projects to succeed. The PCPC is mentioned very dominantly in the literature and in the interviews in connection with rural areas. Still it is only a recommended concept but is not compulsory. Donors channelling money through e.g. the WSTF can decide how those funds shall be utilized. The usage of the PCPC is not bound to the target areas. It can also be applied in other areas than the WSTF target areas. This can be a possibility for an NGO. An NGO could suggest the WSB to get active in completing tasks similar to an SO. An NGO could seize the established approach PCPC, in order to facilitate cooperation and negotiations that are necessary before an assignment.

The PCPC model is not fully established now and it has to be seen how it will work out. Reports as a feedback are waited for and the PCPC can still be adapted.

QCAs (Quality Control Agency) and SOs are agents of the board and therefore the WSB has to call for them and manage them. It is not a task of the WSTF. It is also a task of the board to send SOs to the target areas in order to start the process if need be. (22)

#### Literature:

The Joint Sector Review Report 2007 (MWI, 2007b) explains that “the CPC is a structured and predictable process for project planning and implementation with a high degree of transparency that in the long run will promote sustainability and combat the existing corrupt practices in the sub-sector.”

Further it mentions that government actors similarly to other actors funding RWSS (Rural Water Supply and Sanitation) projects such as NGOs should follow the CPC model.

The tasks of an SO are to assist a community along the implementation of a project. The SO has to give the community initial training in order to prepare community members to the changes and the assignments that will arise. An SO is to provide the community members the necessary soft skills so that they will be able to manage their water source. The Strategic Plan 2005- 2008 of the WSTF gives more detailed information on the tasks of a SO.

### **6.1.1.1.5 Water Services Provider (WSP) - basic conception**

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### Institutions:

WSPs are in charge to “provide water and sanitation services” (MWI, 2007f) such as technical maintenance of the facility and therefore collection of fees.

Collection of fees is closely related to the metering of water outlets. The Aluor WSP plans to meter all connections: institutions (school, market, church, health centre), individual homes as well as water kiosks. The Aluor WSR is a future WSP in western Kenya.

According to the law WSPs can be subsidised, if collected revenue is not enough. They have to let the board know about the lack of funds and the WSB is then responsible to allocate funds or apply for subsidies. The subsidies can be given in technical support, chemical support or even as funds. (4, 10)

Providing water, maintaining the facility and related fee collection is what communities working with KWAHO are doing, or trained to do.

### 6.1.1.2 The basic conception of the WSR and its function in specific topics

#### **6.1.1.2.1 General information on the Water Sector Reform**

The following shall give an insight in the frame and setting of the WSR, especially regarding the pro poor approach. It shall help to situate ideas and to get a general impression.

Many documents mention the importance of the pro poor approach. The economic significance of water supply is recognised. There is a focus on making commercialisation sensitive to poor.

Many aspects are carefully approached in the literature. It remains in question how much of this theoretical backing is found on the ground as well, or can be put into practice in future.

### Literature:

The economic relevance of access to save water is clearly cited and lessons of the past have been learned. E.g. privatization has shown not to be adequate to provide fair chances for all. High principles are aimed at in the WSR such as the MDGs. Human rights are a basis of the reforms as well.

Several documents cite the economic value of water coverage. The Preliminary Findings Report states: „Public efforts towards the development of the water sector are motivated by the fact water is a basic need and an important catalyst towards social and economic growth of a nation.” The National Water Services Strategy (NWSS) (MWI, 2007f) explains that “water is a key determining aspect for economic growth in a country and for the wellbeing of its population.” and the Pro Poor Implementation Plan (PPIP) (MWI, 2007d) states that the high economic impact of water coverage is reflected by an UN estimation, expounding that “countries in Sub-Saharan Africa lose 5% of their national product annually due to insufficient sustainable access to safe water and basic sanitation.” In relation with poverty the Annual Water Sector Performance Report 2007 (AWSPR) (MWI, 2007a) mentions e.g. the Poverty Reduction Strategy Paper, which understands the provision of sustainable water resources as a key for rural communities to break the poverty cycle. Further the AWSPR explains that “The PPIP has been drafted setting out how commercialisation can meet the needs of the poor” and be socially acceptable.

Some of the principles of the WSR reflected in the Joint Sector Review Report 2007 (MWI, 2007b) are: “The reform is committed to the principles and targets of the MDGs, good governance and human rights.” and “a regulatory system has been put in place to ensure that commercialization is socially responsible and that improvement in performance is also

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benefiting the poor.” It is also mentioned that “RWSS has developed a successful and impersonal strategy of identifying the poor, mainly using the poverty indices developed by the Kenyan National Bureau of Statistics.” A further insight is given through: “Beyond the formal implementation of the [...] reform elements the expected impact and success of the reform depends on the application and the respect of the important general principles and concepts by institutions and people on the ground. The way to sustainability can only be achieved if the stakeholders at the service level are involved in the preparation of adequate solution and its decision making.” and “Many of recent dynamic processes move away from top-down implementations of instruments.”

In several documents e.g. the PPIP and the NWSS the necessity of actors in the water sector to align to national strategies (e.g. the NWSS) is high lightened. The Joint Sector Review Report 2007 precises that DPs, NGOs and Civil Society Organisations (CSOs) not aligning to national strategies “is contrary to the positive development of the sector reform implementation and could be seen as excuse for hanging on to business as usual.”

To shift the water sector and its institutions from the former structure to the reformed water sector and its new institutions a Transfer Plan has been elaborated. The Preliminary Findings Report (MWI, 2007c) explains that the transitional period started on 1<sup>st</sup> July 2005 and was provided for three years, until 30<sup>th</sup> June 2008. The Joint Sector Review Report 2007 reports on difficulties that arose in implementing the transfer plan, such as the formal requirements of de-linking institutions from the MWI that has not fully been resolved.

As one of the achievements of the sector the Annual Water Sector Performance Report 2007 cites the improved communication and coordination among the development partners and the water sector which has attracted increased funding.

The PPIP is a document that shall “operationalize the pro-poor orientation of the water sector policy”. Lessons learnt in the past are, that neither privatization nor commercialisation alone are adequate to respond to needs of the poor concerning the design or management of infrastructure. “Sustainable access to safe water and basic sanitation as human right, holding such an importance for the development of the country, cannot be left to” arbitrary setting of standards by informal service providers and “market forces”. As funds and capacities are limited, “it is obvious that the sector cannot wait until existing systems are upgraded or new systems are built before the poor can be served.”

“Although access [to save water] in rural areas is lower and the proportion of poor is higher than in the urban areas, a particular focus on the settlements of the urban poor is important” because of the huge negative impact of rapid urbanization and densification. This priority is repeated in the NWSS.

The NWSS is a policy document that “provides a clear, accountable and transparent road map to implement sector policy [...]” and is said to have an increased focus on the poor.

“Sustainable access to save water is estimated at 40% in rural settings.” The strategic goals and strategic actions defined by the NWSS related to rural areas are: “To reach at least 50% of the underserved in rural areas with save and affordable water by 2015 (MDG) ...” some of the corresponding strategic actions are: “Promote increase in investment and ownership for sustainable access to save water in the rural areas; sustainability of rural water systems by promoting beneficiary participation in planning, implementation and management.”

The idea to implement the NWSS is that “The action plans of the institutions based on the NWSS have to feed into the performance contracts signed automatically with the MWI [...]”. The PPIP as well gives clear actions that shall be “translated into indicators for the performance contracts”.

### **6.1.1.2.2 Communication in the Water Sector Reform**

The responsibility for information dissemination lies within the institutions. Therefore it appears appropriate that NGOs which want to get active in promoting information dissemination, to agree with the respective institution.

#### Institutions:

Institutions are responsible for the communication and to disseminate information about the WSR. It is to the WSB to inform communities about the WSR and to the MWI to arrange forums for information sharing. The entry point on the national level is the MWI, on the regional level it is the WSB. The SWAP is also an entry point.

Mr. Barasa says: "There is a communication strategy but it needs some review [...]" (1, 4, 20, 22)

### **6.1.1.2.3 Asset holding and ownership of water service facilities**

Apparently there has been an attempt to trigger participation with ownership and related responsibility. This approach is currently one of the underlying concepts in (development) cooperation with rural as well as urban communities. KWAHO also uses this approach.

The approach of the past; that is to trigger participation with ownership, is appreciated and applied by several initiatives. Still it could not be put into practice and the present approach is that WSBs are holding assets in trust for the communities. The issue does not seem to be fully worked out now. Future will show how the question about assets will develop in its basic conception and in practice.

#### Institutions:

There are two types of assets. The first belong to the government- something has been constructed and has then been passed over to the community, so they are more or less public. The other option is that the assets are held in trust by the WSBs for the communities. The idea is that the WSB has a bigger financial capacity and should therefore support the communities in maintenance of the facility. (4)

#### Literature:

"Ownership of all surface and ground water is vested in the state." This is cited as one of the principles of the Water Act 2002 in the Preliminary Findings Report 2007 (MWI, 2007c). Further this report explains that in the period before the Water Act 2002 it was understood that ownership of the water facility encourages proper operation and maintenance, "facilities should therefore be handed over to those responsible for their operation and maintenance." Still in the past "the handing over process was not successful due to the low capacity of the communities and the local authorities."

### **6.1.1.2.4 Groups and Programs in the reformed water sector**

KEWASNET (Kenyan Water and Sanitation Network): NGOs are working to establish the KEWASNET to have a voice, which represents them. (3)

KWSP: (a part of the World Bank's "Water and Sanitation Program") is focussing on rural areas. (6)

SWAP (Sector Wide Approach to Planning): this approach is used in the WSR. It shall integrate all the stakeholders in the processes of the WSR. NGOs are usually invited. A SWAP office is mentioned.

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WSWG (Water Sector Working Group): “the overall coordination in the water sector between the GoK and DPs takes place” in the WSWG (Annual Water Sector Performance Report 2007).

ESHWG: Environmental Sanitation and Hygiene Working Group (21)

WSP- World Bank: their roll is to give technical support to the reform. (21)

KJAS: Kenyan Joint Assistance Strategy- it is an output of the Paris Declaration. (1)

### 6.1.2 Perceptions by the stakeholders concerning the WSR

Here the perception of the WSR by the stakeholders such as the ideas, uncertainties and contradictions on the topic are presented.

#### 6.1.2.1 The WSR and its function in specific topics- Perception by stakeholders

##### 6.1.2.1.1 *General impression on the WSR and some perspectives for NGOs*

Water sector reforms are still in a beginning and transitional phase. The atmosphere generally seems open towards adaptations and finding solutions in a participative way. This could be a chance for NGOs to agree on activities in cooperation with the institutions. Further there is some flexibility in the framework of the WSR now.

NGOs shall approach WSBs for projects and activities in rural areas outside the WSTF areas. Establishment of water services in those areas is under the responsibility of the WSB.

Even if it is not possible to act as an SO for the WSTF directly, cooperation with the WSTF still seems possible. Mr. Matseshe expressed that the WSTF would be happy about activities in remote areas and support initiatives there. However in order to agree on executing an SO task, NGOs should approach the WSBs instead if the WSTF.

#### Institutions:

The WSR aims at a demand driven approach. The purpose is to get active with communities, where there is a will to follow. Communities have to tell their interests, which is maybe not water. (12) They might set their priorities in another order.

Forwarding proposals to the WSB from NGOs or communities maybe assisted by an NGO would be the best. It is easier to channel money, where there is an expressed need. Mr. Matseshe says that resources and opportunities are there, the water sector just requires a new approach. Resources are available both from the GoK and the donors and the ones who are willing to work will have the opportunity e.g. as SO or QCA. (22) NGOs shall not wait but come up with projects. “Then we see how we can get together.” (12) Coming together and discussing things together is often being suggested by the interview partners. Mr. Ombogo adds that in the WSR there is a lot of autonomy and therefore space for innovation. Also Ms. Ogut’s “New ideas have to be explored because everything in the WSR is new.” (7) expresses an ongoing process in the WS. Mr. Barasa as well mentions that institutions are thinking of adaptations. (4) One development, especially due to the SWAP, is that the approach changes from projects to programs. Programs see the demand for an entire area and changes take place progressively. (21) Another effect initiated by the WSR that shoes a new direction is that institutions, namely the WSPs are forced to get active in slums and face the challenge of leakage, because of the need to break even. (24)

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A basic economic presumption and idea underlying the reforms is that water service is affordable and the WSR was meant to be self-sustaining. (4, 21)

Further an overview on what is going on in the sector is aimed at. This also includes an overview on the way how the different agents active in the sector are funded. Thus NGOs and direct funding shall not bypass the institutions; instead they shall be informed to allow a better coordination in the sector. In order to describe the relation of the high number of NGOs being active in the water sector and the new institutional framework and additionally some way of approach to it, Mr. Mbuvi uses a metaphor: The situation in the water sector can be compared to a house. There are so many NGOs because the owner of the house was not very present or efficient in the past. Now the owner has well reformed the house and everybody has to enter through the front door only. (21)

Some statements opponent to the demand driven approach are, that through a demand of communities the level of funds would be very low. (19) Mr. Matseshe mentions that there is also a risk at creating mobilisation, when there is no funding then. There is a risk at creating demand you cannot meet. (22)

Mr. Keboga's statement gives an insight on how institutional agents on the countryside that are not close to the reform, perceive the Water Sector. He explains that the WSTF covers only little areas, but this is not seen as a problem, because there are so many other agents active in the area. (17)

### **6.1.2.1.2 Communication in the Water Sector Reform- Perception by stakeholders**

The miscommunication mentioned in the literature has been affirmed by experiences in interviews. The variety in the perception of the basic conception of the WSR underlines this impression as well.

The diversion of the statements can indicate a lack of transparency. Diversity of perceptions can be due to suboptimal communication.

#### Institutions:

Communication seems to be difficult as well inside such as outside the institutions. In general the participative way such as coming together to work things out together is the preferred and an often suggested by institution adherents.

Communication is perceived as a weak link in the reform. As an explanation it is referred to institutions being still new. According to Mr. Barasa it was a mistake that institutions tried to spread the information about the WSR on their own, although NGOs are those in touch with the communities. He would like reporting on the experiences in the Water Sector coming to the WSRB rather than to the WSB, that way the information dissemination would be faster. (4)

To Mr. Matseshe it is just a matter of time, until information on the WSR reaches communities, as more and more people have access to information. Also the newspaper and the radio help to reach the people. (22) Mr. Keboga of Garsen Water Office describes the situation about information that way: the idea and the structure of the WSR are trickling down very slowly. He adds that some organisations (e.g. UNICEF) take the initiative to pass on information about the WSR in the area. (17)

To Mr. Kanui's understanding the communication strategy is mainly developed by the World Bank. For NGOs taking contact with the WSB he recommends that NGOs to call for a meeting to introduce themselves and to plan together with the WSB. Discussions are favoured to written letters because of being more participative. (19) Mr. Ombogo as well thinks that stakeholders should come together and work things out in a participative way. (12) Other local institutions

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involved in KWAHO-project areas, such as school coordinators and the Garsen Water Office, are interested to be informed about the projects too. (15, 17)

### NGOs:

For Maji na Ufanisi communication in the WSR is from both sides: they approach the WSB and the WSB is approaching them. (24)

### Communities:

In most cases the communities have not heard about the WSR.

The information channels used by communities are: the radio, funerals, barazas (markets), seminaries, workshops, trainings, churches, the chief, the headman and NGOs. There is certain distrust against civic leaders.

Communities have ideas how they want to be reached by information. As appropriate to be informed about the WSR they mention: seminars and workshops carried out by staff of the ministry and being informed by NGOs. (8, 9, 10, 11, 13)

What concerns communication with the institutions: the Aluor WSP knows that the WSRB would like to hear the voice of consumers right from the start. (10)

### Literature:

The Preliminary Findings Report 2007 (MWI, 2007c) states that "During a visit to the WSBs, it came out that stakeholders are not aware of the contents of the water policy [...]. The institutions in the sector have also not established effective lines of communication." and that "The water sector reforms meant different things to different people [...]"

This perception can only be underlined by the author. The most striking example of institution adherents not being aware of the WSR were several statements of Mr. Kanui. Further it has to be pointed out that to almost all topics and questions there are diverting and sometimes even opposing answers.

The question arises whether the idea of the WSR is so unclear. Still there seems to be a clearer idea of the WSR somewhere and there seems to be a clear basic conception.

#### **6.1.2.1.3 Asset holding and ownership of water service facilities - Perception by stakeholders**

This issue is not fully worked out now, some are optimistic, others not- time will show the reactions, if communities and institutions will both settle well with the applied asset holding framework, or how this framework will be adapted.

Ownership seems to be well understood as a prerequisite and tool for responsibility on a facility. Further this approach seems to be emphasised by most interview partners.

### Institutions:

Mr. Kabando's opinion is that the issue of asset holding is not clearly sorted out now. He explains that the basic conception is that the assets belong to the WSBs but communities can only have incentives to invest if it belongs to them. If the approach will work out depends on the history and how communities perceive the roll of WSBs. If the board is efficient it can work out, if the board is not efficient, then the communities will not trust it and would not like to invest in

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those facilities. The present reference is the DWO and they had a rather bad performance. It is a challenge how to win this confidence of the communities. (20)

Mr. Barasa says: “Actually nothing is removed from the communities.” And comments that communities still feel responsible. (4)

A contradictory perception of asset holding is stated by Mr. Kanui. He states that the assets belong to the communities and adds that it would be better if the WSB was responsible for the assets to facilitate reparation. (19) – However this statement is perceived to tell more about the information level of institution adherents, than on the situation of asset holding.

### Communities:

The first way of Aluor-WSP to respond to the question of asset holding is that they are owned by the community. The interviewees explain that there have been meetings of CBOs together with the WSB and SOs to create a sense of ownership. Further communities would be made aware of their responsibility through trainings, the contribution to the construction and a certificate of ownership at the end of constructions. Therefore there should not arise the problem of communities not feeling responsible for the facility.

The response to the second attempt, repeating the phrase “the assets are held in trust by the WSBs for the communities” is: the WSB are the chief providers, the WSP are the ones reaching the communities in this system. It can also be seen at the investments, as the community is only contributing 10% the real owner is the WSB. (10)

#### **6.1.2.1.4 Financing in the water sector- Perception by stakeholders**

The funding situation is still unclear now, different views of the funding situation are given and often a lack of funds is high-lightened, but some refer to available financial resources and opportunities.

The statement of the literature that there is “no clear vision on financing” now, can only be underlined through experiences made in the interviews. As well the impression that current implementation is strongly diverging from the basic conception of the WSR seems to be reflected in the statement that “objectives [...] and plans are far beyond realistic chances of implementation”.

It is difficult to estimate how far financial resources are available or not, still there is a strong call for an active approach, underlined with the indication that it is easier to channel money, where there is an expressed need.

The WSBs are in charge for funding issues much more than estimated initially.

### Communities:

Most communities have an account and one umbrella has revolving funds, still some are in trouble with fee collection and spare part acquisition.

There is a positive reaction to the suggestion of taking a loan for water facilities and community members come up with ideas for IGAs to pay back the loan. Some groups already have experience in taking loans and one group mentions this option on their own, before having been asked about it.

As further funding options, communities perceive KWAHO or the LATF.

(8, 9, 11, 13, 14, 16, 18)

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The Aluor WSP is optimistic about collecting fees and does not see trouble arising in connection with metering all water outlets. They also feel the possibility of referring to the WSB for subsidies. (10)

### NGOs:

NGOs that are active in the water sector use different funding channels: the WSTF, the WSB, the possibility of direct funding and partnerships (with e.g. UN organisations, but this is not the common approach). According to Mr. Misheck in Kenya the entry point for bilateral money are the WSBs. (25) Ms. Mwango explains that donors commonly focus on funding urban areas and also the amount of funds implemented there far out exceeds the volume normally applied in rural communities. (3)

What concerns the cooperation with the private sector Ms. Githaiga reviles that donors like to fund a consortium where commercial/ business enterprises, social enterprises and NGOs work together. Mr. Misheck knows that private enterprises have money for social responsibility. Now this money is used without structures and according to him so far nobody has thought about the option of NGOs partnering with the private sector but he knows that the private enterprises want to be seen with those projects. E.g. at the moment Nakumatt and UNICEF have a project for water kiosks. Mr. Omoto explains that Umande Trust is approaching the private sector through NWSC (Nairobi Water and Sewerage Company) (in Mr. Misheck's view NWSC is not a real private enterprise, as it still has a public aim). (23, 24, 25)

Contrarian opinions occur on whether the WSBs have funds already, or if they did not really start to have funds now. Also the perception on the general funding situation varies from: "there is enough money" to: "there is a lack of funds".

Another constraint in funding is perceived by Ms. Mwango on the level of the WSTF in relation to the SWAP, which could slow down earmarked funds. Her perception is based on funds of GTZ (Gesellschaft für Technische Zusammenarbeit) that did not reach KWAHO for several months- it was not further asked to what point an agreement with GTZ had evolved already.

### Institutions:

There are different views on the situation of financing.

Mr. Barasa explains that the Water Sector was meant to be financially self sustaining (4) but this seems to work out in urban areas only. WSPs have enough revenue to finance WSBs in urban areas, but it is not clear whether rural WSPs will be able to be financially self sustaining. Some say that this is not likely to happen (6), others think that this has to be verified (4). The issue of WSPs being financially self sustaining is linked to several conditions, such as the system used (gravity systems will be less capital intensive than pumping systems) and to the capacity of the community. (19) Mr. Kabando points out that in some communities it will work out easily and in others not even after big efforts of capacity building. (20)

Subsidies for capital investment of WSPs exist but Mr. Ombogo says that rural WSPs are not on subsidy now because of the situation being more complicated there.

The perceptions on how rural areas shall be financed are different as well: some say that the WSBs are responsible to finance their catchment areas (6, 20, 22), others state that the investments in rural areas are meant to be made through grants. It is indicated that the WSTF gives those grants. Sometimes the WSTF is delineated as if it was the only funding channel for rural areas and the only governmental institution in charge for water provision in rural areas. (12, 17, 19) Some, e.g. Mr. Lammerding and Mr. Ombogo, recognise that there might be a financial gap for funding rural areas outside the WSTF target-areas (6, 12). Ms. Ogut explains that rural areas are not attractive to most donors. Mr. Kanui mentions that there are no

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incentives for donors to fund rural areas because there no return on investment is expected. (7, 19)

Several funding windows for the rural areas exist. Some of them are the CDF (Constituency Development Fund), CDTF (Community Development Trust Fund) and AFD (French Development Agency) but also e.g. "Credit for Water". This sort of micro credit is one of the options for communities to finance their infrastructure for water on their own.

Water Partners International (WPI) provides such water credits. Their feedback after first experiences is that the repayment rate is still low. Besides getting a loan this initiative includes that communities are capacity built by a partner NGO. As expenses for this capacity building are raising the loan that has to be taken, WPI is looking for cooperation with the WSTF or donors. Those might take up financing for those capacity building costs. (WPI workshop, Kisumu, 2007)

Mr. Kabando points out that in the area of the Athi WSB many communities are willing to take micro credits and the WSB takes up the capacity building. (20) Both the WSTF (2) and the WSB (12) mention that there are funds available for capacity building. Mr. Matseshe states that it is possible that the WSTF finances capacity building in parallel to micro credit water projects. (22)

There are a lot of other (no governmental) agents active in rural areas. Mr. Keboga explains, that it does not matter that the WSTF is only serving one community in the area, because there are so many other agents active in the area. (17) Also Mr. Kabando reports on many agents being active in the area of the Coast WSB. (20) Mr. Keboga's statement gives an insight on how (little) relevant the GoK is perceived to be for the development of the area.

In the conception of the water sector the WSBs are meant to get revenue from WSPs and to get additional funds from the GoK. But the GoK has limited funds and is now only able to rehabilitate existing schemes. It can not afford the construction of new schemes. So who to fund rural areas outside the WSTF target areas "is left to god now" and this remains the biggest challenge for WSBs. (7)

The WSTF is meant to get funds from the GoK and it shall as well source for donors among others in order to mobilise resources. Mr. Matseshe explains that most of the money in the water sector, invested by donors, enters through the WSB directly and only a very small part is channelled through the WSTF. Also the amount of money going to NGOs directly is bigger than the amount going to the WSTF. (22)

Funds from the WSB or the WSTF have to be allocated in a tender.

Donors, contributing to the funding situation in the water sector, can fully decide what the money channelled through the WSBs shall be used for, such as they can agree with the WSTF how to use the money. Donors can as well decide to channel all the money through the WSTF- "They will not be restricted". (6, 22)

What concerns funding possibilities for an NGO: earmarking of funds to an area or a CBO exists but not to an NGO. (4, 6, 7) However, it can be agreed with donors how to use the money. Donors can choose how the money shall be used. A cooperation agreement in parallel to the WSTF, with the WSTF knowing about it could be established, to channel funds to an NGO. (6) The clear way for NGOs to be financed in the water sector is to get active as an SO. (21) As to the low speed of funds for projects where SOs are involved, there parallel channelling would not help because the speed of SOs is low, as they are not familiar to the process now. It is not the number of agents involved delaying the procedure. (20)

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An interesting revelation concerning the estimation about the financial situation of NGOs was that NGOs are generally perceived to have funds and in the literature they are often cited in the same line with donors. The idea of WSBs that NGOs could help out with the tasks of the WSBs is as well based on the presumption, that NGOs have funds to their disposal. (6, 12, 19, 20, 21)

Direct funding (e.g. of donors directly to NGOs) is contrary to having an overview on the financing and on what is happening in the sector. Direct funding makes it difficult to know if there is a problem or to verify if there is accountability. Therefore some standardisation is being worked out. This shall also allow a coordination of ongoing activities. However Mr. Ombogo adds "The GoK cannot solve all the problems" (12)

A further source of financing for the water sector was meant to be through the private sector. So far this integration did not prosper. According to Mr. Lammerding this is not likely to change. (6)

The situation of the GoK providing funds is not clear. Some say that there is enough money and underline this with the statement, that recently the budget has increased from 4 billion to 12 billion Ksh; further last year 3 billion have been returned to the treasury. (21, 23) Mr. Barasa explains that there are no adequate funds to cover the needs out there. The funds that have been returned were donor funds that could not be implemented the way it has been foreseen in the contracts. (4) There are several reasons why the money is not well absorbed now: the area of the WSB is very big, the institutions are young and there is sometimes a lack of staff or lack of number of skilled staff e.g. sociologists now. (22, 25)

Because of being in a transition phase and the funding channels not being fully established now, not all funds are channelled to the WSBs jet as they are foreseen for the future (as far as conception goes), and funds are still channelled to DWOs. DWOs are still there and they can not just be "switched off". (21) Mr. Kabando says that the funds channelled through the DWOs are a substantial amount of money and it would make a difference if this money would be channelled through the WSBs. (20) The idea is that once there will be WSPs everywhere, DWOs will not be needed anymore. (21)

The Garsen office gets a norm allocation from time to time, a budget provided from the GoK but this is not a constant source and Mr. Keboga describes it as "very little money". (17)

A Sector Investment Plan is being established in order to set priorities. (Water Sector Conference, Nairobi, 2007)

The demand driven approach is relevant in funding issues as well. Mr. Mbuvi explains that it is easier to channel money where there is an expressed need and Mr. Matseshe says: "The resources and opportunities are there, the water sector just requires a new approach." (21, 22)

### Literature:

The Joint Sector Review Report 2007 (MWI, 2007b) describes the financing situation as such: "Up to now no clear vision on financing mechanisms and requirements [...] is available. The objectives formulated in various concepts and plans are far beyond realistic chances of implementation." and claims that "a clear vision for self- financing of institutions has to be elaborated."

