

41<sup>st</sup> WEDC International Conference, Egerton University, Nakuru, Kenya, 2018

TRANSFORMATION TOWARDS SUSTAINABLE  
AND RESILIENT WASH SERVICES

**Sustaining WASH services through market-based  
approaches, experiences by USAID's KIWASH project**

*R. Kubasu (Kenya), N. Ndirangu & J. Mbuvi*

PAPER 2922

---

*This paper underscores the need for market-based approaches in the delivery and management of Water and Sanitation services especially in the rural and peri-urban areas. The paper seeks to highlight the important role that WASH enterprises which mostly serve as gap fillers in the many rural, urban & peri – urban areas that are mostly unserved / underserved plays in service provision. While appreciating the importance of Community – based management model that has been universally practiced, the paper focuses on the Kenya Integrated Water, Sanitation and Hygiene (KIWASH's) approach to capacity development as crucial for ensuring improved and expanded WASH Services. This paper also discusses the importance of Business Development Services in instilling a culture of performance and reorienting the small and medium WASH enterprises embrace market based approaches to service delivery.*

---

## **Background**

In Africa and other developing countries national and regional governments, local and international NGOs and other concerned organizations invest large sums every year for the implementation of rural water supply projects (Gebrehiwot, 2006). Despite these huge investments, IRC (2011) observed that despite success in the provision of new rural water infrastructure in the last two to three decades, between 30 to 40 per cent of facilities either do not function or are operating below capacity in most countries in Africa. Therefore, most of the projects fail to achieve their intended objectives of providing water and sanitation services to target communities (Gleik 2006). Most of these projects fail to deliver on their mandate because, weaknesses in design, poor quality construction, use of inappropriate technologies, lack of sufficient resources and management related issues. The situation is compounded by the continuous use of Community-based management model of service delivery.

Achieving universal coverage for water supply and adequate sanitation provision is the shared vision of all stakeholders who strive to protect both the health of the population and the environment. Achieving goal number six<sup>1</sup> of the Sustainable Development Goals (SDG) requires approaches that are self-sustaining in WASH service delivery. Whereas the responsibility of water and sanitation service provision has remained the domain of the governments, low investments in the sector coupled by management challenges has affected the main water and sanitation service providers to expand their coverage and further ensure service delivery most communities. As a result of this, there are many actors that have come on board to provide the water and sanitation services to those communities that are underserved and / unserved as gap fillers, majority providing these crucial services in rural and peri urban areas. These are mostly community-based groups, private entrepreneurs, faith based organizations, amongst others. They mostly provide these services at small and medium scale.

## **The problem**

Governments and development actors have made huge investments in the water sector especially in the rural areas for the past two decades. According to CIDA (2000), increase in investment in water supply development in both the rural and peri-urban areas in the last decade by both Government and development partners has not resulted in the desired levels of service anticipated. In spite of this enormous opportunity