What concerns the financial sustainability of institutions with regard to the pro poor approach the report states: “the autonomy of institutions and public companies is largely pending on the achievement of financial sustainability [...]” and “It will become necessary to adjust the present tariff schemes utilizing the cross- subsidization potential to safeguard the required pro poor approach.” further “The financial sustainability of some of the rural based (Type II) WSPs is not assured due to their poor revenue base. Therefore government subsidies to these institutions and by extension to some of the WSBs will need to be continued for some time into the future.” The document “Review of the Water Sector Reform, Sub-sector – Water Sector Reform, 2007” (MWI, 2007e) adds: “The share of costs for the support to the rural water sector cannot be financed by the payments of the urban WSPs.”

The financial situation related to the transition period is exposed with the statements of the Joint Sector Review Report 2007 (MWI, 2007b): “The quantitative financial requirements and options of implementing the transfer and corresponding risks based on the prevailing weaknesses are not incorporated in the concepts.” and “The financial sustainability and autonomy during the transition period of the institutions is generally endangered. There is no clear concept how to overcome this critical situation.” The Preliminary Findings Report 2007 (MWI, 2007c) explains that the transfer plan envisaged reduced government support at the expiry of the transition period, but points out that “As desired targets of providing water [...] services for all has not been met it is too early to plan for reduced investment in the sector.”

Also not all the funds are channelled through the new institutions now. The Joint Sector Review Report 2007 (MWI, 2007b) comments “about 80% of GoK funding still goes through the District Water Offices [...]. For the remaining 20% the formula for allocation of the GoK budgets to WSBs for 2007/ 2008 is not known.”

The Annual Water Sector Performance Report 2007 (MWI, 2007a) gives numbers: in the past five years the budget improved from a total of Kshs. 5,704 million in the 2002/03 financial year to Kshs. 12,547 million in the last financial year (2007/08). It claims that “More emphasis needs to be done to ensure that budget resources are fully utilised for the purpose as 33% of the development budget was not spent.”

### **6.1.2.1.5 Possibilities to adapt and modify the reforms- ideas and notes by stakeholders**

Institution and stakeholders seem generally very open towards adaptations of the WSR. Institutions are further open to discuss the feasibility of existing tools and concepts . Institutions seem ready to negotiate about how topics and stakeholders shall be approached. The author did not perceive any interview partner as too proud to discuss about weaknesses and adaptations of the reforms. Therefore the recommendation to NGOs is to approach institutions and stakeholders actively in order to find ways to agree. It would not be a waste of energy. There is the possibility to shape and contribute to the conception of the WSR.

A recommended entry point to contribute to the development and adaptation of the WSR, is the WSWG.

There are lots of ideas about adaptations and institutions are thinking about adjustments. Mr Barasa points out a workshop going on to this topic. Especially the last three years, since WSBs have been active, have to be integrated in the adaptations and he wishes all the parties involved in the water sector to document their experiences and let the institutions know if there are ways. (4)

Thoughts are given to various topics e.g.: how to incorporate NGOs in the communication strategy, as NGOs are those in touch with the communities; how to coordinate NGOs better generally, this might also be emphasised through a standardisation in direct funding, which shall

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be established. Further there is the idea of joint proposal writing of NGOs together with the WSB (with the WSB acting as regulator) to help NGOs access funds of donors.

The PCPC is sometimes perceived as too short and therefore a post construction phase is suggested. Mr. Mbuvi wishes the sector to be more free so that CBOs can choose the SO they want to work with (this is happening at some WSBs). He raises the question how to create incentives for NGOs to start with the mobilisation in a community and brings up the idea that the WSB could refund this initial step, once a proposal is approved, as this is a regular task of a SO anyways. (21)

Mr. Lammerding claims that the framework for rural WSPs has to be arranged differently. To him it is absurd to install a WSP starting from a 20 households limit. (6)

Mr. Omoto wants the sector to be democratised and wishes that communities and the beneficiaries would be more involved in the decision making. A better approach would be if involved parties met to agree, as it is happening at NCWSC. Another of his suggestions is to promote water as a human right, as this would offer the WSR a better legal back up. (23)

A future development is the establishment of a general monitoring of the WSR and a Sector Investment Plan (SIP) to set priorities in investment. Additional information on the topic of financing is that Mr. Barasa sees some flexibility in funding of the MWI.

Further it is expected, that the situation will change with time, as institutions are getting more familiar to their tasks. Also once the transition phase will be overcome it might be easier to put the basic conception into practice, as e.g. funds would not be channelled to DWOs any more.

To contribute to the development of the WSR, there are different recommended entry points: the MWI, the WSB, the SWAP and the WSWG (Water Sector Working Group).

(1, 4, 6, 7, 12, 19, 20, 21, 23)

### Literature:

There are troubles due to low presence of WS institutions in the rural areas. Therefore the Joint Sector Review Report 2007 (MWI, 2007b) recommends that the duties of DWOs in line with the reform process should be clarified. It cites: "It may be necessary to retain the DWO to function in the support gap where there are no urban or rural WSPs operating." The Preliminary Findings Report 2007 (MWI, 2007c) as well exposes the idea of retaining the DWOs.

Further the Preliminary Findings Report 2007 suggests that the WSB staff should be trained in building the capacity of communities.

### **6.1.2.1.6 Weaknesses of the WSR in its implementation**

Also the question about weaknesses does not seem to provoke strong inhibitions. The statements of Mr. Omoto, CEO of the NGO Umande Trust, about bad implementation framework and inefficiency of NGOs are the most striking here.

Some see financing as a bottleneck; some think that other weaknesses are preliminary.

### Institutions:

To communicate the reform is considered as one of the biggest weaknesses and that institutions tried to spread the information on their own, although NGOs are in touch with the communities. (1, 4)

Financing is also seen as a weak link especially the financing situation for rural areas. In urban areas the situation is better. (4) Funds are also perceived to be slow to reach the communities. (3, 21) Ms. Mwangi points out funding as the underlying obstacle for NGOs not easily getting

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projects in the frame of the WSR, rather than maybe a bad communication between institutions and NGOs being the bottleneck in creating projects. (3)

Some weaknesses in connection with communities are that they are not supported in a sustainable way through e.g. a lack of post construction activities because the PCPC is too short and SOs and coming in too late. Besides the finger is pointed at the fact that the initial step of community mobilisation is not paid for. (21)

There is also the statement of low capacity in planning and design on the community level and a lack in efficient management of water systems in the communities. (21)

Mr Omoto has a very critical view on the WSR and NGOs. He points out that now there is a lack of participation, there is bad governance, bad planning, corruption and not enough implementation frameworks but in his opinion there is enough money. Further he high lightens that institutions make decisions away from the beneficiary and that decision makers are too far away from the communities. Additionally he draws attention to the circumstance of NGOs not always using funds efficiently, or sometimes even in a highly inefficient way. Unless those issues are not cleared, forwarding proposals from NGOs to institutions makes no sense to him because there is a risk to supply and keep up a poverty industry rather than to improve the situation. (23)

A legal weakness is the Water Act 2002. Mr. Barasa states that the Water Act is weak and that there are no regulations. (4)

Several times it is explained that institutions are still new and do not have the capacity or at least not the capacity in skilled staff to carry out all their tasks now.

### Literature:

The Joint Sector Review Report 2007 (MWI, 2007b) states that “The institutions are established according to the legal framework and fully operational. Nevertheless sufficient levels of capacities are still missing.”

### 6.1.2.2 Perception by stakeholders of the roll and tasks of Institutions

The institutional interview partners seem to be very ambitious and eager to translate the reforms into practice. However sometimes they do not seem to be wholly well informed. A certain spirit and drive of people involved in the reform is felt.

Adherents to institutions are willing share their view and ideas with the authors. Even when it comes to talk about further improvements and weaknesses of the WSR the conversation is not uneasy. The author perceived people at institutions as very cooperative and not in any way too proud to rethink critical parts of the WSR.

#### **6.1.2.2.1 *Water Services Regulatory Board (WSRB) - Perception by stakeholders***

##### Institutions:

Mr. Barasa would like NGOs to act as a consumer voice, as they are close to the communities. If there are complaints they shall be reported to the WSRB rather than to the WSB. The WSRB takes complaints as a challenge where as WSB might take them as a misunderstanding. (4)

The Aluor WSP knows that institutions would like to hear the voice from people right from the start and feels the WSRB to be accessible. (10)

### **6.1.2.2.2 Water Services Board (WSB) - Perception by stakeholders**

There is a back and forth between WSBs being responsible for the rural areas or not. Also funds of the WSBs are perceived more or less available. Still it can be noticed, that those closer to the WSBs (such as Mr. Barasa, Ms. Ogut and the report) declare a scarcity of funds.

A lack of transparency can be deduced.

#### Institutions:

Ms. Ogut elucidates that rural areas are not attractive to most donors and therefore remain the biggest challenge for WSBs. (7) Conversely Mr. Kanui is sure, that it is not within the tasks of the WSBs to fund the rural areas, not even in theory. According to him this is up to the WSTF. (19)

The Aluor WSP feels that getting subsidies from the WSB, and also referring to the WSB in case of drought, is a possible option. Mr. Ombogo however explains that subsidies exist for urban WSPs but as the situation in rural areas is a bit more complex, rural WSPs are not on subsidy now. (10)

One idea for the future is that the GoK will approach NGOs directly through the WSB, even if it is not happening now, because of the GoK being too busy with other issues. (19)

Mr. Barasa's perception of WSBs is that they may take complaints as a misunderstanding. (4)

Opponent views exist on the topic of WSBs having funds or not. Some think WSBs have funds (21, 23, 24), others mention that WSBs have not now really started to have funds (4, 7, 25)

#### Literature:

Preliminary findings report 2007 (MWI, 2007c): "The WSBs and WSPs have not attained autonomy because of the relatively short time they have been in existence and limited revenue base."

### **6.1.2.2.3 Perception by stakeholders of the Water Services Trust Fund (WSTF) and its tasks**

In many of the interviews and most of the literature the perception arises, that the WSTF is often seen as the only funding channel for rural areas.

Also Mr. Ombogo is not clear about funding responsibilities, as he says that the investments in rural areas are meant to be made through grants and that the grants come from the WSTF. However he adds that it might be right that there is a financial gap in the rural areas, which are not covered by the WSTF. (12)

According to Mr. Keboga it is up to the WSTF to fund the entire area step by step, he does not mention any other option of funding. (17) Mr. Kaniu says that it is not within the tasks of the WSBs to fund the rural areas, not even in theory. This is up to the WSTF. The communities not belonging to the target areas now are left to wait until it is their turn in being targeted. (19) An outstanding statement is the answer to the question about funding channels being available to fund capacity building: "There is that money for everything from the WSTF." (17)

Some recognise the funds of the WSTF to be little (24). This funding channel is perceived to be slow now (3, 19). Another bottleneck is the way of choosing the target areas. Mr. Barasa articulates that there have been big complaints about that. (22)

Mr. Mbuvi explains that donors have not fully understood the concept of the WSTF either, as some of them want to channel all the money through the WSTF (instead of the WSB). (21)

Mr. Kabando mentions that one of the tasks of the WSTF is to create funding windows as many

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as possible, through donors that might not focus on target areas. Examples are ADB (African Development Bank) and GTZ (which chose to target urban poor). Further he senses a possibility of the WSTF to fund initiatives for capacity building outside the target areas. (20)

Mr. Misheck says that the WSTF is a common basket fund and that rules are made how communities can access this money. (25)

### Literature:

Some statements in the literature make the perception of the tasks of the WSTF unclear, e.g. "Resource mobilisation is a responsibility of the MWI and the WSTF." (MWI, 2007c). Depending on the point of view, the WSB is likewise understood to be responsible for resource mobilization. Still some lines below it is recommended, that the WSB should develop competence to mobilize resources. The Joint Sector Review Report 2007 states that "The WSTF has become the key sector instrument to overcome the challenge of WSS service provision for the poor." and that the "MWI should encourage the development partners to utilise the WSTF in support of the water sector, both rural and urban." -again the WSB is not mentioned.

Another misleading circumstance could be, that rural areas are often referred to as poor and as the WSTF is focussing on "the poor" it might happen that the WSTF is seen as responsible to fund the whole rural area.

One open question arising in this context is whether the WSTF is seen as THE funding channel because of a lack of knowledge, or because it is just the only funding channel reaching poor and rural areas *at the moment*, because other channels (such as the WSB) are not operative now.

## **Participatory Community Project Cycle (PCPC)- Perception by stakeholders**

### Institutions and NGO:

Ms. Mwango and Mr. Mbuvi articulate that the PCPC is too short and a post implementation phase shall be elaborated to enhance the sustainability of the newly established water services. They also think that the SOs come in too late, but Mr. Matseshe says that it is up to the WSB to rise the awareness in communities, so it can not simply be said, that SOs are coming in too late. (3, 21, 22)

Controversial opinions also occur on the topic whether there are enough SOs or not. Mr. Mutai states that there is a lack of SOs but Ms. Mwango and Mr. Lammerding can not reconstruct this point of view. Finally Mr. Matseshe explains that there can be seen a lack of qualified SOs. (2, 3, 6, 22)

The Aluor WSP expounds that QCAs make sure that the right point of access is entered and that the process is working, as it is within the interest of the WSB that the process is working. (10)

Initially in the PCPC also Partner Organisations (PO) were foreseen, but in practice nobody seems to have heard about POs and their tasks seem to be incorporate by SOs.

KWAHO could give feedback to institutions on their experience with the PCPC and contribute to modifications that way.

### **6.1.2.2.4 Water Services Provider (WSP)- Perception by stakeholders and current situation**

#### Institutions and NGOs:

The Aluor WSP explains that in general maintenance and staff should be covered through the revenue collected. However with time the O&M costs might exceed the revenue collected e.g. when there is need of some renewal. The Aluor WSP feels the possibility of referring to the WSB for subsidies. (10)

Mr. Ombogo states that a rural WSP has to cover the O&M costs through revenue. The situation about subsidies is different for urban and rural areas. Subsidies exist for urban WSPs but the situation is a bit more complex in the rural areas, as there are so many communities. The WSB fears to run out of money if it started with subsidies there, so rural WSPs are not on subsidy now. (12)

Ms. Mwangi knows that KWAHO could act as a WSP but the way of financing those activities is an open question. She reveals that WSP are meant to generate income through collected tariffs, though it is known that WSPs in rural areas are not recognised to be able to work in a financially self sustaining way, let alone generate income for staff or even surplus. Further KWAHO has the skill to form viable WSPs out of communities, but again it is an open question how this activity could be financed (as communities can not afford to pay for it). (3)

Mr. Barasa wishes that NGOs would train WSPs on the issue that water can not be free but has to be paid for. He would also like NGOs to find out if rural WSPs can be financially sustainable, as this issue is not fully tackled now. Also Mr. Lammerding states that the financial sustainability is an open question. According to him the frame of WSPs in rural areas with point sources has to be arranged differently, especially the limit of installing a WSP from a limit of 20 households has to be thought over. (4, 6)

To Mr. Kanui some WSPs can be financially sustainable, depending on the system that is used. E.g. gravity systems can be sustainable, but pumping systems might require subsidies for capital investment and he adds that this money is available. (19)

A foresight is given by Mr. Lammerding. He thinks that most likely the course of time will lead to form bigger units, which are linked to cities or towns to have technical assistance. (6)

#### Literature:

The Joint Sector Review Report 2007 (MWI, 2007b) states that “there are large limitations in a large number of rural based WSPs with regard to their financial ability to cover O&M [...] consequently [...] government subsidies will continue to be inevitable.” The Preliminary Findings Report 2007 (MWI, 2007c) adds: “Some WSP are too small to be viable. In some cases clustering of schemes for economic viability has been done [...]” and calls the WSPs the “foot soldiers”. The success of the reforms will depend on their sustainability.

## **6.1.3 The situation and possibilities of NGOs in the reformed Water Sector**

### **6.1.3.1 Situation of NGOs- How NGOs are perceiving and approaching the WSR**

It is striking that NGOs other than KWAHO are much more creative in the project acquisition. Most other NGOs seem to approach the WSR in a more active and also positive way.

#### Introduction of the 3 interviewed NGOs:

The three NGOs that have been interviewed are based in Nairobi. They are dealing with provision of water to the disadvantaged population. The NGOs Umande Trust and Maji

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na Ufanisi are mainly implementing projects in the urban poor context, NETWAS is mainly providing know-how and training to institutions.

### Umande Trust:

Umande is a national trust, which believes that modest resources can significantly achieve water and sanitation goals if financial resources are strategically invested in support of community-managed program. The Trust supports communities to improve on their knowledge and information assets and facilitates community organizing for independent action but also to demand fairness, accountability and competent service for improved water and sanitation. (UMANDE, 2009)

### Maji na Ufanisi:

Maji na Ufanisi (english: Water and Development) is a Kenyan NGO, working in partnership with local communities, government, donor agencies and the private sector to bring innovative water and environmental sanitation solutions to poor and disadvantaged people in Kenya. For the last 10 years, the organization has been working with marginalized urban and local communities with a view to designing and implementing pro-poor water and environmental sanitation solutions. (according to: MAJINAUFANISI, 2009)

### NETWAS:

NETWAS is a capacity building and information network for Africa focusing on water, sanitation and environment sector. It is comprised of resource centres in Eastern Africa implementing capacity building activities on training of professionals, applied research, networking and information sharing, advocacy, advisory and consultancy services. (NETWAS, 2009b)

The purpose of NETWAS is described as follows: To enhance the sector capacity in the provision of water, sanitation and environmental services in order to provide effective and sustainable services towards the alleviation of poverty and the raising standards of the peoples of Africa especially the low income population.

NETWAS was established in 1986 through a UNDP/World Bank program [...]. This program sought to establish centres of excellence in water and sanitation in developing countries. During its formative years, NETWAS also received both financial and technical support from the Swiss Agency for Development and Cooperation (SDC) to meet the challenges and gaps of the water decade. (NETWAS, 2009a)

Ms. Mwango declares the modified situation of funding a major change for NGOs. Because of changes such as the SWAP and the Paris Declaration the reliable donors, NGOs had good experience with, are channelling the funds though the GoK now. Direct funding also still exists, but NGOs are exposed to much shorter funding periods and there is no permanency in funding any more. Ms Mwango says that especially acting as an SO in the WSR is a very short lasting activity and she asks: "What is an NGO going to be?" and points out that an NGO is not a consulting institution.

Further she feels some distrust of donors and institutions towards NGOs regarding their accountability and therefore some hesitation in cooperation arises. She remembers the Director of Water saying, that civil societies are not honest. Now NGOs are working to establish KEWASNET (Kenyan Water and Sanitation Network) to have a voice to stand up against generalising for instance. The NGO council of the NGO board is not able to carry out this task. (3)

Some other NGOs have a very different view on the situation in the reformed water sector. Mr. Omoto, the CEO of Umande Trust and member of the board of KWAHO, for example says that

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the WSBs reach out for partnerships but the NGOs do not want to partner. (23) Ms. Githaiga from Maji na Ufanisi states that the WSR “opens doors for collaboration” in many areas because the capacity of NGOs is needed as NGOs compliment the tasks of the GoK. (24) Mr. Misheck from NETWAS states that institutions do not have the required capacities now. This is where an NGOs can help out. Both with fulfilling tasks and also with fulfilling a roll of advocacy, e.g. NGOs are making WSBs and WSP aware of the need of a pro poor approach. (25)

As one effect of the WSR Ms. Githaiga mentions that is has become interesting for institutions to get active in slums. Now WSPs have to break even and can not afford leakages anymore. (24)

To approach the WSB, Maji na Ufanisi uses three ways:

- 1 responding to tenders
- 2 writing a proposal about their work to the WSB to ask the WSB if it is interested in funding those activities
- 3 joint project writing (Maji na Ufanisi together with the WSB) occurs

Maji na Ufanisi works together with WSB and WSPs. According to Mr. Githaiga WSPs are not bound to tendering when a task has to be done.

Mr. Misheck mentions that also single sourcing exists. When the WSB is convinced, that what they want to do is to be done by one agent but points out that this opens ways for corruption.

To contribute to the WSR the WSWG is mentioned as adequate entry point. But Mr. Misheck draws attention to the fact that it is not always possible for an NGO to participate in such meetings for free. Some of the working groups want to have real work to be done, which is difficult for NGOs to provide for free. Networking meetings however are okay. (25)

The approach of writing proposals in order to have a project funded is seen very critically by Mr. Omoto. According to him proposals are often made away from the beneficiary and are written by people, which are good at writing and showing nice pictures. Sometimes the NGO can not implement then. He says that the problems are bad planning, a lack of participation, bad governance and corruption. There has to be a governance framework in the communities and the organisations. Proposals make no sense unless those issues are cleared and it should not be funded before there is governance. To Mr. Omoto proposal writing has conduit to the poverty. There is no planning and not enough implementation framework, but according to him there is enough money. He wants the sector to be democratised and to be closer to communities. He points out that sometimes funds are used very inefficiently by NGOs (he refers to a study for Action Aid on this topic). Further he explains that “proposal writing” is only the 4<sup>TH</sup> priority in the services charter of the WSB. (23)

NETWAS did not try the approach of forwarding proposals to the WSB. Mr. Misheck points out, that the WSBs know what they want and therefore he wonders if forwarding proposals would be useful. (25) Another doubt towards this approach is mentioned by Ms. Mwangi, she explains that the WSTF knows that KWAHO is there and in her opinion it is to them to come to KWAHO when there is a task to be done.

What concerns “surviving” of an NGO in the WSR, Ms. Githaiga says that activities in the WSR only would not be enough. The WSB may have different priorities e.g. concentrating on different areas, than the NGO. (24)

Mr. Misheck states that an NGO can survive in the WSR with a consultant approach. NGOs can and will have to work as consultants. NETWAS is doing it at the moment and it is working out: “so far so good”. Still, being active with a donor and in the WSR structure would be the best and is aimed at by NETWAS. At the information, that funds are said not to have been fully absorbed that year, he comes up immediately with the idea of making out the bottlenecks and getting active there. (25)

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An NGO that is similarly sceptic about the WSR as KWAHO is the NGO GWAKO, based in Kisumu. They see almost no possibilities to get active in the reformed water sector and feel the need of exploring other possibilities, such as partnering with WPI (Water Partners International). (oral communication, GWAKO staff member, 2007)

Ms. Mwango is interested in finding out if earmarking of funds through the WSTF has ever gone through to reach an NGO. She mentions that NGOs feel like competitors and that this makes cooperation among NGOs difficult.

It is a question whether NGOs can participate in tendering, or if they are excluded of this possibility by their legal status. Some of the interview partners think that taking part in tendering is an option; others think that this is not possible. The Water Act does not refer to NGOs being excluded from tendering.

### 6.1.3.2 How NGOs are perceived by institutions

Generally it can be said that NGOs are appreciated by institutions. Institutions have many ideas how to appoint NGOs and no doubts about accountability is restricting that. Still, some objection of NGOs towards control is mentioned.

NGOs are recognised to work well together with communities; they are close to communities and know what is going on. (4) NGOs are good at assessing the needs and reorienting the community they are in. NGOs have the know-how to make use of different approaches. These are several reasons why some institutions want to incorporate NGOs in the communication strategy.

In relation with how NGOs are used to work and the new situation in the reformed water sector Mr. Mbuvi describes: How they are used to work, is to get money and to manage it. But now there is a need for them to transform themselves to fill the gaps. Further he says that: NGOs seem to be scared of selling their services and seem to scare themselves. He explains that now it is necessary to transform to service providers and business developers. In this context he indicates the publication "Business Development Services for Community-managed Small Water Enterprises" from Water and Sanitation Program. (21)

Further of Mr. Mbuvi's recommendations are that NGOs shall develop a multi sectoral approach, or grow in area in order to locate a community, whose priority is water. The multi sectoral approach would make it possible to provide the required service to the community they are in, even if the issue is another than water. Some (4, 20, 22) would like NGOs to acquire more expertise, capacity and also to get more familiar to the tasks of an SO in order to speed up this activity and therefore also the PCPC process.

There are positive experiences of the GoK working together with NGOs and Mr. Ombogo says that the GoK does not fear to work together with NGOs. However, according to him and Mr. Mbuvi, NGOs fear being controlled. Still some positive regulation has to be installed. (12, 21)

Additional to their resource "know-how about communities", NGOs are perceived to have financial resources at their disposal. The idea of e.g. WSBs that NGOs could help out with the tasks of the WSBs is based on the presumption, that NGOs have funds. (6, 12, 19, 20, 21) Also literature often mentions NGOs in the same line with donors. Once even the suggestion, that NGOs shall put their resources together arises. (19) Others know that very few NGOs would have the initial money to mobilise the communities and be refunded only after this first step by e.g. the WSB afterwards. (22)

Mr. Lammerding from GTZ expresses a general doubt on the necessity of NGOs and refers to the European infrastructure that is organised without NGOs. (6)

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The WSR and the installation of the SWAP did not seem to have an influence on the number of the newly registered NGOs dealing with water. (5)

From Mr. Mutai's statement that KWAHO was not present to become an SO so far, can be deduced, that a more active role and approach from NGOs is wished and expected by the WSTF. (2)

### 6.1.3.3 Ideas of institutions to appoint NGOs in the WSR

High quality tasks are suggested for NGOs, however most of those offers are based on the presumption of NGOs having funds to their disposal.

Institutions see various options how NGOs could get active in the reformed water sector. Possible tasks are: being an SO, or QCA in the PCPC, being a WSP and in parallel find out if a rural WSP can be financially sustainable. NGOs can provide soft skills in close relationship with WSBs and WSPs. Further they shall communicate the reform and act as a consumer voice, assess the needs of the communities and provide training to them and the WSPs. NGOs shall support WSBs to fulfil their tasks until those have the necessary capacity. NGOs can assist communities to set up proposals and give them technical support. Moreover post construction activities might be necessary. (1, 4, 7, 12, 21, 22)

When it comes to the question how those activities could be financed, it is indicated that NGOs have always been doing that and they shall just be financed in the way they always have: through direct funding. Also getting active through "good will" is mentioned in this context. (6, 12) The idea arises that the initial step of mobilising a community could be refunded, as this is a regular task of an SO anyways. (21)

Further ideas are that NGOs could get active as a contractor in project implementation, as long as they are not an SO or QCA in the same project and as long as they are licensed. Further NGOs could make use of their skill of providing capacity building to communities also in other sectors than the water sector. (17)

Ms. Ogut suggests joint proposal writing of NGOs together with the WSB. The WSB could act as a regulator, in order to facilitate the process of NGOs accessing funds of donors. She mentions that currently EU is funding a project for capacity building where the WSB and NGOs could work together. Still, tendering is compulsory for the WSB. (7)

Mr. Matseshe reveals that there is a lot of money in the WS and recommends that NGOs shall come up with good products to access this money. For instance the WSTF wants agents that explains CBOs how to use the money they receive. He wants NGOs to provide services the WSTF wants to pay for. (22)

Forwarding proposals to the WSB to match them with a line of donors would be the best. Likewise Mr. Barasa encourages: "go and apply for something- we will see for funding then." and Mr. Ombogo recommends that NGOs shall not wait, but come up with projects and "then we see how we can get together." (4, 12)

### Literature:

The publication of the Water and Sanitation Program (World Bank) "Business Development Services for Community-managed Small Water Enterprises" (WSP-WB., 2007) explains that many rural water supply schemes are operated as small water enterprises. "To ensure their long-term sustainability and health, these small enterprises require Business Development Services (BDS) covering technical, financial and social skills. The support needs to be sustainable so that the enterprises can have access to quality, affordable, professional services throughout the lifetime of water projects." NGOs are possible providers of BDS. This document

also claims that a market for support services needs to be established and expounds ideas how to do that.

### **6.1.4 the situation of Communities in the reformed water sector and how communities perceive their situation towards the WSR**

At the time this thesis was established, the integration of communities in the reformed water sector did not seem to have emerged very far. It was therefore difficult to assess.

There is the idea and intention to integrate communities in the reformed water sector. However at the moment those intentions do not seem to be put into practice very well. It is an open question if this will improve in future.

#### Communities:

In general communities have not heard of the WSR or only very little. Still they feel up to fulfil the tasks of a WSP, such as fee collection and maintenance of the facility. The problem they foresee being a WSP are the collection of fees in the community, the funds and corruption. Communities want more training and information about the WSR and wonder if there will be tax collection. There is no common bias against cooperating with governmental institutions.

Generally communities are very ambitious about their future and have big plans. They are also positive about the option of taking micro credits to install water facilities, and are eager to know more about it. Some groups already have experience with loans. (8, 9, 11, 13, 14, 16, 18)

About the involvement of communities in the WSR, the Aluor WSP thinks that it is not a matter of capacity of communities or the reform being too complex for communities, but rather a lack of knowledge about the reform. This can change when SOs carry on with spreading information. (10)

At the beginning of this thesis there were concerns about the requirement of metering water outlets. It was feared, that this could be very hindering in rural areas.

However in this thesis it was quickly assumed that metering would not be the bottleneck in implementing the WSR in rural areas.

This assumption is based on following: SPAs require the metering of every connection. However the sense seems to be a rough estimation of the consumption of the resource water. The second idea of metering is to base fee collection on the consumption. Therefore jerry cans seem to be sufficiently exact.

Further there are positive experiences with metering already. The communities working together with KWAHO do use metering to base their fees on. Water kiosks as well use a similar system. The Aluor WSP plans to meter all its connections and foresees no problem about that.

Therefore the recommendation that can be given concerning metering is that NGOs could try to make SPAs more adapted to the possibilities of metering in practice.

#### NGOs:

Ms. Mwango points out, that communities are not supported in a sustainable way. (3) Mr. Odaba, KWAHO member, thinks that communities should be involved in the solution of their problems such as water supply, because "communities would know how to do it" in a simple way. (oral communication, Odaba, 2007)

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### Institutions:

According to Mr. Kabando the approach of micro credits is a good one but it comes down to the ability of communities to pay back the loan. The system can work out well in some communities, without big efforts; in others through capacity building; but in some never, not even after intensive and long capacity building. (20) Also Mr. Mbuvi as well comments that credits are not an option for all communities, because some would not be able to generate enough income to pay back the loan. Public money will have to be put in and he adds that this money is available. (21)

His perception of the situation in communities is that there is low capacity in planning and design and a lack in efficient management of water systems (21). An other insecurity is if communities that come up with proposals will have the capacity of getting the funds. (7)

Some other comments to communities are e.g. that installing WSPs starting from a limit of 20 households is absurd in rural areas. Further CBOs are not like contractors. Sometimes they move slowly because of the weather or other activities like funerals... Mr. Kanui thinks that communities perceive NGOs as a middle man that takes up some of the donors' money and that communities want an output but are less interested in the process. (4, 6, 19)

Different opinions also occur related to asset holding. On one hand it is mentioned that the confidence of communities has to be won to establish some cooperation, on the other hand there is the statement that "Actually nothing is removed from the communities." and therefore communities should still feel responsible for their water facility. (4, 20)

The problem of distance between communities and institutions has not been investigated on closely, as the WSR does not seem to have been progressed far enough to make this an accurate issue. Institutions are not in the position to notice a problem about distance, as they are too far away from communities now. Only a problem in communication can be assessed and this seem closely liaised to the distance between institutions and communities.

### Literature:

The Joint Sector Review Report 2007 (MWI, 2007b) states "The sector continues to suffer from a non-ownership of projects by the communities due to a long established practice of introducing and developing projects without participation by the communities."

Similarly the Preliminary Findings Report 2007 (MWI, 2007c) exposes that the capacity of communities needs to be strengthened and that capacity building needs to be institutionalised. Further it declares that community contribution shall be enhanced, e.g. by giving communities incentives to be involved in management and implementation of the project. This could be through community decision making and supplying man-power for construction. This would enhance community identity and project ownership. This is as well a catalyst in creating an enabling environment for the community's ability to shoulder responsibilities.

In connection with retaining DWOs in their position for some more time, the report sees a possibility of communities making their "own systematic effort to provide services without waiting for external support."

The unhappiness of locations not being targeted by the WSTF is captured in the statement "The explanation that they are not poor is not satisfactory as they argue that the government would like them to be poor before coming to their assistance."

Some results of a SWOT analysis about communities in the Annual Water Sector Performance Report 2007 are:

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Strengths: there is enough manpower locally to develop the sector; communities are well sensitized and know the benefits of improved water services; well developed investment tools-CPC.

Weaknesses: Dilapidated infrastructure; inadequate baseline data on coverage etc; management capabilities and competences at community level.

External Opportunities: goodwill from government and development partners resulting in increased sector funding; Water Act 2002 which has decentralized decision making for efficient service delivery; increased interest and funding to the water sector.

External Threats: resistance to change by water consumers used to “free” water; Different investment approaches by other stakeholders e.g. NGOs and church organisations, poor sector coordination.

The document of WSP-WB. „Business Development Services’ (WSP-WB., 2007) states: “The rural water supply sector in Kenya has long been characterized by high contributions from community members in finance, labour and materials, and participation in development and management. Perhaps unique among East African nations, rural communities in Kenya are used to taking responsibility for at least some effort required to secure supply of safe water.

The Ministry of Water and Irrigation is currently leading a reform that will transform the sector into one that recognizes the potential of these community service providers.”

This document states as well that “the water sector in Kenya is characterized by unusually high level of user investment. Often rural communities will mobilize substantial contributions before seeking financial or technical assistance from NGOs or from staff in the district water office.”

### 6.1.4.1 Results according to the questions of R. Mair

The questions of in the thesis „Analysis of the Kenyan Water Sector Reform and the Integration of Implementing Agencies and Communities in Rural Areas“ (MAIR, 2007), mentioned in 4.4.2, are answered here shortly. Those questions are mainly related to the integration of rural communities in the reformed water sector. The answers and perception that arose during the present research are summarised here.

- Some of the questions deal with the financial aspect of communities. In the conception of the WSR it seems to be required that communities can be self sustaining. In reality however it will be difficult for them, let alone generating surplus and delivering 1-5% of the monthly tariffs to the WSB. The WSB is an institution that is not obviously serving communities up to their perception. - To the author’s opinion, now it seems to be recognised that rural communities are not likely to generate surplus or be self sustaining at all. It does not seem to be expected either. Therefore it seems to be likely that the conception of the WSR will have to be adapted somehow regarding this point.
- MAIR (2007) expressed worries about SPAs and the tasks of a WSP being too demanding for people in rural communities. This was put into perspective in this thesis. On the one hand communities are already fulfilling most of a WSP’s tasks: they are metering the consumption, collecting revenue, do the respective book keeping and are aware of the need of maintenance. Therefore they seem to be up to fulfilling a WSP’s tasks. Here an NGO could provide training.

On the other hand SPAs are formulated not the easiest way. But there again the author sees some room for improvement. Maybe NGOs could contribute to an easier formulation and to negotiate between both sides. The possibility for improvement is based following: most of the interview partners are open towards adaptations. And the author did perceive the main goal of the WSR as the provision of water to the population. The financial aspect

seems to be a motivation only, but not the driving aspect in the reforms. A logical conclusion is to be interested in formulating SPAs in a way they are well readable. It was not seen that the main task of SPAs was to bind communities to an unfair contract. Time will show if this assumption is naive or optimistic. History shows, that this assumption might be optimistic.

- Metering was stated as a mayor problem by MAIR (2007). In this thesis however it was not seen as difficulty. As described above, metering is already being done and the precision does not seem to be very high. As the use of metering is mainly to base fees on and to estimate the consumption of the water resource.
- The transfer of assets from communities to institutions is seen as an obstacle in MAIR's analysis. Institutions seem to be aware of this hurdle as well. Further there are already experiences about it and different approaches have been tried already (MWI, 2007c). It can be concluded that this is recognised as a sensitive issue and it can be hoped, that the altering approaches might succeed on day.
- MAIR (2007) had stated a lack of communication. Now institutions seem to be aware, that this is a problem. So this is as well an opportunity for NGOs to cooperate with institutions there.
- During this research it could not be stated, that institutions were aware of a distance problem between institutions and communities. Now there is still the transition phase and DWOs are still there. There are discussions about keeping some DWOs up.
- The problem that the PCPC might lack of continuous assistance for communities has been stated by the interview partners in this research. Again an NGO could contribute with its ideas here.

## 6.2 Further results of the field study

Further results of the field study, beyond the conception and perception of the WSR are listed here.

6.2.1 "Literature review of 2008 about the WSR" summarises the literature review of 2008, one year after the field study.

6.2.2 "Open questions concerning the possibility of NGOs getting active in the reformed water sector" deals with „Open questions“- questions that did arise during the research and questions that go beyond this research.

6.2.3 "Specific information on KWAHO and perception of the WSR by KWAHO" presents the situation of KWAHO considering the WSR. KWAHO is the NGO for the case study. A SWOT analysis to the situation of KWAHO was done as well.

### 6.2.1 Literature review of 2008 about the WSR

The focus while reviewing the 2008 literature was on the integration of rural communities, the follow up of the PPIP and also on information about the evolution of the funding situation.

Annual Water Sector Performance Report 2008: (MWI, 2008a)

From recommendations about disseminating the PPIP and integrating it in action plans such as repeated recommendations of involving communities, it could be deduced that it has not happened now.

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Financing: The total budget increased to Kshs. 20,922 million in the financial year 2008/2009. Still under expenditures of donor funds are cited.

Communities: Lots of the challenges cited in the "Preliminary Findings Report" 2007 are repeated e.g. the challenge of strengthening the capacity of communities to manage their water supply scheme and therefore the need for institutionalisation of capacity building. Also the challenge of enhancing community contribution is repeated.

Further it is mentioned, that the PPIP has been developed to take the poor into account. A challenge is how fast those who are categorized as poor can get access to WSS.

A general recommendation is that the MWI should support the development of localised MDG action plans by disseminating documents like the PPIP and providing guidance on their integration into local action plans.

### Annual Water Sector Review 2008: (MWI, 2008b)

It seems to be a very critical report, without any efforts to whitewash observations. Future will show how much it will be used as a tool.

Some interesting statements are:

"Focus on the Poor: - Although there the Pro-poor Implementation Policy of last year gave elaborate guidelines for ensuring access to the poor, representatives of the poor have not sufficiently participated in the water sector reform processes. There is insufficient information reaching the poor about the reforms and the opportunities open to them."

In connection with the rural water and sanitation sub sector the report mentions that "it is surprising that WSTF is not able to increase the volume of CPC-projects."

As a current status of the recommendations 2007 on sector institutions and DPs following pro-poor national concepts, it is stated: "No policy directive issued" and "No signs of increased funding to RWSS during 2007/08 [...]"

The current status on "the progress of the implementation of the PPIP" that should be evaluated annually is: "No progress".

Financing: "The common picture is that budget requests from the institutions are far above available resources." "The institutional budgeting process has not yet transformed to see that the WSBs become the sole budgetary units for the sector."

"Communication Strategy: - The reform process has not been well communicated in the sector. Majority of the staff even at the Ministry headquarters for instance do not understand some of the newly developed tools such as the SWAP, SIS, SIP, KSIs etc."

A very critical statement is: "There however is a general lack of enough human resource capacity at all institutions. The process of change for former public servants from an attitude of laziness and low levels of accountability to a heightened sense of responsibility, efficiency and hard work has been slow."

"The SIS (Sector Information System) has laid out clear modalities for sector performance monitoring. Although KSIs (Key Sector Indicators) at a glance would display the performance trend of the sector, it is true that very little follow up has been done this year."

The sequence "it is true that very little follow up has been done this year" of the last statement is also the impression the author gained through while the literature review, nevertheless it is pointed out that this "tele diagnosis" is to be seen very restrainedly.

It can as well be deduced that the reform takes a long time to establish, just as most reforms do.

### 6.2.2 Open questions concerning the possibility of NGOs getting active in the reformed water sector

Some questions did arise during the research and could not be answered. Some go beyond this research. Those questions are:

- The likelihood of WSPs being able to operate in a self sustaining way in rural areas remains in question. (6)
- It is not clear how technical support that KWAHO could provide shall be financed. e.g. clustered communities (7)
- How much can a different approach (NOGs approaching institutions actively, forwarding proposals to the WSB) “generate” funds that can be available for NGOs then?
- In order to reach rural areas better: Could DWOs, NGOs and the institutions of the WSR be combined? Is there a possibility to combine them with having DWOs as funding agents, NGOs implementing and WSB regulating?
- Where are the bottle necks that reduce the financial absorption capacity of the sector? Can NGOs use bottlenecks as possibilities to get active and provide know how?
- It remains an open question if the conception of the WSR will ever be put into practice, or if the practice of implementation will lead to another direction. It will have to be seen where the WSR develops to. This of course also relativates the ideas about the possibilities to get active in the WSR.

### 6.2.3 Specific information on KWAHO and perception of the WSR by KWAHO

It was noticeable that KWAHO’s approach to the WSR was rather reluctant, hesitating and passive. It remains in question how much this is related to a lack of knowledge about the WSR (e.g. towards the WSTF) or rather related to some fear of contact and indignation. The information level on the WSR is not very high inside KWAHO.

In general avoiding and bypassing of the WSR seems to be KWAHO’s preference.

Still KWAHO has an idea of the WSR and also plans to approach the reform are documented in the Strategic Plan and the document Phase V. However those plans do not seem to have been followed in practice.

The atmosphere concerning the approach to the WSR was rather reluctant and cautious. E.g. Ms. Mwango asks “What is an NGO going to be?”. She further indicates that people are going to lose their jobs, when KWAHO will be exposed to shorter funding periods related to projects within the WSR. This cautious approach makes one think of Mr. Mbuvi’s sentence that NGOs seem to scare themselves and seem to be scared to sell their services.

Besides focussing on direct funding, there is rather low interest to approach the WSR. The wish for financial autonomy is repeated in “go there, there you will find money” (Mwango). Ms. Mwango would (only) have considered the precise indication of a funding option as help. The approach: “may be we find an other big donor” (oral communication, Ngewa, 2007) after a discussion about the author’s findings about the WSR, is in line with that as well.

Further it was striking that the WSTF was explained to be the only institution with the capacity to fund rural areas. As an alternative to being an SO it was suggested to find out how the target areas could be enlarged and to concentrate on exploring the possibility of channelling earmarked donor funds through the WSTF to KWAHO in areas where it is active already.

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However it could not be clarified if this focus arose from a lack of knowledge about the tasks and responsibilities of the WSBs. (WSBs are in charge to fund rural areas such as opening funding channels towards the rural areas as well.) The focus on the WSTF could as well be due to the WSB being the only active player in rural areas at that time. The funds of WSBs are said to be too limited now, to reach rural areas.

Another constraint in funding is perceived by Ms. Mwango on the level of the WSTF in relation to the SWAP, which could slow down earmarked funds. Her perception is based on funds of GTZ that did not reach KWAHO for several months. (The author did not investigate to what point an agreement with GTZ had evolved already.) Ms. Mwango is interested in finding out if earmarking of funds through the WSTF has ever gone through to reach an NGO, to find out if this is a real option at all.

A crucial insight was also Ms. Mwango's comment on the way of KWAHO cooperating with the WSTF "it is to them to come to us". In connection with WSB Ms. Mwango repeated that funding was the problem and not the approach or communication between KWAHO and the LAVICTORS (the WSB where Mr. Mwango is a board member). A contrast to that is Mr. Mbogo's recommendation to stakeholders to come up with projects, "then we see how we can get together."

However Mr. Mbogo also states: When NGOs support the WSB at carrying out their tasks, they shall just be financed in the way they always have been funded- through direct funding. - However this seems to be a contradiction, that seems to take the research back to its start.

KWAHO's approach to the WSR is a contrast to the direction initially described in the document on Phase V (KWAHO, 2006). The approach described there is proactive and positive.

In the chapter "KWAHO Response and Integration in the Water Sector Reforms" in the document on Phase V (KWAHO, 2006) several proactive ideas and initiatives are cited. Still those attempts did not seem having been followed intensively. Some examples of the formulated resolutions and activities are: "to be proactive and develop mechanisms and models how the new legal framework will work even for the rural water communities that have not been adequately reached", "Development and dissemination of a communication strategy within the WSR" and "Training for KWAHO staff in line with Water Sector Reform" such as e.g. "Development of a partnership mechanism of KWAHO with the institutions (...)"

The importance for KWAHO to stay autonomous is mentioned in connection with the aim to "continue working with the boards and not through the boards". In this perspective staying autonomous is possible through direct funding.

Those proactive and very high ambitions however seem to be a bit slow to find their translation into practice. Some opposing indicators were e.g.: hoping for another big donor and waiting to be approached by institutions. Ms. Mwango would like that NGOs were given a specific roll.

Another contrast is KWAHO's: planned partnership with institutions and the reality: Until now KWAHO has not made a declaration of a borehole or any other project. (17) (However in Lower Tana there were trouble with the project manager, which might not have helped the communication.)

In this area (area around Garsen in Lower Tana) only one SO is active. Somehow KWAHO was not available at the time SOs have been sought. But it is not too late to still write an expression of interest to become an SO for the area. (17)

Also some proactive communication strategy was described, but in reality: "You go and tell them (institutions) about the communication strategy" Ms. Mwango to the author.

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From Mr. Mutai's statement that KWAHO was not present to become an SO so far, can be deduced, that a more active role and approach from NGOs is wished and expected by the WSTF.

There seems to be a high potential to increase KWAHO's presence at institutions.

KWAHO had developed a strategic plan earlier, but there is only little connection to the WSR.

Strategic plan: (KWAHO, 2005)

In the Strategic plan the WSR and other ongoing developments and changes are mentioned. E.g. "The donor regulations, requirements and approaches have changed a lot."

Further it is mentioned that fundraising continues to be a challenge. It is pointed at the option of corporate organisations such as Safaricom and Coca Cola as they are getting more and more involved in social responsibility activities. Partnering of NGOs with an enterprise for social activities is seen as an option. The possibility of partnering with other NGOs is mentioned. Additional participation is planned in a very scarce way only, e.g. participating in forums.

The WSR seems to have been considered only very little by KWAHO at the time the strategic plan was written. Still there are some ideas of partnering and optional funding sources to classical donor funding mentioned in the document. However it did not seem having been followed enthusiastically by KWAHO.

Further issues that have been noticed: the communication inside KWAHO seems to be scarce... e.g. information on WSR is very scarce below the C.E.O level. Hardly any staff member is aware of concepts and the possibilities of the WSR.

Some staff members would wish a better communication climate. One statement about difficulties to contribute to KWAHO as a team, comes from a project manager, Paul Mutava: "The board (of KWAHO) is just another dead body."

During the research some misunderstandings occurred. An example for one misunderstanding, that became clear only later, back in Austria is about tendering: After mentioning to take part in tendering, the discussion between the author and Ms. Mwangi often closed. The author had the impression, that tendering was a clear way forward. The CEO however thought that tendering was not an option for an NGO. Both approaches led to the conclusion that there was nothing more to say. So it was not noticed that two contrarian approaches were underlying.

In general it was quite difficult to cooperate with KWAHO's CEO in an efficient way and to develop the research to a direction that would have been estimated as useful by Ms. Mwangi. It was often advised to ask interview partners about the possibility of direct funding and the possibility of channelling earmarked funds through the WSTF to an NGO. Beside that there were only very low interest in any further information or any input on some priority topics or issues, that should be explored by the author for KWAHO. At the end the CEO explained that this research has contributed hardly anything to KWAHO's situation. Detecting a source of direct funding would have helped.

## Results and discussion

### 6.2.3.1 SWOT Analysis- KWAHOs possibilities in the reformed water sector

Here strength, weaknesses, opportunities and threats of KWAHO concerning the WSR are listed. (table 7)

Below find some strategies how KWAHO can deal with the new situation.

#### SWOT Analysis

<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>- good at working with communities, training and informing them</li> <li>- KWAHO has offices in three points of the country</li> <li>- enough human resources to implement projects</li> <li>- Good link to WS institutions through Catherin Mwango</li> <li>- KWAHO is known in the sector</li> <li>- Member of WSB board</li> </ul>	<p><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>- Hesitating approach of the reformed water sector</li> <li>- Very much focused on finding donor, direct funding</li> <li>- (aversive against the WSR)</li> <li>- Not present/ known at regional institutions</li> <li>- Not very well informed about the basic conception of the reforms</li> <li>- Not very well informed about funding options in the reformed water sector</li> <li>- there is some knowledge about the WSR on the CEO level, but not very well reaching others in the institution</li> <li>- (scarce communication inside KWAHO)</li> <li>- Profile of KWAHO is not worked out well</li> </ul>
<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>- Information is available</li> <li>- Institutions are cooperative, want to cooperate</li> <li>- Transition phase- thee is flexibility in solutions</li> <li>- Budget of the sector is rising</li> <li>- With the PCPC there is a recognized method to implement projects</li> <li>- NGOs have established the network NETWAS to represent them</li> <li>- have implemented a WSTF project already</li> <li>- are an SO for LAVICTORS already</li> </ul> <p>mentioned in the thesis of MAIR already:</p> <ul style="list-style-type: none"> <li>- Inadequate coverage of water and sanitation services in Kenya</li> <li>- Connecting communities with the institutions</li> <li>- Capacity building (of KWAHO-staff and for the communities)</li> <li>- Possible partnerships with private companies</li> </ul>	<p><b>THREATS</b></p> <ul style="list-style-type: none"> <li>- Other NGOs, consultants and actors are more present on the market</li> <li>- Working methods adequate to the WRS differ from the methods KWAHO has long applied (higher pressure on efficiency)</li> <li>- Shorter funding periods an short project frames</li> <li>- Certain concepts, such as the PCPC are not in line with KWAHOs philosophy</li> <li>- Rural communitis might stay neglected in the WSR</li> <li>- The basic conception of the WSR might not be put into practice as it was intended.</li> </ul> <p>mentioned in the thesis of MAIR already:</p> <ul style="list-style-type: none"> <li>- Little coordination between implementing agencies</li> <li>- Corruption in Kenya causes image loss</li> <li>- Competition within the Sector</li> <li>- Shift of donor priorities</li> <li>- Low salaries may cause loss of staff</li> </ul>

**Table 7: SWOT analysis of and strategies for KWAHO's situation (continuing)**

## Results and discussion

### Strategies

<p><b>Strengths- Opportunities</b></p> <ul style="list-style-type: none"> <li>- Approach institutions (mainly WSBs) in regions of all 3 offices</li> <li>- Use “popularity”</li> <li>- Take advantage of rising budget in the sector, by establishing projects</li> <li>- Merchandise their quality of being close to communities</li> <li>- get active as an SO also in Nairobi and Mombasa area</li> </ul>	<p><b>Strengths- Threats</b></p> <ul style="list-style-type: none"> <li>- Consortium- ally with actor that knows well about opportunities in the reformed water sector and can need human resources</li> <li>- (find ways to adapt PCPC)</li> <li>- Elaborate possibilities to deal with tighter project budget</li> <li>- advocacy for rural communities, show institutions ways to cooperate successfully with rural communities</li> </ul>
<p><b>Weaknesses- Opportunities</b></p> <ul style="list-style-type: none"> <li>- Inform staff about WSR- more awareness (- more potential for ideas)</li> <li>- Find out about in which aspects/ how institutions want to cooperate (-get inspired by other NGOs)</li> <li>- Introduce to/ be present at regional institutions; get advocacy from there, be more involved in ongoing processes</li> <li>- Find out about financing possibilities</li> <li>- Entrust someone with this task (getting more familiar to WSR and its possibilities)</li> </ul>	<p><b>Weaknesses- Threats</b></p> <ul style="list-style-type: none"> <li>- Consortium- ally with agent that is involved in the process</li> <li>- Cooperate with enterprises, projects about social responsibility</li> </ul>

**Table 7: SWOT analysis of and strategies for KWAHO’s situation**

Strategies for KWAHO to cope with the WSR can shortly be summarised as follows:

- KWAHO shall use its resources (popularity, human resources) in order to be better established and better known at institutions.
- KWAHO shall use its resources as trigger to cooperate and liaise with an agent that knows better about the WSR. This shall help KWAHO to learn about the WSR and to find the entry to the WSR more easily.