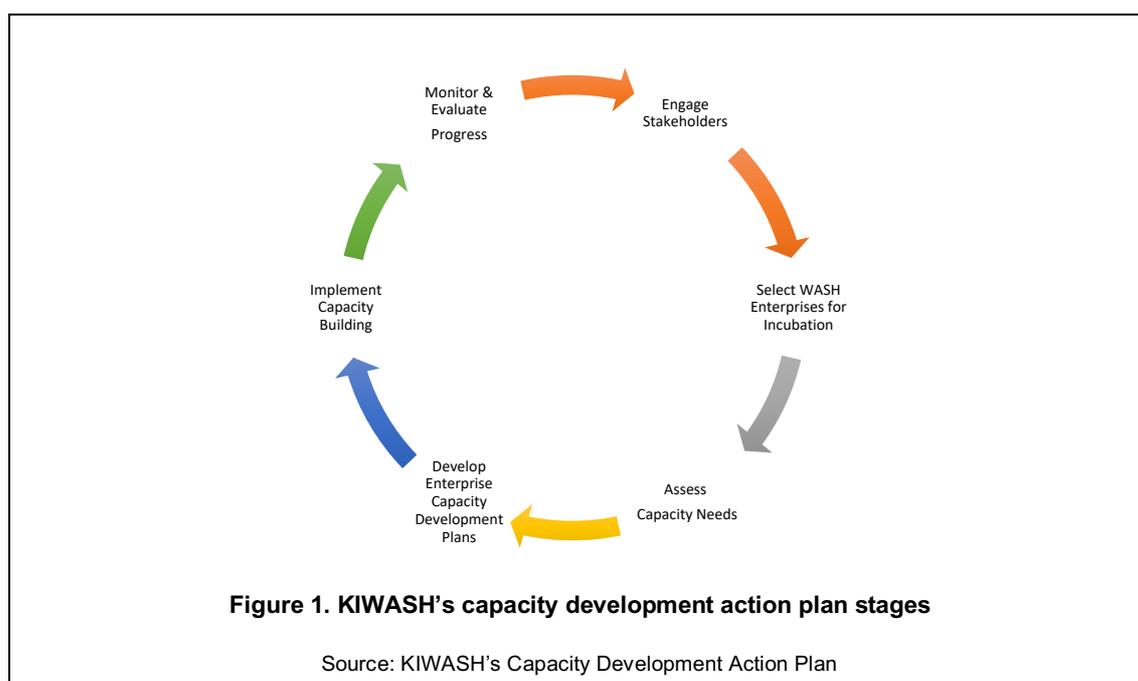
presented by the existing gaps in service provision for water and sanitation services, most of the small scale WASH service providers particularly the community managed ones have not measured up to the expectations of their customers and the community in service provision. In most cases, these systems are often poorly maintained and suffer frequent breakdowns leading to stagnation in coverage and poor and / or no services at all. With community-based management traditionally being based on voluntary principles and mostly operating without legal status or clear contracts, skills, and accountability to do so, achieving sustained service delivery has often been difficult. Provision of business development services for these WASH services is therefore cornerstone in instilling a sense of professionalism and enabling them develop the necessary business acumen required to improve and expand their services.

USAID designed the Kenya Integrated Water, Sanitation and Hygiene (KIWASH) project to institutionalize catalytic models of sustainable WASH services delivery and improve hygiene behaviors. KIWASH is working with nine counties, six in Western Kenya (Busia, Kakamega, Kisumu, Migori, Nyamira and Siaya) and three in Eastern Kenya (Kitui, Makueni and Nairobi). Overall, KIWASH aims at significantly impacting on the supply of water and sanitation services among poor urban and rural households.