### 6.3 Table of results

The main points of the results are summarised here in table 8.

6.1.1 Basic conception of the WSR				
6.1.1.1 institutions				
6.1.1.1.1 WSRB	6.1.1.1.2 WSB	6.1.1.1.3 WSTF	6.1.1.1.4 PCPC	6.1.1.1.5 WSP
<p><u>institutions:</u></p> <ul style="list-style-type: none"> <li>- has to be informed by WSB and WSPs</li> </ul>	<p><u>institutions:</u></p> <ul style="list-style-type: none"> <li>- have signed performance contracts with the MWI</li> <li>- are responsible for financing and active resource mobilisation in their catchment area</li> <li>- Everybody that is not served can sew them.</li> <li>- national implementation rules (tendering) to allocate funds and find partners</li> <li>- it is their task to inform communities about reforms</li> <li>- the different WSBs use different approaches</li> <li>- WSBs are free to allocate their resources in any way useful</li> <li>- the best would be if proposals were forwarded to WSBs</li> <li>- are funded through GoK and others e.g.: donors, AFD, CDF...</li> </ul>	<p><u>institutions:</u></p> <ul style="list-style-type: none"> <li>- targets areas that are not likely to attract other investments in a business model</li> <li>- proposals have to go through WSBs first</li> <li>- has to follow national implementation rules (tendering)</li> <li>- it can agree with donors how the money shall be used</li> <li>- SOs are agents of the WSBs</li> </ul>	<p><u>Institutions:</u></p> <ul style="list-style-type: none"> <li>- it is a recommended approach to project implementation- not compulsory</li> <li>- not fully established now, it can still be adapted</li> </ul> <p><u>literature:</u></p> <ul style="list-style-type: none"> <li>- it is a structured and predictable process for project planning and implementation, will promote sustainability</li> </ul>	<p><u>institutions:</u></p> <ul style="list-style-type: none"> <li>- has to carry out activities of water supply and sanitation, O&amp;M and therefore collect fees</li> <li>- WSPs can be subsidised</li> </ul>

**Table 8: Table of results (continuing)**

6.1.1.2 Basic conception of the WSR, specific topics			
6.1.1.2.1 General information		6.1.1.2.2 Communication	6.1.1.2.3 Asset holding
<p><u>literature:</u></p> <ul style="list-style-type: none"> <li>- the reform is committed to the principles and targets of the MDGs, good governance and human rights</li> <li>- water is a basic need and an important catalyst towards social and economic growth, and a key for rural communities to break the poverty cycle</li> <li>- lessons learnt: neither privatization nor commercialisation alone are adequate to respond to needs of the poor</li> <li>- commercialisation shall be socially responsible; access to save water can not be left to market forces</li> <li>- impersonal strategy of identifying the poor through the poverty indices</li> <li>- the focus lies on urban (not rural) poor</li> <li>- Transition period to establish reformed water sector: 2005-2008; difficulties while implementing Transfer Plan</li> <li>- improved communication and coordination among DPs and water sector has attracted increased funding</li> <li>- actors (DPs, ..) shall align to national strategies</li> </ul>	<ul style="list-style-type: none"> <li>- impact and success of the reform depends (among others) on the respect of the important principles and concepts by institutions and people on the ground</li> <li>- to achieve sustainability: involve stakeholders in decision making</li> <li>- the focus lies on urban (not rural) poor</li> <li>- the PPIP shall operationalize the pro poor orientation of policy</li> <li>- NWSS is a clear and accountable roadmap to implement sector policy; it mentions pro poor approach</li> <li>- actions of both documents shall feed in to the performance contracts of the institutions</li> </ul> <p><u>literature 2008:</u></p> <ul style="list-style-type: none"> <li>- no progress in evaluating the implementation of the PPIP</li> </ul>	<p><u>institutions:</u></p> <ul style="list-style-type: none"> <li>- institutions are responsible for communication and information dissemination</li> </ul>	<p><u>literature:</u></p> <ul style="list-style-type: none"> <li>- Ownership of all surface and ground water is vested in the state.</li> </ul>

**Table 8: Table of results (continuing)**

6.1.2.1 Perception of the WSR by the stakeholders			
6.1.2.1.1 general impression and idea of the WSR	6.1.2.1.2 Communication		6.1.2.1.3 Asset holding
<p><u>institutions:</u></p> <ul style="list-style-type: none"> <li>- the WSR favours the demand driven approach</li> <li>- it is easier to channel money where there is an expressed need</li> <li>- resources (from the GoK and donors) are available, the sector just requires a new approach</li> <li>- those willing to work will have the opportunity to work</li> <li>- there is lots of autonomy and space for innovation in the WS</li> <li>- NGOs shall not wait, but come up with proposals</li> <li>- water service is affordable</li> <li>- if the demand came from the communities, the triggered level of funds would be very low</li> <li>- there is a risk at creating demand that can not be met then</li> <li>- funds shall not bypass institutions</li> </ul>	<p><u>institutions:</u></p> <ul style="list-style-type: none"> <li>- this is a weak link</li> <li>- it is just a matter of time, as more and more people have access to information</li> <li>- it was a mistake that institutions tried to spread the information, although NGOs are the ones close to communities</li> <li>- some institutions (UNICEF) take the initiative</li> <li>- institutions+ NGOs:</li> <li>- stakeholders should come together and work things out in a participative way</li> <li>- institutions would like NGOs to come and introduce themselves and their projects</li> <li>- communities:</li> <li>- they have not heard of the WSR</li> <li>- information channels used: the radio, funerals, barazas (markets), seminaries, workshops, trainings, churches, the chief, the headman and NGOs</li> <li>- considered as appropriate channel to be informed about the WSR: seminars and workshops carried out by staff of the ministry and NGOs</li> <li>- the ALUOR WSP knows that the WSRB would like to hear consumer voices</li> </ul>	<p><u>literature:</u></p> <ul style="list-style-type: none"> <li>- stakeholders are not aware of the contents of the water policy</li> <li>- institutions in the sector have also not established effective lines of communication</li> </ul> <p><u>literature 2008:</u></p> <ul style="list-style-type: none"> <li>- reform process has not been well communicated</li> <li>- majority of the staff even at the Ministry headquarters do not understand some of the newly developed tools</li> </ul>	<p><u>institutions:</u></p> <ul style="list-style-type: none"> <li>- there are two types of assets: the first belong o the GoK, have been passed on to the communities, are more or less public</li> <li>- the second are held in trust by the WSB for the community</li> <li>- this is not clearly sorted out now</li> <li>- it ca only work out if the confidence of communities can be won</li> <li>- nothing is removed from the communities, they still feel responsible</li> <li>- the assets belong to the communities, it would be better, if they belonged to the WSB</li> </ul> <p><u>communities:</u></p> <ul style="list-style-type: none"> <li>- assets are owned by the communities</li> <li>- the real owner is the WSB</li> </ul>

Table 8: Table of results (continuing)

6.1.2.1 Perception of the WSR by the stakeholders

6.1.2.1.4 Financing

<p><u>communities:</u></p> <ul style="list-style-type: none"> <li>- most communities have an account</li> <li>- there are trouble with fee collection and spare part acquisition</li> <li>- positive attitude towards loans</li> <li>- some have experience in taking loans</li> <li>- ALUOR WSP plans to meter all outlets</li> </ul> <p><u>NGOs:</u></p> <ul style="list-style-type: none"> <li>- the funding channels being used are: WSTF, WSB, direct funding, partnerships</li> <li>- donors focus on urban areas</li> <li>- donors like to fund a consortium</li> <li>- private enterprises have money for social responsibility</li> <li>- WSB has not started to have funds now</li> <li>- there is a lack of funds</li> <li>- there is enough money</li> </ul>	<p><u>intuitions:</u></p> <ul style="list-style-type: none"> <li>- the WSR was meant to be self sustaining</li> <li>- financial sustainability can work out in urban areas, in rural areas this is not likely</li> <li>- it has to be verified if rural areas can be self sustaining</li> <li>- subsidies for WSPs exist</li> <li>- urban WSP are not on subsidy now</li> <li>- rural areas have to be financed through the WSB</li> <li>- rural areas have to be financed through grants, those grants come from the WSTF</li> <li>- there might be a financial gap to fund rural areas</li> <li>- low financing for the rural areas through the WSR is not a problem, because there are so many other agents active</li> <li>- how to finance rural areas is the biggest challenge for the WSBs and this is "left to God now"</li> <li>- funds going through the WSB and the WSTF have to be allocated in a tender</li> <li>- earmarked finds can be targeted to a CBO or an area, but not to NGOs</li> <li>- the low speed of funding in the PCPC process is due to low speed of SOs not because of the number of agents being involved</li> </ul>	<ul style="list-style-type: none"> <li>- donors channelling money through the WSB can fully decide how it shall be used</li> <li>- it can be agreed with donors how money channelled through the WSTF shall be used</li> <li>- there are no incentives for donors to fund rural areas because no returns on investment can be expected</li> <li>- a standardisation for direct funding is being worked out but "the GoK can not solve all the problems"</li> <li>- a coordination and overview on ongoing activities is aimed at</li> <li>- funding windows for rural areas are: CDT, CDTF, "credit for water"</li> <li>- the repayment rate on micro credits for water is still low</li> <li>- the private sector is not integrated in the WS now and it is not likely to change</li> <li>- the GoK has limited funds, no adequate funds</li> <li>- there is enough money</li> <li>- NGOs are perceived to have funds</li> <li>- funds channelled though the DWOs are a substantial amount</li> <li>- it is easier to channel money where there is an expressed need</li> </ul> <p>the resources and opportunities are there, just a new approach is required</p>	<p><u>literature:</u></p> <ul style="list-style-type: none"> <li>- now no clear vision of financing</li> <li>- objectives formulated in various concepts and plans are far beyond realistic chances of implementation</li> <li>- some rural WSPs have a poor revenue base and therefore GoK subsidies will have to be continued</li> <li>- costs of the rural WS can not be financed through urban WSPs</li> <li>- the transfer and according risks were not incorporated in the concepts, the financial sustainability of institutions is endangered</li> <li>- therefore GoK subsidies can not be reduced as planned for</li> <li>- 80% of GoK funding still goes through DWOs</li> <li>- the budget of the financial year 2007/08 for the WS was: 12.547 million Kshs</li> </ul> <p><u>literature 2008:</u></p> <ul style="list-style-type: none"> <li>- budget requests from institutions are far beyond available resources</li> <li>- the budget of the financial year 2008/09 for the WS was: 20.922 million Kshs</li> </ul>
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Table 8: Table of results (continuing)

6.1.2.1 Perception of the WSR by the stakeholders	
6.1.2.1.5 adaptations	6.1.2.1.6 weaknesses
<p><u>institutions + NGOs:</u></p> <ul style="list-style-type: none"> <li>- all actors in the WS shall document their experiences and let the institutions know if there are ways</li> <li>- NGOs shall be incorporated in the communication strategy</li> <li>- joint proposal writing of NGOs together with WSB</li> <li>- PCPC is too short, add a post implementation phase</li> <li>- the limit of 20 households for rural WSPs has to be changed</li> <li>- involve communities more in decision making</li> <li>- promote water as a human right</li> </ul> <p><u>literature:</u></p> <ul style="list-style-type: none"> <li>- clarify the duties of DWOs</li> <li>- retain DWOs if necessary</li> <li>- institutionalize the capacity building of communities</li> </ul>	<p><u>institutions + NGOs:</u></p> <ul style="list-style-type: none"> <li>- communication of the WSR</li> <li>- financing , especially financing of rural areas</li> <li>- low speed of funding</li> <li>- communities are not supported in a sustainable way</li> <li>- SOs come in too late</li> <li>- low capacity of planning and management at community level</li> <li>- there is not enough implementation framework and bad governance</li> <li>- the Water Act 2002 is found to be weak</li> <li>- institutions are new and lack of capacity now</li> </ul> <p><u>literature:</u></p> <ul style="list-style-type: none"> <li>- capacity is still missing in institutions</li> </ul> <p><u>literature 2008:</u></p> <p>lack of human resources in institutions</p>

**Table 8: Table of results (continuing)**

6.1.2 Perception of the WSR by the stakeholders				
6.1.2.2 Perception by stakeholders of the role and tasks of Institutions				
6.1.2.2.1 WSRB	6.1.2.2.2 WSB	6.1.2.2.3 perception of the (tasks) of the WSTF	6.1.2.2.3 PCPC	6.1.2.2.4 WSP
<p><u>institutions:</u></p> <ul style="list-style-type: none"> <li>- wants to hear the consumer voices right from the start</li> </ul>	<p><u>institutions:</u></p> <ul style="list-style-type: none"> <li>- to fund rural areas remains the biggest challenge for WSBs</li> <li>- it is not within the tasks of the WSBs to fund rural areas</li> <li>- subsidies for WSPs are available</li> <li>- rural WSPs are not on subsidy now</li> </ul> <p><u>literature:</u></p> <ul style="list-style-type: none"> <li>- WSBs have not attained autonomy because of the relatively short time they have been in existence and limited revenue base</li> <li>- WSBs shall develop capacity for resource mobilisation</li> </ul>	<p><u>institutions:</u></p> <ul style="list-style-type: none"> <li>- it is up to the WSTF to fund rural areas</li> <li>- some of the donors want to channel all the funds through the WSTF- this shows that donors have not fully understood the concept of the WSTF jet</li> <li>- WSTF has to fund disadvantaged areas only</li> </ul> <p><u>literature:</u></p> <ul style="list-style-type: none"> <li>- resource mobilisation is a duty of the MWI and the WSTF</li> <li>- DPs shall utilise the WSTF to support the rural and urban WS</li> </ul>	<p><u>institutions:</u></p> <ul style="list-style-type: none"> <li>- there is a lack of qualified NGOs</li> </ul> <p><u>institutions and NGOs:</u></p> <ul style="list-style-type: none"> <li>- PCPC is too short</li> <li>- SOs come in too late</li> <li>- a post implementation phase is needed</li> </ul>	<p><u>institutions:</u></p> <ul style="list-style-type: none"> <li>- have to cover maintenance an staff through revenue</li> <li>- rural WSPs are not recognized to be financially self sustaining now</li> <li>- the course of time will lead to form bigger units</li> </ul> <p><u>literature:</u></p> <ul style="list-style-type: none"> <li>- there is a limitation in ability of rural WSPs to cover O&amp;M</li> <li>- government subsidies will continue to be inevitable</li> <li>- some WSPs are too small to be viable- clustering has been done</li> </ul>

Table 8: Table of results (continuing)

## Results and discussion

<b>6.1.3 NGOs</b>		
<b>6.1.3.1 how NGOs perceive their situation in the WS</b>	<b>6.1.3.2 how NGOs are perceived by institutions</b>	<b>6.1.3.3 ideas of institutions to appoint NGOs in the WS</b>
<ul style="list-style-type: none"> <li>- the funding situation is modified</li> <li>- reliable donors of the past are channelling funds through the GoK now</li> <li>- there are shorter funding periods now</li> <li>- being an SO is a very short lasting activity</li> <li>- "What is an NGO going to be?"</li> <li>- donors are distrusting the accountability of NGOs</li> <li>- NGOs are establishing KEWASNET to have a voice representing them</li> <li>- WSBs reach out for partnership, but NGOs do not want to partner</li> <li>- the WSR "opens doors for collaboration"</li> <li>- NGOs compliment the tasks of the GoK</li> <li>- proposals have conduit to the poverty</li> <li>- proposals are made away from the beneficiary</li> <li>- NGOs are good at writing and showing nice pictures</li> <li>- there is not enough planning and implementation framework, but there is enough money</li> <li>- some wonder if forwarding proposals to the WSB would be useful</li> <li>- NGOs need to develop a consultant approach</li> <li>- the best would be to be active in the WSR system and also to have a donor</li> <li>- the WSR alone would not secure the survival of an NGO</li> <li>- some think that there is almost no possibility to get active in the reformed water sector</li> </ul>	<ul style="list-style-type: none"> <li>- NGOs are good at working with communities, assessing their needs and reorienting them</li> <li>- they know what is going on</li> <li>- how they are used to work is to get money and manage it</li> <li>- NGOs shall transform themselves e.g. to service providers</li> <li>- NGOs scare themselves and are scared of selling their services</li> <li>- shall develop a multisectoral approach</li> <li>- NGOs fear being controlled</li> <li>- NGOs have resources</li> <li>- NGOs shall put their resources together</li> <li>- few NGOs have the initial money to mobilise communities</li> <li>- there are positive experiences of NGOs working together with the GoK</li> <li>- some doubt the necessity of NGOs generally</li> <li>- the WSTF states that KWAHO was not present to become an SO so far</li> </ul>	<ul style="list-style-type: none"> <li>- SO, QCA in the PCPC</li> <li>- assess the needs of communities</li> <li>- provide training to communities and WSPs</li> <li>- provide soft skills</li> <li>- act as a consumer voice</li> <li>- find out if a rural WSP can operate in a financially self sustaining way</li> <li>- communicate the reforms</li> <li>- support WSBs to fulfil their tasks</li> <li>- NGOs should be financed as always-through direct funding</li> <li>- another reaction on how to finance: "NGOs have always been doing that"</li> <li>- NGOs shall provide services the WSTF wants to pay for</li> <li>- NGOs shall not wait, but come up with proposals</li> <li>- "go and apply for something, we will see for funding than"</li> </ul> <p><u>literature:</u></p> <ul style="list-style-type: none"> <li>- NGOs shall provide business development services</li> </ul>

**Table 8: Table of results (continuing)**

6.1.4 communities	
<p><u>communities:</u></p> <ul style="list-style-type: none"> <li>- have not heard of the WSR</li> <li>- want more training to be a WSP</li> <li>- there is no bias against (cooperation with) the GoK</li> <li>- trouble foreseen being a WSP are: the funds and corruption</li> <li>- communities are very ambitious about their future</li> <li>- highly interested in micro/ water credits</li> </ul> <p><u>NGOs:</u></p> <ul style="list-style-type: none"> <li>- communities are not supported in a sustainable way</li> <li>- communities would know how they want to have water service installed</li> </ul> <p><u>institutions:</u></p> <ul style="list-style-type: none"> <li>- there is low capacity in planning, design and management</li> <li>- credits are not an option for all communities</li> <li>- CBOs are not like contractors, they have another working rhythm</li> <li>- if trouble with asset holding will arise, depends on the confidence of communities towards institutions</li> <li>- concerning asset holding: "nothing is removed" from communities</li> </ul>	<p><u>literature:</u></p> <ul style="list-style-type: none"> <li>- the sector suffers from an non-ownership of projects by the communities</li> <li>- capacity of communities needs to be strengthened</li> <li>- need to enhance community contribution in decision making and management</li> <li>- SWOT: strength: communities being well sensitized on water service</li> <li>- weakness: low competence</li> </ul> <p><u>literature 2008:</u></p> <ul style="list-style-type: none"> <li>- the literature repeats the challenges listed in 2007</li> <li>- representatives of the poor have not sufficiently participated</li> <li>- insufficient information is reaching the poor</li> </ul>

**Table 8: Table of results (continuing)**

### 6.2.2 open questions

- financial sustainability of rural WSPs
- how to finance technical support KWAHO can provide
- How much can a different approach (NOGs approaching institutions actively, forwarding proposals to the WSB) “generate” funds that can be available for NGOs then?
- In order to reach rural areas better: Could DWOs, NGOs and the institutions of the WSR be combined?
- Can NGOs use bottlenecks in the WSR as possibilities to get active and provide know how?
- It will have to be seen where the WSR develops to.

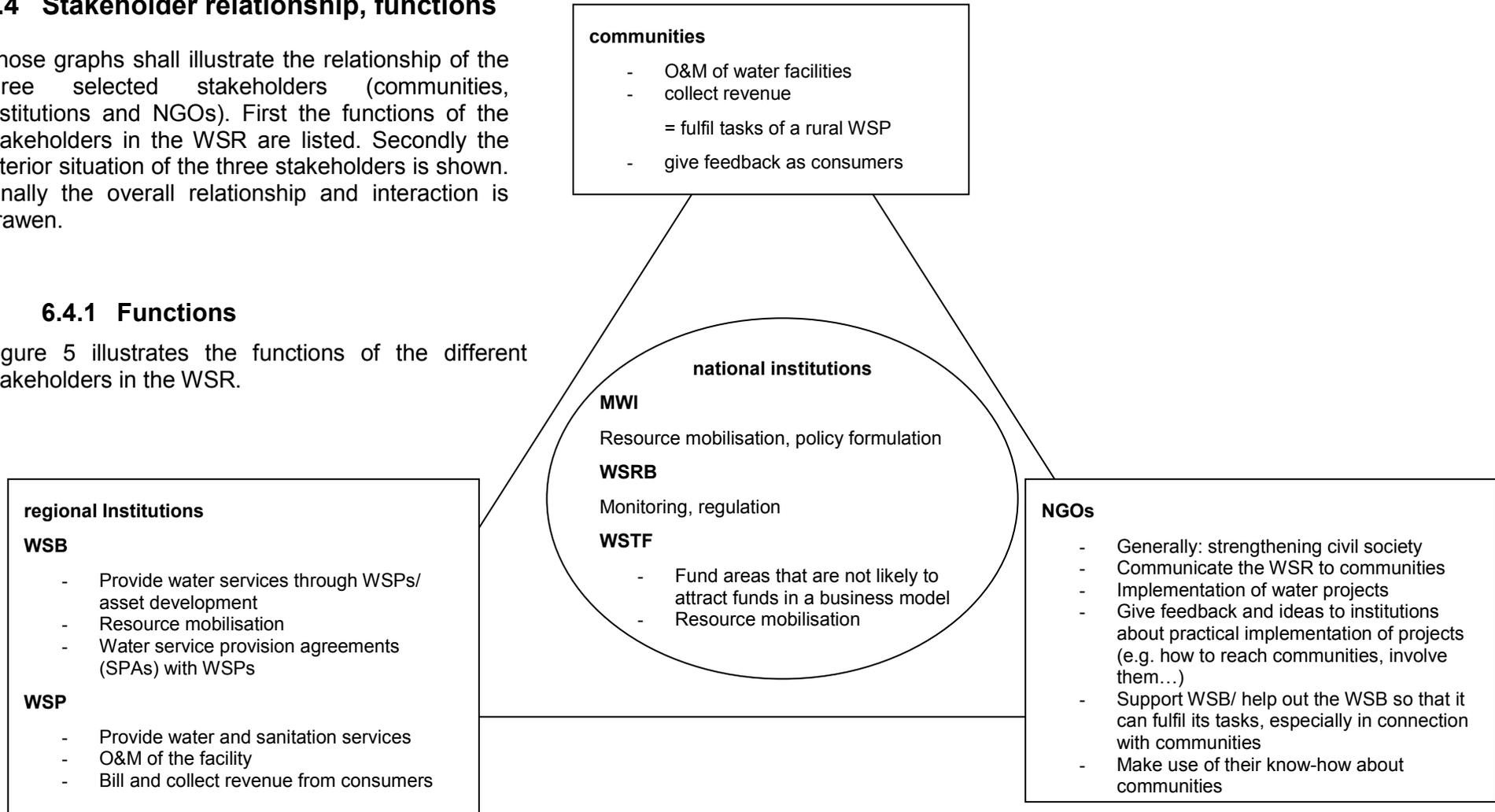
**Table 8: Table of results**

## 6.4 Stakeholder relationship, functions

Those graphs shall illustrate the relationship of the three selected stakeholders (communities, institutions and NGOs). First the functions of the stakeholders in the WSR are listed. Secondly the interior situation of the three stakeholders is shown. Finally the overall relationship and interaction is drawn.

### 6.4.1 Functions

Figure 5 illustrates the functions of the different stakeholders in the WSR.



**Figure 5: Stakeholder functions**

note: the box "NGOs" lists the possibilities and recommendations of what NGOs can do;

the boxes "institutions" and "communities" list the tasks that have been deduced of the basic conception of the WSR.

### 6.4.2 Interior situation

Figure 6 shows the interior situation of the stakeholders. Especially the troubles of the single stakeholders while trying to put the WSR into practice are high lightened.