### KIWASH's approach to addressing the problem

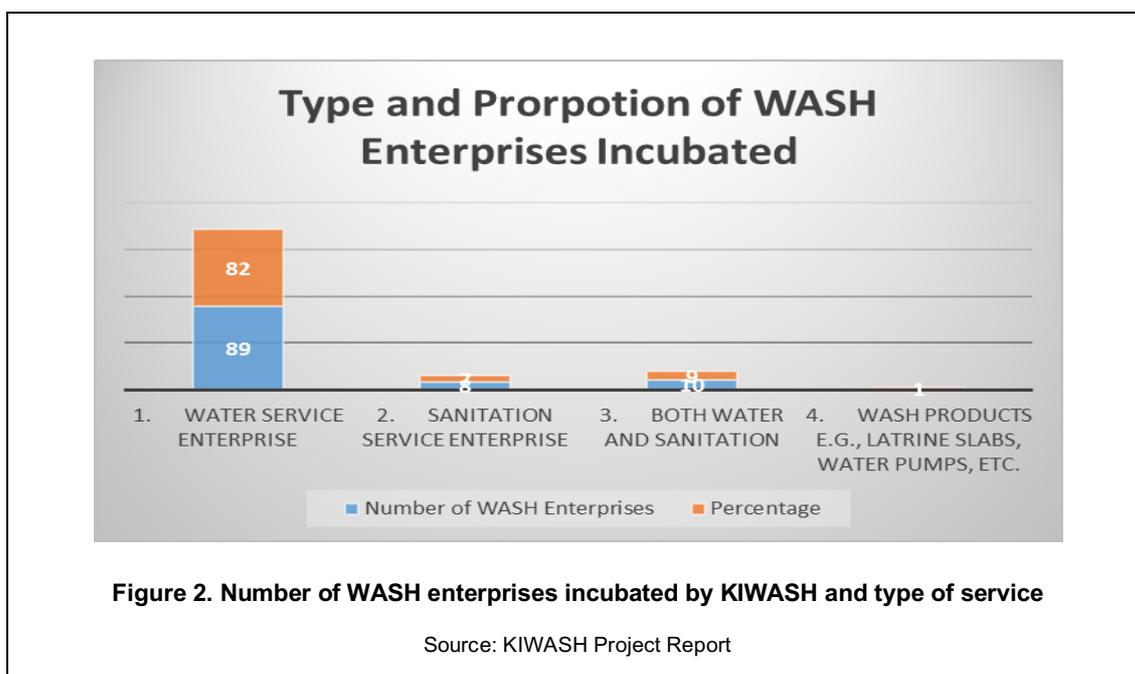
Sustainable WASH service delivery requires sound investments and strengthening the operation structures of all the actors involved, particularly recognizing the important role played by small & medium WASH Enterprises. Strengthening the Capacity of WASH Enterprises to improve and expand on their services requires a holistic approach of creating systemic change and strengthening the operational capacity that responds to the customer needs. Achieving this requires planning and executing interventions that are premised on the existing situation for the WASH enterprises coupled with the available market opportunities and demand for the services and / or products. This therefore require a systemic way of delivering appropriate capacity development interventions.

KIWASH project developed the Capacity Development Action Plan to guide implementation of the planned activities to achieve that holistic approach. The implementation of the Capacity Development Action Plan activities entail various stages: (a) engaging stakeholders; (b) selecting WASH enterprises for incubation; (c) assessing capacity needs of selected WASH enterprises; (d) developing Enterprise Capacity Plans; and (e) implementing targeted capacity building. These steps are summarized in the diagrammatic representation below.<sup>ii</sup>



### Gap Analysis and Enterprise Capacity Development Implementation Plan

KIWASH conducted a gap analysis exercise to establish the existing gaps in capacity of the target WASH enterprises which further informed their capacity development needs leading to the development of the enterprise specific Capacity Development Implementation Plan. From the gap analysis exercise conducted, majority of the enterprises provide water services (82%) followed at a distance with those that are providing both water and sanitation (8%), sanitation services (7%) while those providing WASH products a distance fourth (1%). This is presented in figure 2 below:



### Summary of the main issues affecting small to medium WASH Enterprises

From the findings of the gap analysis exercise, the following were established as main capacity gaps for the assessed WASH Enterprises:

- Most of the enterprises are community owned and managed through the Community Management Module
- Low understanding of the system operations by those involved in the management
- High water losses (Non – Revenue Water) hence loss of revenue
- No / Limited access to financing to meet their expansion objectives
- Lack of business plans to define their business and growth objectives
- No / Inadequate financial systems
- Low revenue collection efficiency
- Limited / non – compliance with the stipulated water quality tests

From the outcome of the gap analysis exercise, KIWASH supported each enterprise to develop its Capacity Development Implementation Plan to inform the capacity development interventions to be delivered to help strengthen enterprise specific business operations for improved and expanded services.

### Classroom training coupled with field level coaching key to strengthening WASH enterprises' business operations

Based on the enterprise specific capacity needs, KIWASH conducted classroom trainings as one of the strategies that aimed at augmenting the capacity development process for the target enterprises in all the KIWASH counties of focus. The trainings were delivered in three stages with each stage followed by on the job coaching and mentoring to enable those trained to not only internalize the newly acquired knowledge and skills, but also translate it into action for the betterment of service delivery.