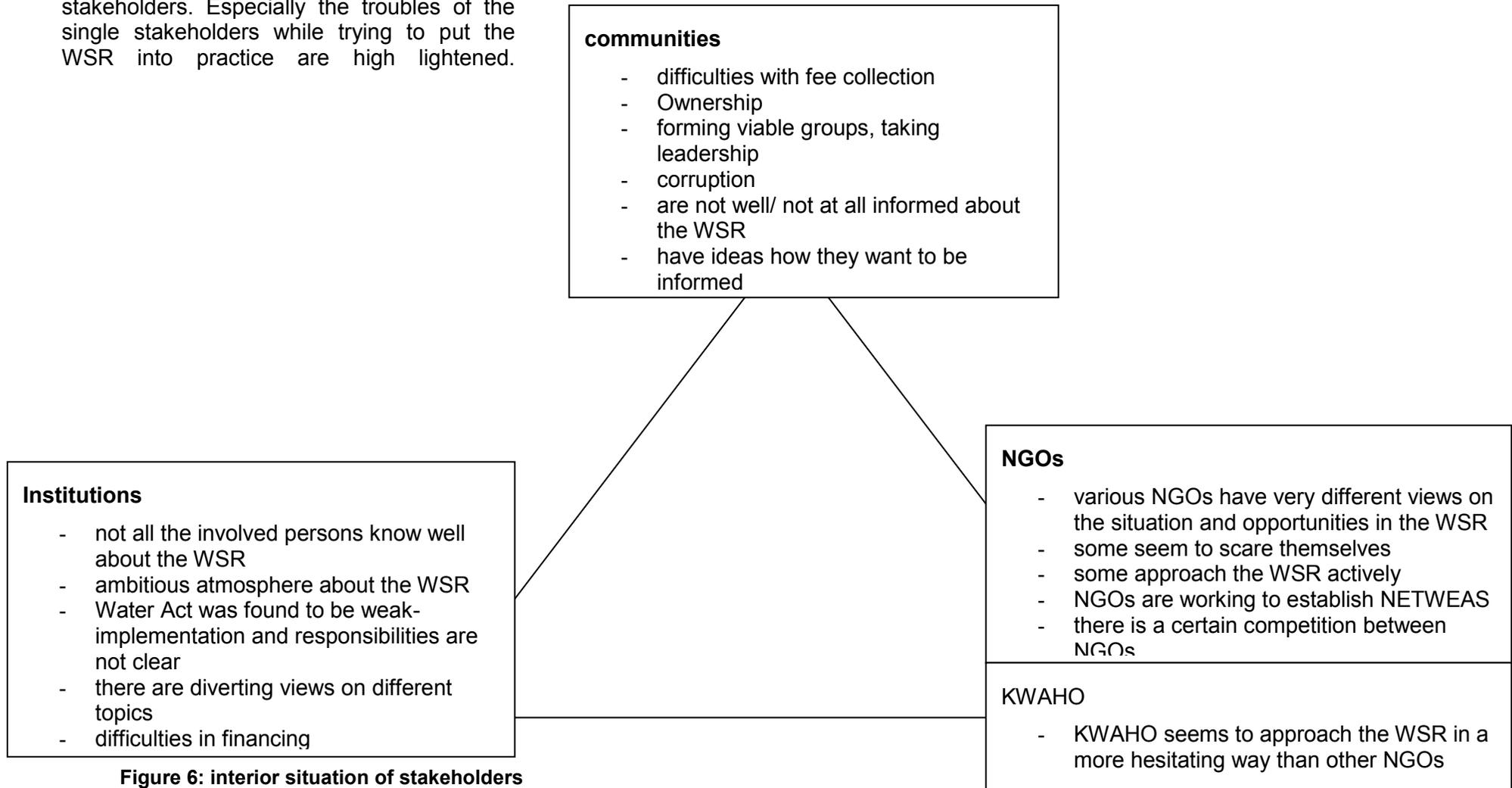


Figure 6: interior situation of stakeholders

6.4.3 stakeholder relationship and perceptions

Figure 7 illustrated how the stakeholders perceive each other, each others tasks and possibilities.

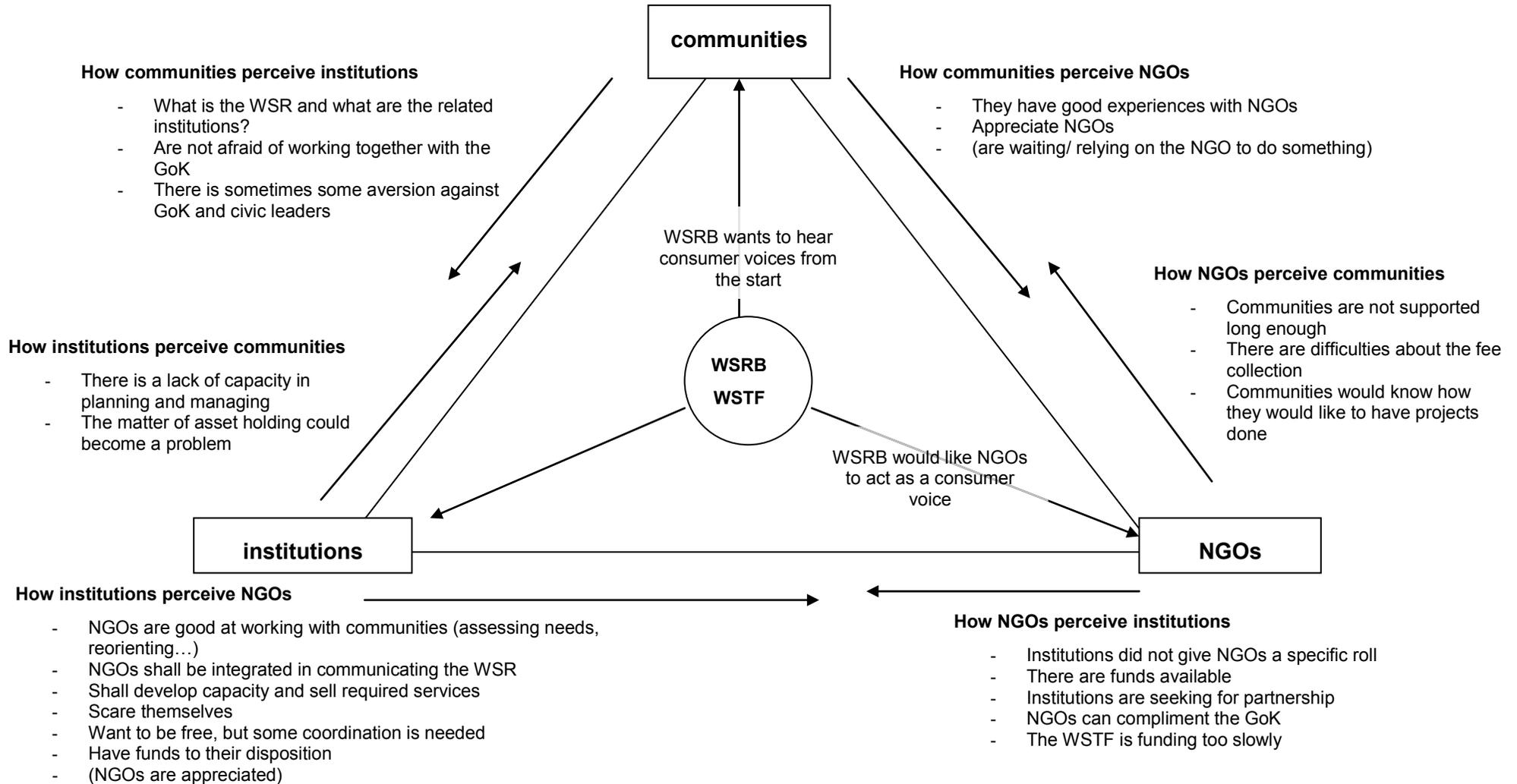


Figure 7: stakeholder relationship and perceptions

### 6.5 Evolution of the set of questions

During the research the picture of the WSR was constantly changing. The understanding and insight were increasing. So the questions used in interviews and the focus in information seeking were evolving as well.

As mentioned in 5.4. "Experience made and difficulties encountered during the field research and with KWAHO" the major view shifted a bit: In the beginning the focus was on how the selected stakeholders (rural communities, NGOs and institutions) could be combined. Also how an NGO could suggest obvious improvements. But soon it turned out that many clever people were dealing with the very complex situation and well aware of many different problems and possible solutions.

So soon the frame of research turned to: which are the various and plenty possibilities that an NGO could use to get active right away- in line with the WSR; and which were the details where an NGO could have further ideas.

One question on the starting point was whether an NGO could be a WSP and if this was a viable option for an NGO. This question was soon answered rather negatively. The focus in this issue turned to find out how communities could be WSPs.

About rural communities: first it was asked whether rural communities felt up to be WSPs, and which way of communication they would estimate as appropriate to learn about the WSR. Then it was tried to explore how communities imagine their future in order to deduce if the aims of the WSR were about in line with rural ideas at all. After that it turned to the initial questions of "being a WSP?" and "How shall WSR be communicated?" again.

Especially the topic of financing and funds was very dynamic. On the starting point the WSTF was perceived to play a mayor or even exclusive role in funding projects in the rural areas. First the questions were focussed on how the WSTF could be approached for cooperation with an NGO and if there were other possibilities for cooperation for an NGO besides being an SO for the WSTF. Also ways of channelling funds through this institution were explored. The possibility of channelling earmarked funds through the WSTF had a high importance in the beginning as well (compare 3.1.2 "Tasks and assignments for NGOs in the reformed Water Sector").

In the course of the study it became clear that the role of the WSTF in funding is much smaller than presumed. It also turned out, that the WSTF was not the only body responsible to finance rural areas. Further rural areas were not expected to generate revenue, such as urban areas were according to the business model of the WSR. So the tasks of the WSBs were closely looked at. WSBs turned out to have a major responsibility in funding their respective areas, including rural areas.

While dealing with the new insight about funding channels and tasks of the WSB it became clear that the reforms are still in an official transition phase. Principles of the WSR and theoretic solutions such as planned financial flows are not put into practice now. This situation raised a lot of new questions how to get active in this present situation already, without waiting for the theoretical future situation to come up.

Then it turned out, that the questions asked were a good idea, but now the WSR is in a transition phase. As mentioned in 6.5 "Evolution of the set of questions" it is not clear if the

## Results and discussion

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findings on the basic conception of the WSR will ever been put into practice the way they have been understood. As the evolution of the WSR is very fast.

At communication: soon it became clear, that the communication problem was not restricted on communication between institutions and communities. Also NGOs did not seem to be very well informed. As well it was uncertain how much institutions are communicating and passing on information inside at all.

It turned out, that communication had been identified as a weak link by institutions in the WSR already. So this was the answer to the question if communication was going through well or if communication had somehow been underestimated.

In the end the author decided to capture ideas of several NGOs, because cooperation possibilities of institutions and NGOs had often been mentioned. The approach to the WSR of three NGOs, in addition to KWAHO was investigated.

For a list of the questions used in the interviews see 5.3 “Set of questions used in interviews”.

# 7. Conclusion and discussion

The main question of this research was how NGOs could be integrated in the reformed water sector. The question was about how NGOs could deal with the situation in the reformed water sector. How NGOs could use their skills in the present and future situation in the water sector. (While talking of NGOs it is always referred to NGOs active in the water sector, NGOs that are dealing with the establishment of water service and the according training.)

The method to come to the conclusion was as follows: First literature was reviewed, and then interviews were conducted with stakeholders on different levels. Namely the groups: institutions, communities and NGOs were interviewed. Any other information that has been come across was used as well (literature, conference and workshop). The information gathered was then summarised and split up into several topics. This information was then appraised, compared and combined to draw a conclusion. See also 5. "Material and Methods".

Soon during the analysis it turned out that it is useful to distinguish information and answers related more to the basic conception of the WSR or answers rather related to the perception of the stakeholders. The answers and results of the interviews have therefore been split up in the two categories: basic conception and perception by stakeholders.

From there possibilities of an NGO were deduced. On the one hand possibilities for NGOs were deduced from the basic conception of the WSR. On the other hand it was deduced which recommendations and opportunities, tasks and possibilities were indicated by institutions and other involved stakeholders. From the difference between the conception and the perception of the WSR it was estimated which scope of action could be possible. The difficulties of implementing the WSR that are relevant for an NGO and affecting NGOs shall be deduced as well.

## 7.1 General conclusion on possibilities of NGOs

NGOs have to deal with the present situation which is a very dynamic situation. There are lots of ideas and evolutions going on. NGOs have therefore to be as present as possible in the sector. They should develop or work on their business approach in order to deal more easily with the business approach of the WSR. This shall help NGOs to access projects which are implemented despite the tight financial situation, projects that are in line with the present financing structure (MWI, WSB, WSTF and donors). Nevertheless NGOs will also need to have patience and endurance. It can be expected that the situation will improve in future, as concepts and ideas will be more familiar to the stakeholders. Funds are said to increase in the sector as well.

The dynamic of the present situation is a big chance as well. At the moment most stakeholders do not have a very clear idea of the reform and the conception of the procedures in the reformed water sector. So it is very positive for an institution when someone as an NGO gets active in this new situation. Institutions try to get the process starting and do welcome if things are implemented and moving. Therefore an NGO approaching institutions will rather be welcomed.

The dynamic of the situation is influencing and putting into question the importance of the focus set in interviews however. During investigating on the situation in the water sector the focus of the questions and interviews did shift. The situation in the reformed water sector was found to be different than it had been expected to be in the beginning.

## **Conclusion and discussion**

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As mentioned earlier it turned out, that the questions asked were good, but now the WSR is in a transition phase. It is not clear if the findings on the basic conception of the WSR will ever be put into practice the way they have been conceived and understood. Compare 6.5 “Evolution of the set of questions”. The evolution of the WSR is very fast.

The conclusion of this varying situation in the reformed water sector and the fact that the conception of the WSR is at risk not to come into practice at all, underlines the recommendation that NGOs shall get as active as possible. An NGO shall be as present as possible at institutions and stakeholders in order to acquire projects and tasks. NGOs shall try to use the flexibility of the now dynamic situation in the water sector.

### **7.2 Detailed conclusion**

The research was about exploring the possible activities of an NGO in the reformed water sector.

- 1st: the possible activities arising from the basic conception of the WSR.
- 2nd: possible activities for an NGO arising from the present and practical situation now, during implementation of the WSR. How NGOs could support national structures and plans. How NGOs active in rural areas could deal in close liaison with the WSR.
- And 3rd: the possibilities of an NGO getting active in the reformed water sector without depending on already established conceptions.

The analysis of the interviews and the literature has shown that NGOs had certain possibilities: Some already defined tasks are to be an SO or a WSP. Other possibilities to get active in the reformed water sector and possibilities that are not well defined are: to share experience made on the ground, give ideas for modification and approaching the WSR and its institutions actively.

Those vague possibilities are supported by the overall mood that seems to reign in the WSR. The mood is dynamic and enterprising enough to welcome the initiatives of stakeholders and NGOs.

Funds are often named as a limiting factor, but still there are funds available. So the right cooperation partner has to be found.

Another possibility for NGOs to get active is also the option to cooperate with private enterprises. Regarding the financial situation in the water sector it seems to be important for NGOs not to base their income on projects financed by WS institutions only.

#### **7.2.1 Findings on the function of the WSR**

To understand the possibilities of NGOs in the reformed WS, the WSR had to be understood first. Here it is referred to the issues that have been listed in 6 “Results and Discussion”. Sometimes conclusions are summarised and reorganised. After the conclusions on the WSR, possibilities of NGOs are explained.

The basic conception of the reformed sector seems very well thought and fairness as well as sustainability is included. The plans in the WSR seem to match. The structure is designed in a way that it shall sustain itself financially. The WSP provides water service and collects some fees for that. The WSB shall get a certain percentage of those fees. The institutional concept (MWI, WSRB, WSB, WSP) is set up in a way that it does not seem to have obvious miss links.

## Conclusion and discussion

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There is a separation on planning, implementation and control. As well there are feedback reports and regular conferences to improve the reform. The WSR is conceived to improve along its way. E.g. there is a certain competition among the WSBs. Their performance is compared.

The WSR seems to be based on the idea of giving participants the incentive to get active according to the reform. The reward is the possibility to improve ones situation. In most cases it is an improved financial situation.

The sector is commercialised through the reforms. There is some competition now. Still it is not privatised, because there are minimum requirements, control and regulation that have to be followed. One of those minimum requirements is the requirement to serve a certain increasing number of people every year. Another aspect indicating the commercialisation of the sector and not its privatisation is that a part of the national budget is provided to WSBs by the MWI.

WSBs are bound to performance contracts. However it has not been investigated on any consequences of the performance of WSB. E.g: what are the alternatives, when a WSB is not performing in a satisfying way? As well it has not been investigated how far it is possible to bypass rules and requirements in order succeed on a short scope, and leaving the long term scope for later on. Another open question is to what detailed point it is useful to improve the conception of a reform, as the dynamic and the reality on the ground might be bound to other limitations.

### 7.2.1.1 The conception has been understood as follows:

The WSBs shall provide water service to their respective area through WSPs. If there are more WSPs, there is better supply in the area. In return the WSPs shall provide a certain percentage of their fees to the WSBs. This is a win- win situation.

One incentive for a community to be supplied by a WSP or to be a WSP is the time the community's inhabitants would win. Through water service near the community instead of using time to fetch water, time can be used in another way. Some income generating activity can be followed. The won money can be used to pay water fees and the improved water situation will improve the wealth situation. This will lead to a relief of community members, as well financial as emotional. Another advantage is that water provided that way is cheaper than water that is sold by water vendors in case of water shortage. The driving idea of this approach is less based on philanthropy but rather on the economic potential of water supply. This concept seems to be better adapted to now dominating forces.

Further advantages for a community to be managed by a WSP: a WSP shall as well be a certain connection to the WSB. Asset holding is one of those connecting elements. Assets are held in trust by WSBs for the communities. The idea is to facilitate repair works that way if necessary.

Another connection of communities to the WSBs would be the fees that shall be provided from the WSP to the WSB. On the one hand the WSP shall be interested to supply the community and on the other hand the WSB should be interested to keep in contact with the WSP. Therefore the community could have a certain communicational link to WSBs. – Regarding the situation in an optimistic way. In cities and urban areas this concept works, but in rural areas this is different.

A certain stress for communities is expected through the requirements to pay fees for the WSB. Though rural communities are not expected to be financially self sustaining, let alone to generate surplus. This seems like a relieve but on the other hand this removes the WSBs incentive to get active in rural areas. In the performance contracts the WSBs are bound to serve a certain number of people. Now there is enough need in urban areas to rehabilitate existing schemes to fulfil this requirement. Rural areas are not necessary to reach those numbers now.

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This has been anticipated. Therefore the WSTF has been established. The WSTF shall support areas that do not attract investments in the business model.

### Conclusion according to issues that have been concentrated on:

- Funding situation: The funding situation is still unclear now. Different views of the funding situation are given and often a lack of funds is high-lightened. However some refer to available financial resources and opportunities. Institutions further long for expressed needs, as it has been explained that it is easier to channel money, where there is an expressed need. Therefore it can be recommended to NGOs to be as present and active as possible in approaching institutions that do have financial resources.

It is very difficult estimate the financial situation. The perception if there is enough money or not is depending on so many different things. Different management attitudes and ideas are influencing a lot...

Funds of the MWI are not channelled to the WSBs as it is conceived, now. A big amount of the funds are still going to the DWOs. Therefore WSBs do not have the capacity to support WSPs enough, or to create new WSPs. Rural areas are the first to be left out due to this shortage. Putting your self in the position of a WSB however this seems logic enough.

An underlying idea of the WSR is that water service is affordable. Further it is to be hoped that the funding situation evolves and improves, throughout the transition phase. So that the planned percentage of budget allocations from the MWI going to WSBs directly (instead to the DWOs) can be reached. This would facilitate and increase the cooperation possibilities between the WSBs and NGOs.

- Demand driven approach: To use funds in the most productive way it is aimed for a demand driven approach. This demand driven approach is an underlying idea of the reform as well. Therefore communication is needed- to inform communities on the possibility of demanding something. NGOs are important there. They are in contact with communities and can approach them in an appropriate way. To establish water service, institutions would like to know the community that has water as a priority.
- Duties of WSB: The WSB seems to have very large responsibilities and duties. In financing as well the WSB is much more the main actor than it has been suspected at the beginning of this research. The WSTF only has a minor role in financing.
- Pro poor approach: What concerns the pro poor approach: Several documents mention a pro poor approach. They want to make sure that the pro poor approach is fixed in the performance contracts. It shall be made sure that the pro poor approach is not left to market forces.

In this reform it has been thought a lot about the integration of rural areas and there are a lot of good ideas. Still the practice is more difficult. There are lot of contrarian situations: there are lots of ideas to integrate communities, but in the other hand it seems logic for WSBs to leave rural communities out. A Pro Poor Implementation Plan has been established and a pro poor approach is emphasised in general, still the WSR does not seem to be conceived for rural communities. As well the water supply is based on a demand driven approach, but on the other hand it shall be avoided to create a demand that can not be met. In general it is mentioned that the funding is too little.

- Metering: in connection with communities and WSPs the worry of metering causing trouble did arise earlier on. Through this research however metering did not seem to be hindering. First: metering is done already and secondly: it is not about the exact water quantity but rather about estimation to base fees on.

### 7.2.1.2 Additional observations on the WSR

During the research various observations have been made. Some of them give an interesting insight in the overall situation and shall be mentioned here.

- The miscommunication mentioned in the literature has been affirmed by experiences in interviews. The variety in the perception of the facts and the conception of the WSR underlines this impression as well
- The answers in the interviews had a large variety and were even opposing sometimes. There were very different perceptions and opinions sometimes. There are different views on funds, the funding situation and responsibilities. This indicates a possible lack of transparency and communication.
- The communication between communities and WS institutions is difficult, because the distance between rural communities and the WSB is very big. With DWOs as an intermediate office the communication is better. However with the DWOs the funds can not be used the way it is conceived. This reduced financial capacity of the WSBs is hindering for communities as well. WSPs that could make a communicational link again can be established only slowly.
- Some of the reports are very critical e.g. Preliminary Findings Report. This is striking in a positive way. Critical reports can be a very good instrument in the evolution of the WSR. An example for a critical statement is: that unrealistic aims have been set initially.
- Now there is a very dynamic situation in the reformed water sector. Things are constantly evolving and also changing. There are not strict routines now. It is not planned to force only a single possible way of implementation on tasks arising in the WSR. Stakeholders, especially institutions are open towards adaptations. Weaknesses of the reform are noticed and thoughts are given to adapt and improve the situation. A lot of good ideas do exist. However it is in question how and how much they can be turned into practice.
- Some interesting ideas are described in the document of WSP-WB (2007). There it is described how an NGO can get active and how NGOs can use their capacities. NGOs shall provide Business Development Services (BDS). How this shall be done and how the market should be is described there.

### 7.2.2 Situation of communities

Communities are very ambitious and eager to evolve and improve their situation. Time will show if the idea and attempt of the WSR to include the poor and rural poor will be met. Or if it will be failed or avoided, be it to declining ambitions or economic or management problems.

The conception of integrating communities to the reformed water sector and the actual practice seem to be contradicting. During the field study and the deduction of the results it seemed that rural communities had to be integrated according to the conception. However after looking closely at the results and combining them it seems as if the WSR would still not ease the integration of rural communities.

There are lots of good ideas and reasonable explanations and conceptions, but still the implementation seems not to come out well. The following explains two issues in the conception of the WSR that are not easy to put into practice:

- Communities have not been forgotten in the conception of the WSR. Clever documents such as the PPIP express awareness about rural communities. The need to adequately integrate the poor and disadvantaged is expressed. It shall not be waited for "leftovers" from the "easy customers" before providing service to the poor. Still the reforms do not seem to have reached out far enough to attain rural communities yet. E.g. the performances contracts of the WSBs require that a certain number of new customers have to be reached

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annually. However an assumption arising is that this number of new customers can be sufficiently covered by rehabilitating existing schemes in urban areas.

- Another point that includes well thought elements but seems to interfere with practice is the funding and self sustaining water service issue. The WSR is based in the idea that the sector shall be self-sustaining. Community members have more time due to water supply and can turn to income generating activities. This gives them the possibility to contribute to the water service with fees. A share of those fees shall finance the institutions. In rural areas however it is not likely that communities can cover the costs of water supply by fees. On the one hand this has been understood and accepted. Rural communities are not expected to operate in a self-sustaining way, which first seems to be a relief. On the other hand this undermines as well any motivation of the WSR to establish water service in rural areas. Is the only consequence to wait then? To wait until rural communities might get served by the WSTF or the WSB eventually? At least it seems like that.

In 4. "Background" several concerns of the „Analysis of the Kenyan Water Sector Reform and the Integration of Implementing Agencies and Communities in Rural Areas“ (MAIR, 2007) about integrating communities in the WSR are cited. Those concerns could mainly be cleared up. Still new concerns did arise and therefore the conclusion stays about the same: the WSR does not seem to integrate rural communities adequately.

If communities will be included in the WSR and if it will be worked on really reaching them has to be followed. It will have a big influence on NGOs active in rural areas. E.g. it will influence the number of projects coming up, of course.

### 7.2.2.1 Tasks of communities in the WSR and possible support by NGOs

As mentioned earlier: the communities generally feel up to be WSPs. A WSP is in charge of running the water system, maintaining it and collecting the water fees. Providing training to communities to fulfil this task seems appropriate for an NGOs.

To be a WSP a community has to enter a contract, the Services Provision Agreement (SPA). The SPAs have been declared as too demanding for communities. Here NGOs could contribute to modify SPA with their experience and insight in the capacity of communities. Those agreements should be adapted in a way that communities can enter the contract adequately.

Metering of the water consumption is part of the WSPs respectively communities tasks. As mentioned earlier metering should not cause trouble. On the one hand it is done already anyways. On the other hand it is not about measuring very precise quantities but rather a basis to estimate necessary fees.

### 7.2.3 Options for NGOs

The understanding of the WSR described above, gives certain possibilities for NGOs active in the rural area. They are described in the following.

- The general atmosphere for NGOs to cooperate with institutions is very good. NGOs should approach institutions as there are many tasks to do.
- Institutions have lots of ideas how to appoint NGOs and also largely have a positive opinion about them. There seems not to be some hindering distrust of institutions towards NGOs. Still the institutions' ideas to appoint NGOs are based on the assumption, that NGOs do have funds. Therefore it is again an open question how NGOs shall be financed in fulfilling ideas of the institutions. Further it has been mentioned several times that NGOs also have

## Conclusion and discussion

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to change their approach to the WSR into a business approach, where they sell their services.

- Institutions are cooperative. NGOs shall approach institutions as much as possible and agree on which activities they could do and how that can be funded.
- To use the PCPC model would be one way where the concept and funding are worked out well. An NGO could as well try to use the PCPC model in other areas than the target areas. This would have the advantage that an already established concept would be followed. So an NGO would not have to invest energy in explaining their working methods. NGOs could as well give feedback on their experiences with the PCPC model.
- For projects and activities in rural areas outside the WSTF areas, NGOs shall approach WSBs. The establishment of water services in those areas is under the responsibility and in the interest of the WSB.
- Being a WSP seems not to be a task for an NGO. Communities seem to be up to fulfilling those tasks and the financial sustainability is rather in question. Better would be when the NGO trained communities to be a WSP.
- About communication: An NGO could take the information into communities. They know how to work with communities and can facilitate communication between communities and institutions. Maybe NGOs can as well contribute to improve communication and the information level inside institutions. Again an open question is how to finance such an activity.
- As a recommended entry point to contribute to the development and adaptation of the WSR, the Water Sector Working Group (WSWG) is mentioned.
- About weaknesses and adaptations: An NGO could get active at weaknesses and bottlenecks of the reforms, as e.g. in communication. Financing however seems not to be a weakness an NGO such as KWAHO could contribute much to. Institutions are open for contributions and adaptations.
- A further contribution can be to participate at procedures concerning the WSR, e.g. the Sector Dialog.
- A discussion with Mr. Jung revealed that there is an opportunity linked to the now still a bit unstructured situation. It could be the possibility of institutions being happy about implemented projects, activities and cooperation with NGOs, without following the theoretical framework as strictly now. The transition phase can open doors for an easier cooperation.

### 7.2.3.1 Tasks for NGOs in cooperation with communities

NGOs can get active as intermediate between rural communities and institutions. From the tasks of communities in the reformed water sector and the present capacity of communities tasks for NGOs do arise. E.g. often a community can need training. Very good would be if the community had enough knowledge to even approach the water sector institutions with their demand. As well NGOs could suggest institutions to give them better insight to communities, e.g. through their experiences.

As the WSR aims at a demand driven approach, an NGO can work on that. It is an open question how the demand of communities shall be assessed or how communities could declare their demand. NGOs can try to find ways how to make this demand obvious. NGOs can assist communities to express their demand. NGOs can also create the demand in informing communities on their possibilities. NGOs have to find out how to detect the community that has water as their priority.

## Conclusion and discussion

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Activities of NGOs are eased through the fact that a pro poor approach is aimed at generally. NGOs can compliment the activities of the GoK with their valuable know concerning communities. It is not just some morally high standing attitude of NGOs that makes their activities very useful. Rather the economic growth of a country through water supply was been high lightened in the WSR.

There are some thoughts given to the possibility of DWOs, NGOs and communities cooperating during the transition phase. It has to be found out how much this option can be followed.

The ideal case of NGOs cooperating with rural communities was when NGOs were engaged as consultants by rural communities. Thus communities would start and guide the process in an active way. Now NGOs are still not driven by communities but are rather cooperating with the governmental side.

### 7.2.3.2 Possibilities for an NGO to get active additional to the WSR

The atmosphere for NGOs to cooperate with the institutions of the WSR is very good. However the current availability of funds in the structure makes it necessary for NGOs to approach also other sources of funding e.g. donors in order to secure their financial surviving. Besides acquiring projects through water sector institutions, there are also further possibilities.

- There is the option of communities financing their water supply through micro credits. NGOs could assist those communities or try to liaise such community efforts with institutional support. However the option of communities taking micro credits, did not come out clearly so far. Therefore it seems to be a delicate option for NGOs with a tight economic situation now.
- Additionally NGOs should explore the possibilities in the private sector. Cooperation with enterprises can be an option, e.g. enterprises with projects on social responsibility. As well the cooperation with big WSPs should be explored. NGOs could assist WSPs to reach further out.

To access the private sector NGOs can assist enterprises in a consortium. NGOs could as well think on changing their economic status, when they think that this could open up possibilities at the moment.

- The consultant approach is recommended in the document WSP-WB (2007). It describes ideas how NGOs can use their know how in providing Business Development Services (BDS). Further it is described how the market should ideally be in order to ease BDS providers.

However it has to be mentioned that it might be difficult for NGOs to transform to consultants. The necessary management and organisational requirements might vary from those in an NGO. E.g. the NGO NETWAS that did follow the consultant approach has less staff now.

### 7.2.3.3 How NGOs are dealing with the WSR in general

The approach to the WSR varies from NGO to NGO. Some do approach the WSR and its institutions actively. Strategies to cooperate are elaborated and some decided to e.g. write proposals joint with the WSB.

### **7.2.3.3.1 Situation of KWAHO regarding the WSR**

KWAHO still seems to need to take an initial decision if and how much they want to liaise with the reformed water sector at all.

Strategies of KWAHO (as mentioned in 6.2.3.1 “SWOT Analysis- KWAHOs possibilities in the reformed water sector”) to cope with the WSR can shortly be summarised as follows: KWAHO shall use its resources (“popularity”, human resources) in order to be better established and better known at institutions. KWAHO shall as well use its resources to trigger cooperation and liaise with an agent that knows better about the WSR and its possibilities. That way KWAHO could find the entry to the topic (WSR) more easily.

KWAHO could try to contribute to shape and evolve the WSR together with institutions.

### **7.2.3.4 Open questions concerning the options of NGOs to get active**

It is longed for an expressed need of customers in the water sector. But it is an open question how much such an expressed need is going to attract and mobilise funds in the sector. According to several reports the budget of the sector is increasing. So a positive correlation can be suspected. This again emphasises the recommendations of an active approach to institutions by NGOs that want to get active in the reformed water sector.

Another conflict is that institutions think that NGOs do have funds. Institutions do have ideas how to appoint NGOs. But how shall those activities be financed when NGOs are not funded by a donor?

Now there are high ambitions in the newly reformed water sector and a spirit of optimism can be felt. Will this last? The development, future focus and the evolution of the WSR will have to be seen.

Literature of 2008 cites no clear progress in the implementation of the PPIP and deficits in integrating the poor into the reform process. A lack of informing the poor about their opportunities is cited as well.

Further it has to be seen if the transition phase can be overcome finally. And if the WRS will be implemented more or less as it has been conceived.

## **7.3 Over all**

It has to be seen where the development in the reformed water sector leads to. Stakeholders such as NGO have to be present and stay on track with the development to work on possible options step by step.

### 8. Summary

This study was established in a time when the NGO KWAHO had to face upcoming changes. KWAHO is a Kenyan NGO active in the water sector, and mainly dealing with rural communities.

Through the Austrian Development Association (ADA) there was a link to the NGO KWAHO. Therefore KWAHO was the entry point to the topic. NGOs in Kenya are confronted to a recently reformed water sector. The Water Sector Reforms were started in 2002 and are still ongoing. So this is changing the situation and possibilities of NGOs, rural communities and many more stakeholders. In this study the chances and challenges arising for an NGO through the Water Sector Reform (WSR) are investigated.

The focus is on NGOs that are cooperating with rural communities. It is as well shortly investigated how far rural communities are integrated in the reform and if the reform is adequate for rural communities. In the past communities were often not considered adequately in reforms. The benefit of reforms did often not come through to people in rural communities. This issue has been investigated more closely in the study "Analysis of the Kenyan Water Sector Reform and the Integration of Implementing Agencies and Communities in Rural Areas" (MAIR, 2007). This analysis is used as basic for the present study and a short follow up of the situation is done here.

The method applied is literature research and a field study following the grounded theory. Interviews and focus group discussions were conducted with institutions, implementing organisations such as NGOs and rural communities (representing consumers). Interviews and group discussions were made in Nairobi, Kisumu, Lower Tana and Mombasa. Interviewed were 14 institutions and organisations, 8 communities und 3 NGOs. The field study was undertaken in Kenya from October to December 2007.

The main issues were: the function and tasks of the institutions (WSRB; WSB, WSP, WSTF and the PCPC), the idea of the WSR, the big issue of financing, the communication, the issue of asset holding, weaknesses of the reforms and its adaptations and finally open questions arising from all this information.

The results of the study are separated in the conception of the WSR and the perception of the WSR by stakeholders. From there possibilities are deduced for NGOs arising in the conception of the WSR and possibilities for NGOs arising from the way the WSR is perceived and implemented in practice.

It is found that there are lots of possibilities for NGOs. In the conception of the WSR there are possibilities such as being an SO (Support Organisation to facilitate the implementation of certain projects). There are lots of issues where WSBs wish to be assisted by NGOs. The know-how of NGOs is appreciated and very valuable to make the reforms reach the people and consumers on the ground. Further the whole sector aims at a demand driven approach. It can therefore be highly recommended to NGOs to be as present as possible in order to get involved in upcoming issues and tasks.

However there is a big challenge about financing. Answers to questions about financing have a big variety. The possibilities perceived and the impression of available funds does vary a lot. Literature is not completely clear on financing responsibilities either. While there are lots of ideas to appoint NGOs, it is an open question how their services shall be financed. On the one hand NGOs are often seen as donors, rather than organisations that have to be paid for their

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work. On the other hand there are almost not ideas how to pay NGOs for their well appreciated work and a shortness of funds is often high lightened.

Many issues lead to a variety of answers, just as the issue about funding does. The situation in the reformed water sector still needs to settle. Now the transition phase to implement the WSR step by step is still ongoing. This opens challenges and chances as well. E.g. the situation is more flexible now to find agreements in the time of transition.

When it comes to communities: the issue of communities has been well considered and there are plans such as the “Pro Poor Implementation Plan” that shall assure the integration of disadvantaged communities. However it seems as if the practice of the reform still gives the opportunity to bypass rural communities. It seems that communities are still more depending on the good will of the overall organisation. Time will show how the ambitions and ideas translated in the WSR will reach the poor.

This study gives various insights in the WSR and the present situation in the reformed water sector.

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## 10. Appendix

### Transcript of Interviews and Group Discussions

The interviews of the field study are summarised here. It is not a transcript word by word.

Interview Number	Organisation	Person / Group/Function	Date
1	KWSP	F. K. Kyengo Programme Coordinator	02/10/2007
2	WSTF	Japheth Mutai Chief Executive Officer	02/10/2007
3	NGO KWAHO	Catherine Mwango KWAHO C.E.O.	16/10/2007
4	WSRB	Daniel Barasa C.E.O.	17/10/2007
5	NGO bureau	Henry Ochido NGO bureau Officer	18/10/2007
6	WSTF/ GTZ	André Lammerding GTZ advisor of the WSTF	19/10/2007
7	WSB Lake Victoria South	Petronilla Ogut Chief Technical Manager	24/10/2007
8	CBO	Ogara Nyozwiwa Women group	27/10/2007
9	CBO	Nyaolo Women group	27/10/2007
10	WSP	Aluor- WSP	29/10/2006
11	CBO	Alour Self Help Group	29/10/2006
12	WSB Lake Victoria South	P. L. Ombogo C.E.O.	30/10/2007
13	CBO	Konoroao Umbrella Organistaion	30/10/2007
14	CBO	Ngao Umbrella Organistaion	13/11/2007
15	District education institution	Education Officer	15/11/2007

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16	CBO	Community near Garsen	15/11/2007
17	DWO	Keboga	16/11/2007
18	CBO	Wema Umbrella Organistaion	16/11/2007
19	WSB Coast	Kanui Project Engineer	20/11/2007
20	KWSP	Kabando Managing Consultant	22/11/2007
21	WSP World Bank	Mbuvi Water and Sanitation Specialist	5/12/2007
22	WSFT	Matseshe Quality Assurance Manager	6/12/2007
23	NGO Umande Trust	Omoto C.E.O.	7/12/2007
24	NGO Maji na Ufanisi	Githaiga Programme Manager	11/12/2007
25	NGO NETWAS	Misheck Programme Officer	14/12/2007

No.	1	Organisation	KWSP
Type	Unstructured Interview	Location	MWI
Person / Group	Kyengo	Date	02/10/2007

### **LIST OF ATTENDANCE:**

F.K. Kyengo	Programme Coordinator
Catherine Mwangi	KWAHO C.E.O.
Shadrak Ngewa	KWAHO Programmes Co-ordinator
Helmut Jung	Consultant ADA
Isabelle Pavese	Student BOKU, Vienna

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### **SUMMARY:**

There are several possibilities to integrate NGOs into the reformed water sector:

1. within the PCPC:
  - a. as a SO for the proposal of funding, and capacity building
  - b. as a quality control advisor (QCA) during the implementation processnormally both the SO and QCA are agents of the WSB
2. to communicate the reform; this is the weakest link in the reform. A communication strategy is being worked out. The entry point on a national level will be the MWI, on a regional level: the WSB (communication is meant to be done by institutions)
3. Sample surveys will be initiated by the MWI to monitor the reform and its progress. There NGOs would be very useful, as they have the necessary know how and resources.
4. In the water resources management are also possibilities to integrate NGOs
5. as a WSP in clusters of communities

those activities are funded through the WSBs.

The WSTF is in charge of water service provision, informal settlements and the WRUAs (Water Resources Users Associations).

A sector investment plan is being developed in order to set priorities.

The Kenyan Joint Assistance Strategy (KJAS) is an output of the Paris Declaration.

Two regulatory cycles are installed and are balancing each other; one within the MWI, the other one on the side where WSB and NGOs are acting.

### **MAIN RESULTS:**

- NGOs can be active within the PCPC as SO and as QCA, within a future communication strategy, future sample surveys, the water resources management and as WSP
- Funding is not only provided by the WSTF but also WSBs.

## Appendix

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No.	2	Organisation	WSTF
Type	Group Discussion	Location	WSTF- Nairobi
Person / Group	Japheth Mutai	Date	02/10/2007

### **LIST OF ATTENDANCE:**

Japheth Mutai	Chief Executive Officer
Josephat K. Muiruri	Planning Specialist Officer
André Lammerding	Advisor fir WSTF from GTZ
Catherine Mwango	KWAHO C.E.O.
Shadrak Ngewa	KWAHO Project Coordinator
Helmut Jung	Consultant ADA
Isabelle Pavese	Student BOKU, Vienna

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### **SUMMARY:**

There are 7 WSB's areas. WSTF is targeting the needing and poor areas.

The poor/ target areas are identified by:

- the poverty index
- the level of investment in this area; is somebody already investing and working there?
- the distance to the water source
- the sanitation coverage

NGOs or small consultants could be SOs in several communities at a time. SOs are selected by the communities out of a list at the WSB.

There is a scarcity of SOs. On the technical level SOs are available but on the socioeconomic level they are very scarce.

KWAHO was not available to become an SO so far, but it is not too late now and they can still show interest.

The duration of an SO activity is depending on the work plan. Unit costs are being developed.

Communities can access funding through appraisal, technical plans and financial plans.

WSBs call for WSPs and award one through a standardised procedure.

Funds for sensitising communities exist.

NGOs acting as WSP according to SPA III is seen as a big opportunity by the WSTF.

WSP are responsible for quality of water service and sanitation.

### **MAIN RESULTS:**

- There is a scarcity of SOs, especially in the socioeconomic context
- NGOs acting as WSPs would be very well seen by the WSTF

No.	3	Organisation	KWAHO
Type	Unstructured Interview	Location	KWAHO headquarters
Person / Group	Catherine Mwango	Date	16/10/2007

### **LIST OF ATTENDANCE:**

Catherine Mwango	KWAHO C.E.O.
Isabelle Pavese	Student BOKU, Vienna

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### **SUMMARY:**

To access the funds of the WSTF, the WSB takes the initiative to call for SOs. It is not the communities that have to start the process, because they might not even know about the WSR.

In the region of the Lake Victoria South WSB (LVSWSB) 7 communities have been approved as needy. 9 SO have been formed. Now there will be a joined meeting of the SOs and the communities, so that the communities can choose the SO they want to be assisted by. (The task of the SO is to prepare the proposal to get funding of the WSTF.) 2 SOs will be left out. The LVSWSB decided to allow an organisation to be active as a SO for two communities only, in order to give more organisations the possibility to act as a SO, however, this does not restrict an organisation to apply as an SO in the areas of other WSBs.

The duty of the WSTF is also to provide financing towards: capital investment for WSS projects, capacity building initiatives, awareness creation and information dissemination for community management for water services and community participation in the implementation and management of water services- these activities are implemented by a SO and are therefore not an additional option to reach funding through the WSTF.

It is not clear, why the WSTF reported a lack of SOs (compare interview 2), as according to Mwango SOs are well present at the level of WSBs.

NGOs are working on establishing KEWASNET (Kenyan Water and Sanitation Network) to have a voice, which represents them, as the NGO council of the NGO board is not able to carry out this task.

There is the option for KWAHO to become a WSP but the way of financing activities in this frame are an open question. WSPs are meant to generate income through collected tariffs, though it is known that WSPs in rural areas are unlikely to be able to work in a financially self sustaining way, let alone generate income for staff. An example of tariffs in rural communities is 1 KSH for 20 litres of water, which is not enough to generate financial surplus.

KWAHO has the skill to form liable WSPs out of communities, how this activity could be financed (as communities cannot afford it) is an open question.

Resource mobilisation through the LVSWSB does not yet generate enough funding to reach rural areas outside the WSTF- target areas. There are well projects going on, as for example "Kisumu Water and Sanitation Project" and donors as AFD (French Development Agency), ADB, UNHabitat and EU are involved, but the solemn focus is on urban areas. Furthermore the funds applied in this context are far out exceeding the volume of financing applied for communities.

As many of the donors are now channelling funds through the government and the WSTF (in accordance with the Paris Declaration) the NGOs have lost their reliable donors, whom they had good experience and results with during long years of funding. Now direct funding still

exists but NGOs are exposed to much shorter funding periods. Especially acting as a SO in the WSR is a very short lasting activity.

Catherine Mwangi asks: "What is an NGO going to be?" There is no permanency in funding any more, but an NGO is not a consulting institution, the status is different.

As it is often a matter of trust for donors to fund NGOs, they might fear not to be accountable, Catherine Mwangi suggests that donors shall set up rules, according to which activities have to be done in order to being able to monitor them properly. An auditor owned by the donor should carry out the audits. Another useful rule would be to require NGOs to report all funded activities.

As the Director of Water has been saying that the civil societies (as NGOs) are not honest- Catherine Mwangi wishes the KEWASNET would be already active to stand up against generalising.

Further constraints about the mechanisms employed in the WSR are that communities are not supported in a sustainable way and that funding through the channel of WSBs and the WSTF might be too slow.

Funding through the WSTF by earmarking has worked out once in cooperation with SIDA, but structures have been changed according to the SWAP. Since then KWAHO has no experience with earmarked funds, except that GTZ is stuck in the system with funds, which were meant to reach KWAHO through earmarking.

Catherine Mwangi is interested in finding out if earmarking of funds through the WSTF has ever gone through to reach an NGO.

No.	4	Organisation	WSRB
Type	Unstructured Interview	Location	WSRB- Nairobi
Person / Group	Barasa	Date	17/10/2007

### **LIST OF ATTENDANCE:**

Daniel Barasa	WSRB Chief Executive Officer
Nancy Atello	KWAHO Administration Officer
Isabelle Pavese	Student BOKU, Vienna

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### **SUMMARY:**

Financing is a weak link in the WSR especially for rural areas, in urban areas the financing situation is better.

The main donors of the WSTF (DANIDA and SIDA) focus on specific rural target areas and there have been big complaints about the way of choosing these areas. ADB (African Development Bank) is also financing rural core poverty areas.

Financing is not adequate to cover all areas.

The remaining areas, not elected as a WSTF target area should be financed by the WSBs that are getting funds from the government. 1 billion KSH have been channelled to the water sector but this is too little. 6-10 million KSH remaining for a district is nothing.

So there has to be looked for different means to finance the rural areas.

Donors often support urban areas but there the absorption capacity is not high and sometimes money is just waiting there. It could be used in rural areas as projects are easier to implement there.

Integrating the private sector into financing is not easy, as funds have to be approved by the treasury also to ensure the ability of paying back, unless it is a grant.

But that does not mean that it is not tried. There is experience about borrowing and also about approaching banks, but this is not the general way of gathering funds.

Private sector finance has not been fully adopted yet.

Coming to the question if WSPs manage to work in a financially self sustaining way- the answer is that the WSR was meant to be self sustaining.

In rural areas different formats of WSPs are active. NGOs could train them, especially on the topic that water is not for free, but has to be paid for and find out if WSPs can be sustainable.

This issue is not fully tackled now.

There is a good example of a community that manages to operate in a self sustaining way. It is a community that uses water catchment pans in the rainy season and the boreholes in the dry season.

According to Mr. Barasa the common way of NGOs to train communities has to be changed a bit. It has to install professionalism. NGOs should concentrate on educating selected persons in accounting and technical issues in a profound way. There should be technical assistance available in the surroundings. Mr. Barasa is sure, that many programs of KWAHO have failed after certain time because of lack of technical people. Further more training on the understanding that water cannot be free is needed.

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Institutions are thinking of adaptations, which could improve the WSR. There is just a workshop going on together with the Athi-WSB in Nairobi.

The last 4 years and especially the last 3 years, since WSBs have been active are interesting. The Water Act was found to be weak, as there are no regulations. The experiences of the last 3 years have to be integrated in the adaptations and all parties involved in the water sector shall document their experiences and ideas. They have to let the institutions know if there are ways.

Mr. Barasa prefers that the reporting is done at the WSRB rather than the WSBs. The information would spread much faster that way.

According to the law WSPs can be subsidised. WSPs shall collect revenue, but if this revenue is not enough, they have to let the board know and the WSB is then responsible to allocate or apply for subsidies. The subsidies can be given in technical support, chemical support or even as funds.

So NGOs shall form WSPs and let the WSB know if they need a subsidy.

About asset holding: there are two types of assets. The first belongs to the government. Something has been constructed and then been passed over to the community, so they are more or less public. The other option is that the assets are held in trust by the WSBs for the communities. The idea is that the WSB has a bigger financial capacity and should therefore support the communities in maintenance. "Actually nothing is removed from the communities." And communities still feel responsible.

Earmarking of funds through the WSTF exists. Sometimes the money is targeted to an area and donors wait for communities to come up with a project.

Mr. Barasa does not see why it should not work to earmark funds to reach an NGO, but has no example and agrees that this question can be well asked at the WSTF.

The question whether direct funding would be possible in future, or if an alignment of all donors is aimed at, is felt as uneasy.

The WSR reform aims to have an overview on what is going on in the sector. Institutions must know what is happening. With direct funding the WSRB will never find out about problems and how shall it estimate whether funds can be accountable?

Besides operating as WSPs or SOs, NGOs shall act as a consumer voice. They are close to the communities and know what is going on and so should make complaints of the community known. Again the WSRB shall be informed because it takes complaints as a challenge and will take action on it. WSBs may take complaints as a misunderstanding.

Assuming there was funding than the WSRB would like the information to be spread. Again here NGOs are very useful. Still the matter of funding is not clear now.

One of the biggest weaknesses of the WSR was that the new institutions tried to spread the information by themselves. But NGOs are in touch with the communities.

KWAHO is very good at reorienting communities because it makes use of different approaches.

MS. Barasa thinks that KWAHO should act as a WSP and as a SO.

The PCPC is applied in 2 places outside the target areas. This is an exception and the ministry is funding, outside the government grant.

As it has been possible in 2 cases it should be possible everywhere.

There is a communication strategy but it needs some review, for example how to incorporate NGOs as they know different approaches.

A system following the PCPC to support communities outside the WSTF target areas is possible to enter.

Go and apply for something – we will see for funding then.

### **Telephonic follow up 11.12.07:**

There are no adequate funds to cover the needs out there. The funds that have been returned were donor funds that could not be implemented the way it has been foreseen in the contract. This happened e.g. in Kisumu.

The sector requires 12 billion, but only 6.8 billion are available.

NGOs approaching the WSB would help because NGOs sometimes also have funds.

Forwarding proposals to the WSB to match them with donors would be the best.



No.	6	Organisation	GTZ
Type	Unstructured Interview	Location	Nairobi
Person / Group	Lammerding	Date	19/10/2007

### **LIST OF ATTENDANCE:**

André Lammerding

GTZ advisor of the WSTF

Isabelle Pavese

Student BOKU, Vienna

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### **SUMMARY:**

In the target areas the communities have to set up a proposal, which goes through the WSB to the WSTF. The other areas are under the responsibility of the WSBs. The WSBs are responsible for financing in their catchment area. The KWSP is focussing on the rural area.

WSP are in charge to carry out the activities of the water supply and sanitation. In the rural area with point sources this has to be arranged differently.

The limit to install WSPs starting from 20 households is absurd.

Most of the money invested enters through the WSB directly and only a very small part is channelled through the WSTF. In cities the relation is about 95% to 5% for money going through WSBs. Big amounts are spent on cities.

The donor can fully decide what the money is used for, which is channelled through the WSB.

The PCPC shall be an example that can also be used in other areas but it is not fully established now. The target areas were set at a start while beginning with the system and also to focus on something, as the funds are limited. The financial support of the WSTF cannot be restricted to the target areas, because there are so many other applications coming in.

The WSBs should know about everything that is going on in their area, every investment.

They are free to use the funds in any way considered as useful by them. The WSTF is focussing on a pro poor approach, as WSBs might not specifically target them. For the implementation of the projects the WSBs are very much involved.

There might exist a financial gap for rural areas, which have not been elected as target areas and are therefore not funded by the WSTF but the WSB.

Until now 400 000 people have been reached through the WSTF and this number has to increase. How many communities of the targeted communities could have been reached yet is a question that will have to be taken to the WSTF to get a correct answer.

A reason for the difficult implementation of the WSR and slow funding mechanism is seen in the fact, that the institutions are still very new.

Financing the WSBs through revenue of the WSPs is only achieved in towns. The private sector is not contributing to financing the WSBs and this is not likely to change.

Indirect subsidies from urban to rural areas are a possibility.

Through the means of WSPs being called to account, it is possible that WSPs could be able to operate in a financial self sustaining way. Furthermore money will more likely remain in the water sector, without being deviated for investments in other sectors. Installing a clear and qualified management appears crucial Mr. Lammerding.

WSPs being able to operate in a self sustaining way in rural areas remains in question.

## **Appendix**

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Most likely the course of time will lead to form bigger units, which are linked to cities or towns to have technical assistance.

The regulator has to be informed both by the WSB and the WSP. Information on for example access numbers gives the regulator the possibility of evaluating funds of the WSB.