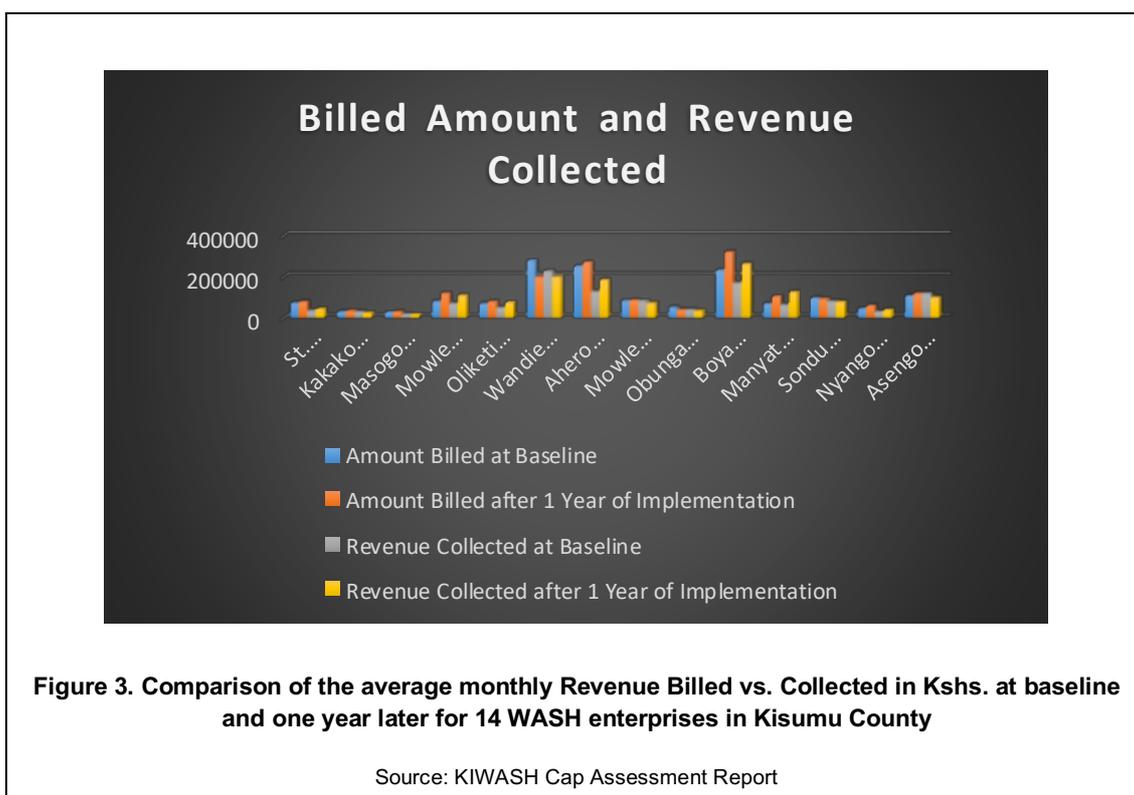
Besides helping bridge on the gap in knowledge and skills as established during the gap analysis exercise, these training further aimed at gradually instilling a sense of professionalization for the operations of the

benefitting enterprises so as instil a culture of performance amongst the staff and leadership of the WASH Enterprises. The trainings coupled with the on the job coaching and mentoring were delivered for the 107 WASH enterprises within a period of one year. Each of the enterprises were supported to develop their own marketing and business plans that defined their customer outreach and expansion objectives through the technical assistance provided by KIWASH project. The summary of beneficiaries in each of the trainings delivered is shown in Table 1 below:

Training Stage	Training Module	Workshop Dates	Workshop participants			No. of new participants		
			Male	Female	Total	Male	Female	Total
Workshop One	<ul style="list-style-type: none"> <li>Know Your Customer and Introduction to Marketing</li> <li>WASH Sector Operations and Reforms</li> </ul>	Nov - Dec 2016	157	54	211	157	54	211
Workshop Two	<ul style="list-style-type: none"> <li>Basic Business and Financial Management</li> <li>Staff Management</li> <li>Business Planning</li> </ul>	April May 2017	153	63	216	41	35	76
Workshop Three	<ul style="list-style-type: none"> <li>Basic Computer Skills</li> <li>Gender Mainstreaming</li> <li>Operation and Maintenance</li> </ul>	July August 2017	161	53	214	43	14	57
<b>Grand Total</b>			<b>471</b>	<b>172</b>	<b>643</b>	<b>241</b>	<b>103</b>	<b>344</b>

### **Strengthened business operations of WASH enterprises improves their performance and service delivery**

The trainings delivered by KIWASH coupled with the on the job coaching and mentoring equipped the participants with the prerequisite knowledge and skills to perform their work better hence leading to improvements in service delivery. The overall objective of these capacity development interventions was to instill a business-like management practices in the WASH Enterprises' way of operating their businesses especially on financial management, service quality, coverage, user satisfaction, non-revenue water, etc. This has seen most of the WASH Enterprises adopt good business practices like planning, budgeting, financial reporting, and embracing accounting systems. Most of the enterprises that benefitted from the technical assistance by KIWASH have already begun to record notable progress on key performance parameters, including increase in the number of customers, increase in revenues, improvements in customer care and outreach, and registration as legal entities. This is confirmed by the outcome of WASH Enterprise Cap assessment<sup>iii</sup> exercise carried out at the end of the first year of implementation in comparison with the set baseline for some of the parameters. For instance, the number of household connections for water enterprises increased by 3% to 7925 connections during the annual assessment from 7725 connections at baseline. The number of customers benefitting from sanitation services doubled to 1807 from 989 over the same period. The increase in the numbers was directly attributed to the improvements in services provided by these WASH enterprises as a result of the capacity development interventions received. Besides, average revenue billed increased by 18% to Kshs.104, 901 during the annual assessment from Kshs.88, 680 at baseline while average revenue collected increased by 39% to Kshs.94, 950 during the annual assessment from Kshs.68, 055 at baseline. Figure 3 below shows improvements in revenue and revenue collection efficiency for selected 14 WASH Enterprises in Kisumu County:



### Lessons learned and recommendations

Water and Sanitation Services need to last indefinitely considering their social economic well-being in people's lives. Therefore, investments undertaken in these areas must show value for money by serving the intended purposes of serving the targeted communities effectively. Achieving this requires putting the necessary mechanisms in place that will guarantee continuity in service provision. Whereas community based management model remains popular with government and most development partners, the voluntary principles advanced by this model has affected sustainability of water and sanitation services especially in the rural areas.

Achieving sustainable WASH service delivery requires adoption of market-based approaches to service delivery as a fountain for not only ensuring cost recovery for operation and maintenance, but also a way of improving on the quality service provision to the advantage of those served. This also presents a good avenue of instilling a culture of performance through adoption of business practices leading to strengthen operations of the water supply and sanitation service provider (WASH Enterprise). Strengthened business operations of such enterprises presents further opportunities for expansion through internally generated revenue and access to finance. On-the-job coaching has proved very useful in ensuring that enterprises internalize the knowledge acquired and use it to improve their business operations and service delivery

Considering the important role played by the WASH enterprises as gap fillers in the many rural, urban & peri – urban areas that are mostly unserved / underserved, the local governments need to make deliberate effort in not only recognizing them, but also having clear plans to support their growth. This reinforced further by a study conducted by Mwamati (2007) that noted that there was a significant relationship between government support and legislation and sustainability of community water projects. Access to finance particularly continues to be a major impediment for WASH enterprises' efforts towards improving and expanding their services. With WASH services in Kenya being some of the devolved functions, the County Governments will therefore need to prioritize resource allocation and actualization not only towards infrastructure support, but also towards the business development services for the WASH Enterprises to help strengthen their operations for improved, sustained and expanded WASH services.