It is not clear why the WSTF did comment on a lack of SOs.

A further question to be asked at the WSTF is if SOs are could be active for and elected by the WSTF directly, without the WSB as intermediate.

Mr. Lammerding considers helping communities to set up proposals/applications as an activity where NGOs could be helping. (This should best be done in an altruistic way.)

In general Mr. Lammerding is sceptic concerning the necessity of NGOs as the European infrastructure is organised without NGOs.

Earmarking of funds through the WSTF is only possible, when a general concept already exists. The WSTF has to follow national implementation rules, such as a tender.

Still a sort of cooperation agreement to facilitate parallel channelling of funds might be possible. Funds could then be channelled in agreement/knowledge with the WSTF to a specific project, put into action by a certain NGO.

The WSFT has to be asked to know whether the WSTF has already targeted funds to an NGO or not since the SWAP.

The implementation of projects facilitated through direct funding will be standardised by the ministry in the near future to allow a better coordination. Also NGOs will be bound to these standards. Nowadays arbitrariness rules in financing.

### **MAIN RESULTS:**

- Financing through the WSB might not now reach rural areas but leave a gap
- The possibilities of earmarking and parallel funding have to be further investigated
- WSPs that are acting in bigger units that are interlinked with cities for technical assistance would be promising

No.	7	Organisation	WSB- Lake Victoria South
Type	Unstructured Interview	Location	KWAHO- HQ, Nairobi
Person / Group	Ogut	Date	24/10/2007

### **LIST OF ATTENDANCE:**

Petronilla Ogut	Lake Victoria South WSB- Chief Technical Manager
Catherine Mwangi	KWAHO C.E.O.
Isabelle Pavese	Student BOKU, Vienna

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### **SUMMARY:**

There is very much NGOs could do: they could give technical support, do community mobilisation, develop proposals as SO, monitoring and evaluation of the performance and the reports of the WSPs. The WSB has not the capacity in staff now, to carry out all these tasks.

Communities are not a legal entity, if an umbrella is formed, then KWAHO could act as the legal entity.

There is also the possibility of KWAHO giving technical support to communities, that have clustered, but it has still to be worked out, how this support could be financed.

The main task of WSBs is asset development.

To meet this task the WSB has to come up with proposals, which meet their needs. It is well possible to submit a proposal, which involves an NGO adequately, to e.g ADB (African Development Bank).

In rural areas, others than the WSTF areas, donors like ADB want projects to follow a PCPC like structure. Again NGOs can get active as a SO in this cycle.

The GoK has limited funds so, at the moment it has the capacity to rehabilitate the already existing schemes only, but not to invest in new constructions. How to reach rural communities outside the WSTF target areas is left to god now.

The WSTF has limited funds also. In the area of LAVICS WSB it reaches 12 communities only. Time will show if the communities, that come up with a proposal also have the capacity of getting funds.

Rural areas are not attractive to most donors, so these areas remain the biggest challenge for WSBs.

Still there exist funds for the rural areas; the CDF (constituency development fund) is one example.

It has also to be looked at the question of how NGOs could be regulated and where to employ them the best way, so that they are spread equally on the whole area.

Earmarked funds can not be channelled to NGOs directly but to CBOs.

Positive experience in the GoK and NGOs working together already exists like "Food for work".

To help NGOs access funds of donors through the WSB, the WSB could come up with a proposal of a project in which NGOs reach the communities and the WSB acts as a regulator.

Currently EU is funding a project for capacity building where the WSB and NGOs could work together. The adequate partner to join the WSB in this project has to be found through a tender however.

## **Appendix**

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Before funds from donors can be channelled through the WSB, they have to be approved and a certain amount has to remain within the WSB to ensure, that the implementation of the project is accompanied, e.g. by SOs.

New ideas have to be explored because everything in the WSR is new.

Ms. Ogut feels that if there was funding, projects would be made through the WSB together with NGOs.

Mrs. Mango feels that it is a gap, that NGOs were not given a certain place in the WSR to have them reaching the communities. She also feels that the governmental institutions are still afraid to work with NGOs.

### **MAIN RESULTS:**

- Funds for the rural areas outside the WSTF target areas are not well established now, because the funds of the GoK are limited and donors channelling money through the WSB target urban areas.
- Having the WSB working together with NGOs is possible- a good combination would be to have the WSB acting as a regulator.
- NGOs could help the WSB to carry out its tasks.

## Appendix

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No.	8	Organisation	women group
Type	Focus Group Discussion	Location	Kambewa
Person / Group	Ogara Nyozwiwa	Date	27/10/2007

### **LIST OF ATTENDANCE:**

Ogara Nyozwiwa group	Group representatives
Willy Onyango	KWAHO Project Assistant I
Faith Ondeng	KWAHO Project Assistant II
Charles Apiyo	KWAHO Project Assistant
Peter Sietenei	KWAHO drilling dept
Isabelle Pavese	Student BOKU, Vienna

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### **SUMMARY:**

The group has been registered in 2000; 20 women and 10 men are members.

They have a bank account. The monthly contribution is 100 KSH. IGAs have been started such as growing tomatoes and poultry farming.

The group lends money to its members in a turn. And they use book keeping.

The group noticed that they needed water for irrigation but the main reason to look for a source of water was the water born diseases.

So the group decided to approach KWAHO, as they knew about projects in the surroundings.

This community gets information through the radio, funerals, barazas (markets), seminars, workshops newspapers and the church.

Workshops and seminars carried out through staff of the ministry are considered as appropriate to be informed about the WSR.

The group is joining an umbrella.

It is too early to say how they would feel about being a WSP and link with institutions.

The group is very much willing to take a loan to improve their living or to upscale the water facilities. They want more information about micro credit.

## Appendix

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No.	9	Organisation	women group
Type	Focus Group Discussion	Location	Kambewa
Person / Group	Nyaolo	Date	27/10/2007

### **LIST OF ATTENDANCE:**

Nyaolo group	Group representatives
Willy Onyango	KWAHO Project Assistant I
Faith Ondeng	KWAHO Project Assistant II
Charles Apiyo	KWAHO Project Assistant
Peter Sietenei	KWAHO drilling dept
Isabelle Pavese	Student BOKU, Vienna

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### **SUMMARY:**

The group has been funded in 2004 and consist of 28 members. Their activities are farming, keeping goats and hens and doing small business. The membership fee is 40 KSh per month; meetings are twice a month

The group has heard about KWAHO, and because of diseases they sent an application in 2005. Now as the pump is almost installed the group wants more training and does not want KWAHO to leave now.

The women are grateful for the work KWAHO has done so far, the bore whole, even if the superstructure is not ready now, and they are also grateful for the latrines and about the way KWAHO works together with them. There are still new issues coming up.

They are happy about the training on water management. Due to the poor soil formation other latrines are needed and maybe ecosans. The group also wonders if they can have another bore hole done. They do not see any negative points in working together with KWAHO, or issues, which could be improved in this level.

Nothing has been heard about the WSR until now. Workshops, seminars and barazas are considered as the right approach.

A loan would not be a bad approach but the group wishes more training in bookkeeping for that. The women also feel ready to have ideas to repay the loan.

They are ready to work together with official institutions of the government. There is no bias against governtal institutions.

The group wishes more training on bookkeeping and wonders if there will be tax collection as a WSP.

## Appendix

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No.	10	Organisation	Aluor WSP
Type	Focus Group Discussion	Location	Siaya- KWAHO office
Person / Group	Aluor- WSP	Date	29/10/2007

### **LIST OF ATTENDANCE:**

Ayub Ochieng	Aluor- WSP
Elly Opondo	Aluor- WSP
Gaudencia Ndede	Aluor- WSP
Andericus Nyosno	Aluor- WSP
Maurice Jacadawa	KWAHO Programme Manager
Isabelle Pavese	Student BOKU, Vienna

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### **SUMMARY:**

The Aluor WSP will serve about 20 000 people after the installation of the 2<sup>nd</sup> tank. They have just submitted the proposal to for the constructions and they are not operative now, but already organised. The investment will be an amount of 12 mio KSH, 10% will be provided by the communities through labour as digging and provision of some materials, such as stones. The main part will be funded by donor funds through the WSB.

The CBOs are registered by 20 KSH per family to show an interest.

The CBOs also elected a full committee, now a single CBO is acting as WSP.

Aluor WSP also has a bank account with now a balance of 24 000 KSH.

When the facility is operative the institutions (school, market, church, health centre) will be metered as well as water kiosks and also connections to individual homes.

The duties of a WSP are technical maintenance of the facility and revenue collection.

With time the O&M costs might exceed the revenue collected, when there is renewal necessary. Still the maintenance and staff salaries should be covered by the collected fees.

The possibility of subsidies has not been discussed with the WSB now, but the Aluor WSP committee has the feeling, that this is a possible option. Also the possibility of being supported by the WBS in case of drought is felt.

The first way of responding to the question of asset holding was: they are owned by the community. There have been meetings of CBOs together with the WSB and SOs on the purpose to ensure the quality and to create a sense of ownership. Further communities will be made aware of their responsibility through training and the contribution to the construction. These are tasks facilitated by the SOs.

Therefore there should not arise a problem of communities not feeling responsible for the facility.

The response to the phrase "the assets are held in trust by the WSB for the communities" was: the WSB are the chief providers, the WSP are the ones reaching the communities in this system. It can also be seen at the investments, as the community is only contributing 10% the real owner is the WSB.

Still at a certain point e.g. the end of constructions there is a certificate of handing over the project to the WSP.

## **Appendix**

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QCAs make sure that the right point of access is entered and that the process is working. It is within the interest of the WSB that the process is working, as it is the chief.

SOs help to have a coordination during the construction.

The Aluor WSP knows that institutions would like to hear the voice from people right from the start and feels the WSRB to be accessible.

The information about the WSR reached them through a barasa. But somehow this area was targeted to get the information, because the ministry knew that there was an unused facility that has once been operating.

To involve other communities into the WSR and to get them acting as WSPs, the Aluor group does not think that it is a problem of the WSR being too complex but rather a lack of knowledge about the WSR. If the WSTF was known, then it would work. When the SOs go on with capacity building in communities the WSR can work out.

In the head committee out of three persons, one is female, but the man feel they are only assisting because they were asked to, otherwise they would have liked to have all this managed by women. The rate of women in the entire committee is 50% and 90% at the registered members.

### **MAIN RESULTS:**

It should be possible to cover the running costs and staff through revenue collection

If need be the Aluor WSP feels the WSB to be accessible

To execute the WSR in communities the main obstacle is the spreading of the message, not the capacity in communities

### **INTERPRETATION:**

The Aluor WSP is optimistic and feels a good net of institutional infrastructure, but they do not have practical experience now.

## Appendix

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No.	11	Organisation	self help group
Type	Focus Group Discussion	Location	Siaya
Person / Group	Aluor	Date	29/10/2007

### **LIST OF ATTENDANCE:**

Aluor Group	Group representatives
Maurice Achok Jacadawa	KWAHO- WATERCAN Programme Manager
Joshica Otieno	KWAHO Project Assistant
Isabelle Pavese	Student BOKU, Vienna

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### **SUMMARY:**

The cooperation with KWAHO has just started so now they have just had a few trainings on organisation and a baseline survey.

The activities of the group are agriculture (bananas, ground nut, maize...), poultry, community health and orphans.

The group is only working together with KWAHO on the topic of water. They have heard almost nothing about the WSR, but a little bit from other groups.

A man suggests to training a few individuals on the WSR, to spread the information in the community.

The group needs more training to feel up to meet the tasks of a WSP.

They think that a loan would be very much appropriate and want to know if there is the possibility of getting it fast.

No.	12	Organisation	WSB- Lace Victoria South
Type	Unstructured Interview	Location	Kisumu (Hotel)
Person / Group	Ombogo	Date	30/10/2007

### **LIST OF ATTENDANCE:**

P. L. Ombogo	WSB CEO
Paul Mutava	Project Manager
Isabelle Pavese	Student BOKU, Vienna

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### **SUMMARY:**

A rural WSP has to cover only its O&M costs through revenue.

The investments in rural areas are meant to be made through grants. The grants come from the WSTF.

Subsidies exist for urban WSPs (sometimes through provision of chemicals or through contribution to staff salaries). The situation is a bit more complex in the rural areas, as there are so many communities. The WSB fears to run out of money if it started with subsidies there. Rural WSPs are not on subsidy now.

It would also be difficult to have subsidies from one facility going to another because the surplus stays within the facility. Never the less an urban facility can link rural areas to its scheme and providing them with subsidies in this way. This would be a way of subsidising within the facility.

It might be right that there is a financial gap in the rural areas, which are not covered by the WSTF.

Eng. Ombogo does not see how funds shall be stuck in the urban areas, due to a low absorption rate as the urban areas are not even covered yet.

When NGOs support the WSB at carrying out their tasks, they shall just be financed in the way they always have been funded- through direct funding.

Besides the WSTF there exist other windows for financing, as credit for water and the CDF.

Some order, better regulation in coordinating where NGOs get active shall be aimed at.

It is possible that the WSB supports communities, which have their infrastructure built using micro credit, by funding capacity building for them, as long as there is a structured agreement.

In general the WSB has funds for capacity building.

Funds for capacity building have to be distributed through a tender.

From the perspective of Ombogo NGOs fear being controlled, they want to be free but a positive regulation should be installed, that is useful for both sides, where everybody is accountable.

According to him the GoK does not fear to work together with NGOs because of doubts in accountability.

All the money channelled through the WSB has to be allocated in a tender. But there is a partnership agreement just being developed- this could make collaboration of the WSB with partners as NGOs easier. E.g. KWAHO could get active in an area, they have identified and decide to construct e.g. 10 tanks, then the WSB could join in for e.g. capacity building and sanitation.

Stakeholders should come together to establish a regulation framework in a participative way.

## **Appendix**

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The demand driven approach is emphasised. Communities have to tell their interests, which is maybe not water.

Also NGOs shall not wait but come up with projects. Eng. Ombogo says: then we see how we can get together.

The answer to the question whether a change or regulation in direct funding can be expected, the answer is: The government cannot solve all the problems.

Earmarking of funds it tried with ADB. A part is channelled through the WSB, but an area is targeted not an NGO.

There are a lot of gaps (weiss nichtmehr in welche zusammenhang das aufgetaucht ist.)

In the WSR there is a lot of autonomy and therefore space for innovation.

### **MAIN RESULTS:**

- The LVS WSB wants to establish a partnership agreement.
- A participative approach to come up with innovations is aimed at.
- Funds for capacity building exist
- Rural WSP are not subsidised now.

## Appendix

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No.	13	Organisation	Umbrella Organistaion
Type	Focus Group Discussion	Location	Kambewa
Person / Group	Konoroao	Date	30/10/2007

### **LIST OF ATTENDANCE:**

Konoroao group	Group representatives
Faith Ondeng	KWAHO Project Assistant II
Paul Mutava	KWAHO Project Manager
Isabelle Pavese	Student BOKU, Vienna

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### **SUMMARY:**

The umbrella has been started in 2001 with 4 women groups and 120 members. Now there are 8 women groups joining.

Their objectives are to improve the living standards and hygiene through water and sanitation, taking up IGA and caring for the orphans and widows.

The activities are fundraising, keeping goats and small scale agriculture. The women meet to solve problems and coordinate activities with NGOs and the administration.

The umbrella has revolving funds available. Each group contributes 600KSh per month.

The women have not heard of the WSR so far and consider being informed through training as appropriate.

They feel up to fulfilling the tasks of a WSP, as they are already providing water, record keeping and maintaining the facility technically.

Working together with institutions of the GoK does not scare them, but they would like to know about the conditions that are needed and required.

The attitude towards micro credit is positive, though one woman would prefer another approach to finance new investments for water. The women want to know how long it will take to know more about this possibility.

## Appendix

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No.	14	Organisation	Umbrella Organistaion
Type	Focus Group Discussion	Location	Lower Tana
Person / Group	Ngao	Date	13/11/2007

### **LIST OF ATTENDANCE:**

Ngao group	Group representatives
Lower Tana KWAHO staff	Project manager, Project assistants
Shadrack Ngewa	KWAHO Programmes Co-ordinator
Isabelle Pavese	Student BOKU, Vienna

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### **SUMMARY:**

The umbrella was founded in 2005, it consists of 12 women groups, and runs a total of 9 bore holes/ water points. The meetings take place once a month. In the committee are 6 women and 2 men.

They want to work together with KWAHO to sustain the facilities and repair those that are not working. The umbrella wants to buy and have more spare parts.

The representants of the umbrella Ngao wish to borrow a drilling rig with KWAHO, wish more technical assistance, want to have the ability to sustain the bore holes, wish more training and want to work together hand in hand with KWAHO to assure that everything is going well.

As their weaknesses they state:

- Sometimes spare parts are missing, or there is no access to them
- The spare parts are far from them and the transport is expensive
- There are no funds to sustain the umbrella
- Missing information on the WSR
- More training required on how to write proposals
- More training on technical issues for water tanks, bore wholes, bathrooms, eco sans and VIPs
- There is no connection between the umbrella and a WSP
- Missing information on what they are supposed to do in the WSR

Their future plans are:

- To enlighten and educate in the villages, the district and everywhere
- To have an institute for various trainings for people, this could also be an example to other NGOs and donors.
- Be capable to supply water up to the district level
- to have a CO with better access to spare parts and to assure the sustainability
- the CBO and the institute committee would be jobs for the future and therefore the children
- the capability of writing proposals as CBO and be an entry point for other NGOs
- to know more about WSR

**MAIN RESULTS:**

The group members aim at a very independent state.

## Appendix

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No.	15	Organisation	District education institution
Type	Unstructured interview	Location	Garsen
Person / Group	Education Officer	Date	15/11/2007

### **LIST OF ATTENDANCE:**

Education Officer	Education officer in Garsen
Joshua Maneno	KWAHO Project manager
Arysterico Muhinda	KWAHO Project Officer
Arnold Maneno Balesa	KWAHO Deputy Project Manager II
Shadrack Ngewa	KWAHO Programme Co-ordinator
Isabelle Pavese	Student BOKU, Vienna

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### **SUMMARY:**

He wishes that KWAHO started to come and inform them on their activities, so that they can be aware of what is happening. This information would also allow to discuss with other NGOs that want to start a project in schools.

Water and sanitation is a priority area in schools.

By passing through the office, KWAHO could establish a better access to teachers that are involved in the projects.

## Appendix

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No.	16	Organisation	Women group
Type	Focus Group Discussion	Location	Garsen
Person / Group	Community near Garsen	Date	15/11/2007

### **LIST OF ATTENDANCE:**

Group members	Group representatives
LT KWAHO staff	Project manager, Project assistants
Shadrack Ngewa	KWAHO Programmes Co-ordinator
Isabelle Pavese	Student BOKU, Vienna

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### **SUMMARY:**

(This group was in the ADA project from the beginning, about 15 years ago. In the early years the training was not the same as it is now. In this group there is trouble in revenue collection, breakdowns of the pump cannot be repaired. The responsibilities of managing revenue collection and maintenance are not clear. It had been bound to the person owning the land on which the pump has been installed, but that did not work out.)

Their future plans are:

- to have an account
- to use water for agriculture
- create IGA to improve livelihood
- have money for spare parts, maintenance and to pay the artisans
- to collect funds from selling water for the reparations

They feel up to fulfil the tasks of a WSP (managing and expanding the facility, capacity build other communities), but they feel a lack of knowledge to assume the new role and count on KWAHO to get further funding. By precising, that KWAHO might not always be there, they mention the LATF as a funding possibility.

The challenges they foresee, being a WSP are the funds and also corruption. As their strengths and opportunities they see the cotton plantations, maize and the arable land. The women want to come together and make plans. The continuity of paying for water shall be ensured to secure income for spare parts, labour and repair.

The idea about taking a loan as a funding option arises within the group. The community also feels able to pay back a loan.

The means used to get information are: the radio, for the national level, the headman for the local level, also division officers and chives in barazas. Also mobile phones are employed.

A local NGO would also be appropriate to pass on information, just civic leaders are seen as very inappropriate, as they have failed so often, that they do not trust them any more.

No.	17	Organisation	DWO
Type	Unstructured Interview	Location	Garsen Water office
Person / Group	Keboga	Date	16/11/2007

### **LIST OF ATTENDANCE:**

Evans Keboga	Garsen Water office
Joshua Maneno	KWAHO Project manager
Arysterico Muhinda	KWAHO Project Officer
Shadrack Ngewa	KWAHO Programme Co-ordinator
Isabelle Pavese	Student BOKU, Vienna

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### **SUMMARY:**

KWAHO wants to seek for a partnership with governmental institutions, Mr. Maneno says.

As before the WSR Mr. Keboga still represents everything in this area: the WSRB, the WSB... he is in the ministry. Letters however go through the WSB.

Until now KWAHO has not made a declaration of a borehole or any other project.

A partnership would allow to allocate areas because there so many agents.

Sanitation has not so much been an issue until now.

In this area only one SO is active. Somehow KWAHO was not available at the time SOs have been sought. But it is not too late to still write an expression of interest to become an SO for the area.

The ideas and the structure of the WSR are trickling down very slowly.

The WSTF has not done a single project in this area. One community KWAHO is active in, is within the WSTF target area.

NGOs can get active as SO and QCA, SOs have the task to form CBOs. NGOs can also implement as a contractor if they are not the SO or the QCA, provided they are recognised by the MWI and have the certificate.

According to Mr. Keboga it is up to the WSTF to fund the entire area step by step, he does not mention any other option of funding.

There is a forum that has been created by UNICEF to spread the information about the WSR. KWAHO has assisted in the first meeting but does not know about the follow up. This will be funded for 2 years. The aim is to form committees in every district.

The answer to the question, if capacity building could be financed in parallel to infrastructure construction, which is funded through micro credits by the community is: that there is that money for everything from the WSTF.

The Garsen office gets a norm allocation from time to time, but this is not a constant source. This is a budget provided from the GoK, outside the WSTF, but this is only very little money.

The demand driven approach would be a good one, but until the communities have the capacity to express their demand, the WSTF has to use SOs.

The answer to the question whether NGOs are sometimes approached by the GoK for capacity building is, that NGOs are approached by a certain organisation (according to my understanding, not the GoK), because the GoK has gaps.

## **Appendix**

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The WSTF covers only little areas, but this is not seen as a problem, because there are so many other agents active in the area.

### **MAIN RESULTS:**

- KWAHO could have been a SO, but was not present enough at that time; it can still catch up
- The office wants to know about the activities of KWAHO
- UNICEF is having a communication strategy carried out

### **INTERPRETATION:**

Mr. Keboga does not seem to know a lot about the WSR. Him always referring to the WSTF (only) underlines a narrow perspective.

## Appendix

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No.	18	Organisation	Umbrella organisation
Type	Focus Group Discussion	Location	Lower Tana
Person / Group	Wema	Date	16/11/2007

### **LIST OF ATTENDANCE:**

Wema	Group representatives
LT KWAHO staff	Project manager, Project assistants
Shadrack Ngewa	KWAHO Programmes Co-ordinator
Isabelle Pavese	Student BOKU, Vienna

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### **SUMMARY:**

The current challenges the group is facing are:

- The degree of ownership is quite low; a possibility of improving that would be a handing over ceremony
- Some do not contribute the monthly fee, this is a demoralisation
- People steal from the farms
- Women fear taking a leadership roll
- The group is rarely attending meetings
- Some use funny means to get water and avoid the fee
- There are lots of boreholes around from other organisations, what makes it difficult to bind people to one borehole and collect the fee

Their vision for the situation in 10 years is that each member shall own a goat, to have a project on farming and vegetable and poultry keeping. They have the vision that they will continue growing and want do what they do in the right way and to have documentary evidence.

Still they feel that KWAHO leaving in one year is too early for them to start doing things on their own.

One idea they come up with to improve their situation, is to take a loan to invest in farming or water supply. Most of the women are members of the "Kenyan women finance trust" where they can borrow money as a group, but they have to commit then. The women mention the precautions they are considering before taking a loan: to know which investment is going to be done and to know how to pay back the loan.

It is a challenge to collect the fees for water because there are so many bore wholes around, that can be used to escape from the fee.

The Wema group is not aware of the WSR but can imagine to exert the tasks of a WSP (provide water and mange the water points as a group). The challenge they fore see however is inadequate finance.

The modes of communication are: the chief, the radio, KWAHO and other NGOs. They consider KWAHO as the most appropriate informer for the issues of the WSR.

No.	19	Organisation	WSB- Coast
Type	Unstructured Interview	Location	WSB Mombasa
Person / Group	Kanui	Date	20/11/2007

### **LIST OF ATTENDANCE:**

David K. Kanui	WSB- Coast, Project Engineer
Isabelle Pavese	Student BOKU, Vienna

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### **SUMMARY:**

Most communities are already registered as CBOs.

Communities can be funded directly, for example through the CDTF (community development trust fund) which is mainly funded by EU and is organised similar to an NGO.

SOs are needed as there is a delay in communities to adopt the ideas of the WSR.

NGOs can make themselves available for the process of spreading information, but the problem is that communities want an output and are less interested in the process. Communities perceive NGOs as a middleman, which stands between them and the donor, using a part of the money that could be invested. This can be perceived as a loss of money.

The communication strategy is mainly developed by the World Bank. NGOs can contribute to this process at the level of the MWI and the WSB. Mr. Kanui would recommend discussions rather than written ideas to contribute, because of discussions being more participative.

The SWAP is the institution integrating all the stakeholders in the processes of the WSR. NGOs are usually invited. As KWAHO is not on this list now, it should call the secretariat of the SWAP to contribute.

Mr. Kanui wishes the NGOs would join the WSBs to plan together and to facilitate a coordination of their projects both in terms of region as in terms of resources. The resources of two NGOs could be combined for example to have a better project.

The WSB should get to know about the NGOs being active. It would be good if NGOs met the WSB. Therefore he would suggest to call for a meeting. NGOs shall come together and make their own forum and inform the SWAP about it. They could put their resources together. The channel of funding through the WSTF is a bit slow up to now. A forum that could act as a parallel structure would be helpful there. The WSB should be informed about activities of NGOs funded by donors directly, to allow the coordination of those activities.