---

## Acknowledgements

The authors would like to extend thanks to Joe Sanders, The KIWASH' Chief of Party for the valuable insights and project stewardship, Ruby Alsalem the Vice President, Technical Services for Development Innovations Group for the stewardship in defining and rolling out the Capacity Development Action Plan, and KIWASH Project team involved in the day to day implementation.

---

## References

- CIDA 2000 *Planning and Implementation of SWAps: An Overview. Issues Paper prepared as background document for CIDA Sector - Wide Approaches (SWAps)*, October 10, 2000.
- GEBREHIWOT. M. 2006 *An Assessment of Challenges of Sustainable Rural Water Supply: The case of Ogla Woreda in Tigray Region. Msc Thesis. Regional and Local Development Study (RLDS)*. A.A.U. Ethiopia.
- GLEICK, P. 2006 *The World's Water 2006 – 2007: The Biennial Report on Freshwater Resources*. Island Press, Washington, D.C.
- IRC International Water and Sanitation Centre 2011 *Lessons for Rural Water Supply. Assessing progress towards sustainable service delivery*, Ethiopia
- KWENA, R AND MORONGE, M. 2015 *Determinants of Sustainability of rural water projects in Kenya: a case study of the Netherlands Development Organization (SNV) supported water schemes in Kajiado County*. The Strategic Journal of Business and Change Management, 2(2) (124), 2025 – 2077.
- MWAMATI F.T, 2007 *Factors Determining Sustainability of Rural Community Water projects in Kenya. MBA Executive Thesis*. Moi University, Eldoret.
- WSUP 2013 *Hybrid Management Models: Blending Community and Private Management. Topic Brief: BDP*

---

## Notes

- <sup>i</sup> By 2030, achieve universal and equitable access to safe and affordable drinking water for all.
- <sup>ii</sup> The diagrammatic representation has been adapted from UNDP's approach to capacity development as it falls in line with KIWASH's capacity building development strategy.
- <sup>iii</sup> KIWASH Annual Assessment conducted for the WASH Enterprises to measure progress being made.

---

## Contact details

Ronald Kubasu is the Service Provider Capacity Building Manager, Western Kenya for USAID's KIWASH Project. He has expertise in Systems Strengthening, Institutional Development, WASH Enterprise Development, Stakeholders' Management, Devolution & Decentralization and Water Governance. He has worked in the Water and Sanitation Sectors for over 13 years. Nancy Ndirangu is the Service Provider Capacity Building Manager for USAID's KIWASH Project with expertise in WASH Enterprise Development, Urban Water Management, Capacity Building, Research and Water Sector Development. She has over 30 years working in the Water Sector and Institutional Development. Japheth Mbuvi is the Deputy Chief of Party for USAID's KIWASH Project. He has expertise in Urban and Rural Water Planning, Development and Management. He has direct experience spanning over 30 years in sector reforms, institutional development, governance and policy development.

Ronald Kubasu  
P.O. 19212 – 40123,  
Kisumu Kenya  
Tel: +254 (0) 720 327645  
Email:  
[Ronald\\_Kubasu@kiwash.org](mailto:Ronald_Kubasu@kiwash.org)  
[ronald.kubasu@gmail.com](mailto:ronald.kubasu@gmail.com)

Nancy Ndirangu  
P.O. Box 1863 – 00621,  
Nairobi  
Tel: +254 (0) 733 608085  
Email:  
[Nancy\\_Ndirangu@kiwash.org](mailto:Nancy_Ndirangu@kiwash.org)

Japheth Mbuvi  
P.O. Box 1863 – 00621,  
Nairobi  
Tel: +254 (0) 701 225630  
Email:  
[Japheth\\_Mbuvi@kiwash.org](mailto:Japheth_Mbuvi@kiwash.org)