There is no approaching of NGOs by the GoK directly, because the government is too busy with other issues but the WSBs approaching NGOs should be the future. It is not within the tasks of the WSBs to fund the rural areas, not even in theory. This is up to the WSTF. The communities not belonging to the target areas now are left to wait until it is their turn in being targeted.

In case of communities submitting proposals to initiate a demand driven approach, Mr. Kanui doubts that those proposals would meet the requirements of the donors, as their requirements are varying a lot. Further it is to fear, that most of the communities would not pass the feasibility study.

At the demand driven approach there would be no or only a very low level of funds being available. Donors prefer to fund urban areas because there will be returns on the investments and towards rural areas there are no incentives. In a project where the NGO would be joined by the WSB being a regulator, the funds would be expected to be provided by the NGO.

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If communities fund their infrastructure through micro credits or water credits, the necessary capacity building could be financed by the KWSP. The KWSP is the adequate institution in possession of funds, concerning these issues.

The assets belong to the communities. It would be better if the WSB was responsible for the assets to facilitate reparation.

WSPs can operate sustainable in some cases, depending on the system they use. Using a gravity system should allow to operate in a sustainable way, using pumping systems will require subsidies for capital investment. Those subsidies are available.

### **MAIN RESULTS:**

- NGOs can contribute to the development of the communication strategy in joining the SWAP
- The WSB would like to know about NGOs and their projects to facilitate coordination.
- NGOs shall arrange a meeting with WSB to introduce themselves.
- The WSR and WSBs are open for discussions. The idea of an NGO forum comes up.
- There is no incentive for donors to fund rural areas (The WSB is not in charge of funding, only the WSTF is.)
- KWSP are those who provide the kitty for capacity building.

### **INTERPRETATION:**

Not even the staff of the WSB is aware of the duties of the WSB.

No.	20	Organisation	KWSP
Type	Unstructured Interview	Location	WSB Mombasa
Person / Group	Kabando	Date	22/11/2007

### **LIST OF ATTENDANCE:**

Raphael Muthee Kabando                      KWSP- Managing Consultant  
Isabelle Pavese                                      Student BOKU, Vienna

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### **SUMMARY:**

The Kenyan water and sanitation program (KWSP) is funded by three governments: the government of Kenya, the government of Sweden and the government of Denmark.

It has three objectives:

- support the new institutions. Enhancing and strengthening them through e.g.: training, technical assistance and equipment
- improve the water supply and sanitation in rural areas.
- promote hygiene and sanitation

The program also supports the MWI in carrying out the reform process. Until now it mainly supported the WSR- secretariat as one of the MWI's institutions.

Communities are supported in 2 ways:

- The soft elements, such as capacity building and helping communities to prepare proposals- this is through the WSB
- funding for investment- this goes through the WSTF.

The KWSP also supports the WRMA. It is linked and active on both the service and resource management side and also collaborates with the WSTF.

Communities have only access to WSPs and the WSBs. NGOs can have a dual roll: they can be WSPs or they can have a facilitating roll.

It is the role of the board to inform the communities about the WSR and to communicate it, but the institutions are still new. There should be no vacuum in the information flow.

The WSR aims at a demand drive approach. Therefore it is necessary to sensitise communities and creating awareness about the WSR. This is what KWSP is doing with the so called "soft elements", facilitated through the WSB.

- Creating awareness for existing funds, such as the WSTF and existing opportunities
- Help communities to identify their needs
- Prepare project proposals with communities

SOs are carrying out these tasks. ( NGOs and other agents can be SOs). Nevertheless those activities take place in the WSTF target areas only.

The WSB is supposed to mobilise resources for the areas outside those target areas. Money can come from the treasury, CDF (constituency development fund), the local government or donors.

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In the area of the Coast water services board, there are many projects going on, funded by other stakeholders.

The KWSP does not have a kitty for non target areas available, but as NGOs are capacity built (to get active as a SO) by the program, this is an indirect support of non target areas, as NGOs can get active everywhere and are not restricted to the target areas.

One of the tasks of the WSTF is to create funding windows as many as possible, through donors that might not focus on target areas. Examples are ADB and GTZ (which chose to target urban poor).

WSBs do not automatically have funds for capacity building available. It is up to each board to allocate its resources. The WSBs use different funding channels and donors (e.g. World Bank and AFD at Coast WSB) and have different approaches to their aims. Also the approaches of the donors vary. WSB are free to choose the adequate way to fulfil their tasks.

The approach of micro credit is a good one but it comes down to the ability of communities to pay back the loan. In some areas this might not be a problem, because the schemes are viable in other areas it might be more difficult.

In the area of Athi WSB many communities are willing to take micro credits and the WSB takes up the capacity building.

Mr. Kabandos perception is that it might be difficult in the area of the Coast WSB to have the ability of paying back. This however is not related to a technical precondition (as for example more difficult schemes being necessary because of the closeness to the sea or geological formations in this region).

If communities are well capacitated there is a chance for systems being financially sustainable.

According to Mr. Kabando the system can work out well in some communities, without big efforts; in others through capacity building; and in some never, not even after intensive and long capacity building.

Capacity building is a window of the WSTF that is not strictly bound to the target areas.

If an NGO agrees with a community to start a project in which the community covers their costs of infrastructure through micro credit and the NGO contributes the capacity building, then the application for funding of capacity building, would have to be submitted to the WSB, not to the WSTF. The WSB can then decide, whether to forward it to the WSTF or to find an other solution.

The demand driven approach and communities submitting proposals to the WSB would be very good because the WSBs are always willing to fund communities. It is up to the board to find a donor. As soon as there is a proposal it can be matched with the line of a donor.

In the past NGOs have come up with proposals which have been submitted to the ministry.

The question of asset holding is not clearly sorted out until now. In theory the assets belong to the WSBs but communities can only have incentives to invest if it belongs to them. If the approach will work out depends on the history and how communities perceive the role of WSBs. If the board is efficient it can work out, if the board is not efficient, then the communities will not trust it and would not like to invest in those facilities.

The present reference is the DWO and they had a rather bad performance.

It is a challenge how to win this confidence of the communities.

A cooperation agreement (between NGOs and the WSTF) would most probably not increase the speed of funding, because the reason for funds trickling down so slowly to the communities is not, that the number of involved institutions (WSTF and WSB) before releasing the funds to the community is too high. Most of the time (average of 6 month) is needed to prepare the proposals, which are the requirement to trigger the funds. The PCPC is not fully internalised by the NGOs and SOs now and they still have to acquire the expertise to increase in speed.

(In the interview it did not come out whether targeting an NGO without following the structure of the PCPC would increase the speed of funding)

Mr. Kabando does not think that funds are stuck at the WSTF.

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At the moment the activities of an NGO in the water sector are to be a SO and to come up with proposals they prepared with a community. To further make use of the capacity an NGO has, Mr. Kabando recommends getting active in other sectors also, because the ability of capacity building communities is not bound to the water sector.

To contribute to the ongoing processes in the WSR the SWAP would be a good entry point and also contacting the director of water services to be put on the mailing list. This would open the possibility to take part in the many workshops that are going on.

The funds channelled through the DWOs are a substantial amount of money and it would make a difference if this money would be channelled through the WSBs.

### **MAIN RESULTS:**

- Contribute to the WSR through the SWAP and getting on the mailing list if the director of water
- A Cooperation agreement might not increase the channelling of funds, as preparing the proposals takes most of the time
- KWSP is active in the WSTF target areas
- Demand driven approach would help looking for adequate donors.

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No.	21	Organisation	WSP World Bank
Type	Unstructured Interview	Location	World Bank Nairobi
Person / Group	Mbuvi	Date	5/12/2007

### **LIST OF ATTENDANCE:**

Japheth Mbuvi	WSP- WB. Water and Sanitation Specialist
Isabelle Pavese	Student BOKU, Vienna

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### **SUMMARY:**

Mr. Mbuvi's impression is that NGOs are scaring themselves and feel being pushed out of the sector. How they are used to work, is to get money and to manage it. But now there is a need for them to transform themselves to fill the gaps. One of those gaps is a lack of capacity for planning and design on the community level. NGOs shall have a facilitating roll. Another big role would be to train communities in O&M. NGOs can provide the soft ware component such as hygiene promotion and education.

When it comes to financing the clear way is to be an SO. For other tasks they shall transform themselves to business developers and service providers. A big need is also in post construction activities. Water systems have to be managed more efficiently. The PCPC is too short because post construction support is needed. This additional phase should also be financed through water fees.

NGOs seem to be scared of selling their services. Due to the SWAP the approach changes from projects to programs and to budget support. (projects are perceived to stand alone and to serve e.g. 5000 people where as programs see the demand for an entire area and changes take place progressively)

The situation of approaching the water sector can be compared to a house. There are so many NGOs because the owner of the house was not very present or efficient. Now the owner has well reformed the house and everybody has to enter through the front door only.

Mr. Mbuvi would like the sector to be freer, so that the CBOs can choose the SOs they want to work together with. When an NGO helps articulate a CBO, it shall be left to run along with it. Otherwise when the CBO is reallocated to another agent being active as e.g. SO, there is no space for innovation and no incentive for an NGO to get active. It is a gap, that community mobilisation is not paid for. The SO comes in too late, therefore the initiator of the idea, that is entering a community should be supported.

The coordination for the SWAP happens in the WSWG (Water Sector Working Group). This is the point, where stakeholders can contribute to the process. KWASNET would also be an interesting contributor there. The Environmental Sanitation and Hygiene Working Group is also an entry point for contribution.

It would be good to build a close relationship with WSBs and WSPs , where NGOs provide the soft skills. Such collaboration takes place in Nairobi.

DWOs are still there and they can not just be "switched off". Once there will be WSPs everywhere, DWOs will not be needed anymore.

An environment where people know about the WSR has to be created.

"There is more money than the sector can handle." Recently the budget has increased from 4 billion to 12 billion KSh. The CDF also channelled 14% of its funds to the water sector. In sum there is enough money. Last year 3 billion have been returned to the treasury. This is because

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the institutions are too slow. Procurement issues and public sector recruitment procedures delay the public administration.

NGOs are good in assessing the needs in the communities they are in. When it comes to the question how NGOs could finance this, the answer is: NGOs have always been doing that. And apart from being financed from donors or “good will”, there is also the idea that WSB could refund this initial step, once a proposal is approved, as this is a regular task of a SO anyways. The NGOs would make a needs-assessment and forward a proposal for the community, which identifies water as the prior need, to the WSB. This proposal would then also be likely to have a very good quality, because of the NGO being highly interested to have it approved.

Every sector should contribute to such a needs- assessment in communities.

For NGOs a multisectoral approach would be good, to allow them to get active on what ever priority of the community, they have entered. Otherwise NGOs should grow in area, to be able to identify the communities, which have chosen water as their priority.

Big NGOs as “Plan International”, “World Vision” and Care are using a multisectoral approach and an area development plan. It might be a bit difficult in future, for an NGO focusing on one sector when also its area of activity is small.

Micro credits are not an option for all communities, because some will not be able to generate enough income to pay back the loan. Public money will have to be put in. This money is available.

Asset development is the responsibility of the WSBs. They develop a business plan for that. WSBs use a business model and are supposed to collect revenue from the water facilities.

The WSTF is only funding areas, which are not likely to attract investments in a business model and are not likely to generate income. All the other areas are under the responsibility of the WSBs.

Also donors have not fully understood the concept of the WSTF as they want to channel all the money through the WSTF where the WSB is also an entry point.

Where there is an expressed need, it is easier to channel money.

The basic idea is that water service is affordable.

WSP- World Bank does not fund an NGO directly. Their role is to give technical support to reforms.

### **MAIN RESULTS:**

There is enough money

The WSWG is the point to contribute to the reform process

NGOs shall build a close relationship with WSBs and WSPs

“Community mobilisation” and “post construction support” are two steps, that are not well worked out now.

No.	22	Organisation	WSFT
Type	Unstructured Interview	Location	WSTF- Nairobi
Person / Group	Matseshe	Date	6/12/2007

### **LIST OF ATTENDANCE:**

Phanuel Matseshe

WSTF- Quality Assurance Manager

Isabelle Pavese

Student BOKU, Vienna

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### **SUMMARY:**

It is right that the WSTF is a fund for areas, which are not likely to attract other investments.

Mr. Matseshe thinks that my feedback, that not all the stakeholders seem to have understood the principles of the WSTF, is surprising and a bit frustrating.

Some time ago people brought their proposal, but the WSTF saw that it had to change its strategy to target the poor better. From a received proposal, how do you know who is targeted? That is why the target areas and the CPC have been established. Target locations are not static. When an area attracts other investments, then the WSTF can shift to an other area. Those target locations are reached through SOs that are sent from the WSBs. The SOs have to create awareness.

SOs are agents of the board not the WSTF. Since the establishment of the CPC model it is not possible for somebody or an NGO to apply directly at the WSTF as a SO, the proposal has to come to the WSB. Mr. Matseshe does not see why in the interview of 2.10.07 Mr. Japheth Mutai was mentioning a lack of SOs. This could however have been related to the quality of SOs available.

It is up to the WSB to rise the awareness in communities, so it can not simply be said, that SOs are coming in too late. It is also to the board to send SOs to the target areas. The WSTF wonders why the WSB does not serve the targeted communities one by one in the list but starts with e.g. no. 31.

It has to be seen how the CPC is going to work out. The process has to be evaluated, and its effectiveness has to be assessed. Under the CPC only 24 projects have been funded since August and until now there are no reports. The WSTF is waiting for reports as a feedback.

It is the role of the ministry to coordinate the water sector and arrange forums for information sharing.

NGOs should develop capacity. Very few NGOs have the initial money to mobilise the communities. But there is also a risk at creating mobilisation, when there is no funding then. There is a risk at creating demand you can not meet.

Mr. Matseshe wonders why the WSB did not send SOs to the 50 targeted locations. The WSB are responsible for the water services by law, even if the WSTF was not there. Everybody that is not served can sew them.

The WSTF has three approaches: the CPC for rural areas, the UPC for urban areas (it is just being piloted) and a guideline for resources management is under development.

There is a lot of money in the WS. NGOs shall come out with good products to also access this money. The WSTF has only little funds. The GoK has very rigid ways of accessing money. Everybody would like to control the resources and wonders about money being given directly to CBOs. The WSTF wants agents that explains CBOs how to use this money. NGOs shall provide

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services that the WSTF wants to pay for. There is more money channelled directly to NGOs than through the WSTF.

If the WSTF is given money, we can agree on how to use it. The CPC is a system that works and is that why recommended to donors. -The CPC does not automatically have to be applied for all funds channelled through the WSTF. Sometimes the impression arises that the donor is more interested in the agent than in the beneficiary. The WSTF targets the beneficiary and therefore developed the CPC.

The WSTF would not like SOs to have more than three projects at a time, because some of them are small enterprises and may have a lack in capacity, be it in e.g. staff, technical facilities or transport.

KWAHO is well established.

The resources and opportunities are there, the water sector just requires a new approach. Resources are available both from the GoK and the donors. The ones who are willing to work will have the opportunity e.g. as SO or QCA.

The World Bank, K-Rep and WSP-World Bank are the ones that could inform me better on micro credit. Still it is possible that the WSTF finances capacity building in parallel to micro credit water projects.

To cluster communities to a bigger WSP is the responsibility of the WSB. Sometimes the WSB also takes over the project, before it is completed by the WSTF. From time to time there is resistance of the communities to let somebody else take over.

There are several reasons why the money is not well absorbed now: the area of the WSB is very big, the institutions are young and there is sometime a lack of staff e.g. sociologists.

The WSTF has a project in the Rift Valley but the proposal development takes about 6 months. Some projects are behind the schedule but money is still tied and can not be used elsewhere. CBOs are not like contractors, sometimes they move slowly because of the weather, other activities, funerals...

The absorption rate in the sector takes time to grow. In the last three years the amount of money available has increased a lot but the sector still needs to develop capacity to absorb it. Things have been put in place to ensure accountability. This also causes delay. Some agents that are not working in a transparent way are feeling that there is too much auditing.

The demand driven approach is a bit tricky. People are getting aware of what they need. The newspaper and the radio help to reach the people and more and more people have access to information of the WSR. It is just a matter of time. But things also need to be sustainable and there are so many little challenges.

There is not one solution for all the areas.

Also the quality of water is a question.

There are also some very remote areas, where no one wants to get active. If somebody like e.g. KWAHO would want to start a project in Mandera, the WSTF would be very happy about that and support them.

### **Telephonic follow up 11.12.07:**

The explanation to why many documents just mention the WSTF as a funding channel for the rural areas is that the WSTF is going to have more responsibilities (than just covering the target areas) with time.

If donors want to channel all the money through the WSTF they will not be restricted.

The WSB are to participate in resource mobilisation. In the Water Act one of their tasks is "developing infrastructure" so resource mobilisation is included there, because who shall it work without? The duties of the institutions are all defined in the Water Act.

WSBs can be financed through grants and loans.

### **MAIN RESULTS:**

- The WSTF targets areas that are not likely to attract other investments.
- Since the structure of the CPC has been introduced, proposals can not be forwarded directly to the WSTF anymore.
- Community mobilisation is a task of the WSB
- Feedback on the CPC is still expected
- Resources and opportunities to get active are there, just the approach is different.
- The WSTF can imagine funding capacity building in parallel to a micro credit initiative.

No.	23	Organisation	Umande Trust
Type	Unstructured Interview	Location	H.Q. - Nairobi
Person / Group	Omoto	Date	7/12/2007

### **LIST OF ATTENDANCE:**

Mr. Omoto

UMANDE executive director

Isabelle Pavese

Student BOKU, Vienna

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### **SUMMARY:**

Umande Trust works closely together with the Athi WSB and implements a project (dealing with emergency ablution blocks) that was advertised for civil societies in a tender. It is also involved in awareness rising about the WSR, but this is facilitated through direct funding of SIDA. The aim is to get communities to demand for service. Umande is also promoting rights of water.

The WS should be democratised and the relation to communities should be improved. "Can we get community members in the board?" The decision makers are all connected to the governmental system and are not close to communities.

Mr. Omotos response to the idea of NGOs emphasising on proposal writing in order to get projects: The service charter of the WSB mentions "proposals" only as 4th priority. The 1st is "representation", 2nd "performance standards" which is done through setting up bench marks and the 3rd is a clear strategy, what should be done in the next 3 years. A proposal has to come up in a framework to work out. It shall not be the first priority. Now there is a lack of participation, bad governance, bad planning and corruption. Proposals make no sense unless those issues are cleared. The problem is that there is no planning and not enough implementation framework, but there is enough money.

Mr. Omoto is very critical about using proposals as an approach. It happens that NGOs are writing proposals without the people and then they can not implement. NGOs are good at writing and showing nice pictures. A study of Action Aid showed, that NGOs spend only 20% of the funds on the activity, 60 % e.g. are for administration. The most international conferences are attended from Kenya and India. This takes a lot of money and serves a poverty industry. There has to be a governance framework in the communities and the organisations. It should not be funded before there is governance. Proposal writing has conduit to the poverty. The WSWG is just an other institution making decisions away from the beneficiary.

A better approach would be that people meet and agree, as it is happening with NCWSC. There meetings to plan together take place and the NGOs together with the WSB have created a basket fund. A lot of duplication is taking place, as there are 469 agents active in Kibera. The NCWSC is Umande's entrance to the private sector.

The WSBs reach out for partnerships but the NGOs do not want to partner.

NGOs are too much into the process. They could do some things in parallel such as construction and capacity building. Capacity building is always perceived to have to take place in a workshop. Because it takes too much time, communities ask for allowance to attend the workshop. And also those might not turn out to be efficient meetings but being more a food program than a water program.

The money exists. The WS did not fully use its budget allocations. The Athi WSB is looking for implementers. NGOs will only survive if there is an impact on people and the behaviour of NGO staff and the GoK.

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As the WSR is without constitutional provision, water as a human right would provide a better policy framework and a better backing of the law for the process.



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3 approaches to the WSB exist:

- WSP can also be approached
- The WSR is perceived as door opener for collaboration
- An NGO could not survive relying only on the WSR.

No.	25	Organisation	NETWAS
Type	Unstructured Interview	Location	NETWAS H.Q.- Nairobi
Person / Group	Misheck	Date	14/12/2007

### **LIST OF ATTENDANCE:**

Kirimi Misheck	Programme Officer
Isabelle Pavese	Student BOKU, Vienna

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### **SUMMARY:**

NETWAS has been funded by SCD (Swiss Development Cooperation) for 20 years from 1986-2006. It was a long term agreement to fade out gradually and it was hoped, that NETWAS would be self sustaining by 2006. Since SCD left lots of changes have been going on. The staff number declined from 22 to 10, but now they are recruiting for 3 more professional. Some of the staff chose to go on their own, some left because they felt not to cope with the performance contracts, that were introduced and some had to go because of lack of funds. The present executive director will also be leaving.

There are two more offices: in Kampala and in Dar es Salam. The main activities of the organisation are: training (e.g. WASH), applied research (in contrary to academic research), informational networking and community development.

The decision of SDC to pull out was independent from the Paris Declaration, and is therefore not an answer the question of how much the Paris Declaration is influencing direct funding.

The institutions of the WSR do not have the capacity they need now because: the number of staff is so small for the big areas and the WSB do not have all the skills they need, at least not the number of skilled staff. NGOs can help there. Tasks could be e.g. monitoring and evaluation, technical service and a role of advocacy. NGOs are making WSBs and WSP aware of the need of a pro poor approach. WSBs do not have the mandate and time to train communities so SOs are needed. However getting active for the tasks of the WSB is possible for the big NGOs like Care and Plan, because they can make a part of their funds available for that.

The WSTF is a common basket fund and rules are made how communities can access this money. Bilateral money can generally be channelled through NGOs, local authorities and institutions. Here in Kenya it is channelled through the WSBs. ABD funds go directly to the WSB.

NGOs can and will have to work as a consultant. NETWAS is doing it at the moment and it is working out: "so far so good".

Another way of funding is partnerships. UN organisation e.g. UNICEF do partner. There NGOs are given a portion to do a certain part of the project. It is different from a contract basis. Those partnerships however are not the common approach. The common approach is tenders. Those are competitive and it is a plus for an organisation to have a track record. Also single sourcing exists, when the WSB is convinced, that what they want to do is to be done by one agent. But this is not very straight forward and opens way for corruption.

NETWAS did not try the approach of forwarding proposals, because the WSBs know what they want and Mr. Misheck wonders if forwarding proposals would be useful. Still some NGOs are doing joint proposals with communities, which are forwarded to the WSTF, after they have been approved by the WSB.

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WSB have not now really started to have funds but they help communities to register as a legal entity so that they can attract funds on their own. The sources could be banks, churches or NGOs. In general banks are not willing to fund the rural areas because of low revenue.

Funding seems to be a bigger problem than the way of approach, but there is money. Mr. Misheck did not hear about 80% of the budget being still channelled to the DWOs. At the topic of money not being absorbed, he comes up with the ideas to identify the bottlenecks, that make money not being absorbed, and to get active there. Low capacity would be one of those bottlenecks.

The NCWSC is not a true private company because it still has a public aim. "Safaricom" and cigarette companies are an example of the real private sector, and they have money for social responsibility. There are no structures how to use this money. It is just given out but who is looking for sustainability? E.g. Nakumatt and UNICEF have a project for water kiosks but it is not very structured now. So far nobody has thought about the option of NGOs partnering with the private sector. Still, the private enterprises want to be seen with the projects. It would be an idea to install a national program for this.

An NGO can survive in the WSR with a consultant approach. NETWAS is now looking for a donor but wants to keep both approaches. Just working with a donor might create a distance to the WSR. Being active with a donor and in the WSR structure would be the best.

NGOs provide advisory but it takes time to participate in sector meetings. Until now attending of meetings was paid by the donor, so they could attend them for free. Otherwise it might be difficult for NGOs to have time for free advisory service. What could be difficult in contributing to the WSWG is that those working groups sometimes meet to have real work done. This again might be difficult for an NGO to provide for free. Networking meetings however are ok. Sometimes there are meetings to share experiences.

Further Mr. Misheck recommends talking to Eng. Nyaoro, a deputy secretary at the MWI, about the WSR.

### 1.2 miscellaneous oral communication

Following statements and pieces of discussions were encountered during the field study. Those comments do further complete the whole picture. The content of the comments is given here, rather than the actual phrases.

#### Catherine Mwangi (KWAHO CEO):

~the WSTF knows that KWAHO is there it is to them to come to us.

WSB are bound to performance contracts.

Money is the problem not communication.

But that (basing activities on the WSR) means people will lose jobs.

Is it possible that earmarked funds through the WSTF reach an NGO? – asking this question and a positive answer would have helped us.

I would like to hear: Catherine go there, there is money.

#### Paul Mutava: (KWAHO, project manager)

The board (of KWAHO) is just another dead body.

Charles and Maurice (KWAHO, Kambewa) wonder if I could give some recommendations to KWAHO after my staying there- e.g. improve internal communication

Shadrack Ngewa: maybe we (KWAHO) find another big donor.

#### GWAKO (an NGO active in the water sector):

There is no chance in the WSR for NGOs, NGOs have to make the best out of it and explore all the possibilities (such as micro credits) to improve their situation.

#### SANA (an NGO active in the water sector)

SANA says that the institutions are approaching them. The answer of KWAHO is that this might be from the old time, before the SWAP.

Edmond Odaba (KWAHO, HQ): communities would know how they want projects to be implemented- in a simple way, a way that fits the style and habits of the community.

### 5.3 Attended meetings

#### 5.3.1 Workshop: Water partners international

Kisumu, Nov 2007, hosted/ guided by Water Partners International (WPI), participating: communities involved, NGOs involved to provide the capacity building, interested audience.

Summary, concerning this thesis:

The repayment rate of the Water Credits given by WPI to a community is still low.

In general it can be said (I understood), that a community can afford the construction costs of a water facility and can pay back a loan for that by IGA. The necessary capacity building however requires a big amount of money as well and is exceeding the financial capacities of a community, so other options to have this capacity building funded are sought for. E.g. the WSTF, the GoK or donors. Those other options are not established now.

#### 5.3.2 Water sector conference

## **Appendix**

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Nairobi, Nov. 2007. Review of the Water Sector Reform so far. Feedback form various involved institutions and organisations.

Workshop and discussions to set the further focus and priority issues.