

**European Commission**

**ACP-EU WATER FACILITY  
ACTIONS IN ACP COUNTRIES**

**Annex A1**

**Grant Application Form  
for non-state actors (ACP and EU), EU State actors and  
international organisations**

**Open Call for Proposals**

**Reference : EuropeAid/122979/C/ACT/ACP**

**9<sup>th</sup> European Development Fund**

**Deadline for receipt of applications: 30 June 2006**

Name of applicant:	Gesellschaft fuer Technische Zusammenarbeit – GTZ
Title of the project:	Improved Water Supply and Sanitation Information and Monitoring System for the Settlements of the urban Poor in Kenya

Application No At the Opening	
-------------------------------------	--

(for official use only)

## NOTICE

**Please note that the procedure has changed. Your full application will only be evaluated if your concept note is pre- selected. The eligibility conformity check will only be performed for the applications that are provisionally selected according to the score obtained after the technical evaluation, on the basis of the supporting documents requested by the european commission and the Declaration by the applicant signed and sent together with the application form.**

All personal data (such as names, addresses, CVs, etc.) mentioned in your concept note form will be processed in accordance with Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data. Your replies to the questions in this form are necessary in order to assess your grant application and they will be processed solely for that purpose by the department responsible for the Community grant programme concerned. On request, you may be sent your personal data and correct or complete them. For any question relating to these data, please contact the Commission department to which the form must be returned. Beneficiaries may lodge a complaint against the processing of their personal data with the European Data Protection Supervisor at any time (Official Journal L 8, 12.1.2001).

The application form has two objectives: firstly, to enable the European Commission to assess whether your organisation and your possible partners meet the eligibility criteria laid down in the Guidelines for Grant Applicants responding to the open call for proposal. Secondly, to enable the European Commission to determine whether the action you are proposing is relevant vis-à-vis the objectives and priorities laid down in these Guidelines for Applicants.

Please keep strictly to the format of this application form and fill in the pages carefully and in order. Applicants should be precise and provide enough detail to ensure that the application is clear. Omissions cannot be rectified. If any information or document is missing, the application will be rejected.

**It is recommended that completeness of the application is verified against the checklist that is provided at the end of this document.**

Hand-written applications will not be accepted. Applicants must submit their applications in English, French, Portuguese or Spanish.

The detailed budget with expected sources of financing (ref Annex B1); the logical framework (ref Annex C), and procurement plan (ref Annex D1) have to be provided for all projects under component A, component B and component C. The checklist (Section V) of the information note on the analysis of the financial viability, the economic justification and the environmental impact assessment (EIA) of proposals presented under components B and C (ref Annex E) as well as the summary table of indicators for all components (Annex E1) are to be provided as well.

As stated in par. 2.2.1.2 “Additional documentation for Components B and C”, the applications should include all existing reports related to studies and other relevant additional documentation. These studies will depend on the type, the nature and the total costs of the proposal.

If possible and where available, applications must include appraisal/studies done by co-donors and/or conditionalities agreed with co-donors.

It is important that all the additional documentation is attached to the proposal since such documentation or the lack of such documentation may have a fundamental impact on the evaluation and decision process. In case a particular study has not been made, the applicant shall explain the reasons for the absence of such a study.

## APPLICATION DATA SHEET

**Note:** The data on this page will be encoded in the Commission's proposal database for use in processing the application and in establishing any future contract. It is the responsibility of the applicant to ensure that the data provided on this sheet are correct.

Applicant	Full Name	Gesellschaft für Technische Zusammenarbeit GmbH
	Acronym	GTZ
	Nationality	German
	Legal Status <sup>1</sup>	International Organisation
	Creation date	1975
	Postal address	GTZ – German House, PO Box 41607-00/00, Lenana Road, Kilimani, Nairobi, Kenya
	Contact person : Tel (Country code + city code + number) : Fax(Country code + city code + number) : E-mail :	Mr Roland Werchota +254 20 2719987 / 2730973 +254 20 2730972 Roland.werchota@gtz.de

<b>Title of the Action</b>	Improved WSS information and monitoring system for the settlements of the urban poor in Kenya
----------------------------	---

Geographical region where the action takes place					Main targeted country(ies)
Sub-Saharan Africa	Caribbean	Pacific			
<input checked="" type="checkbox"/>					Kenya
<b>Type of the Action</b> (tick <u>one</u> only)	<input checked="" type="checkbox"/> Improving water management and governance <input type="checkbox"/> Co-financing water and sanitation infrastructure <input type="checkbox"/> Civil society and decentralised cooperation initiatives				
<b>Status of the Applicant</b> (tick <u>one</u> only)	<input type="checkbox"/> National, regional, local public body distinct from State <input type="checkbox"/> Non-state as specified in Article 6 of the Cotonou Agreement <input checked="" type="checkbox"/> International organisation				
<b>Programme</b>	ACP-EU Water Facility				
<b>Total eligible cost of the Action</b>	2,398,000 EUR				
<b>Requested EU Contribution</b>	1,700,000 EUR = 71% % of total eligible costs				
<b>Duration</b>	36 months				

<sup>1</sup> E.g. non profit making, governmental body, international organisation...  
ACP-EU Water Facility, 2<sup>nd</sup> Call for Proposals

## II. THE ACTION

### 1. Description of the action

#### 1.1 Title

---

Improved WSS information and monitoring system for the settlements of the urban poor in Kenya

#### 1.2 Location(s)

---

All settlements of the urban poor in the towns of Kenya, regardless of their legal status (formal/informal) or whether they are planned or unplanned

#### 1.3 Amount requested from the European Commission

---

Total eligible cost of the action	Amount requested from the European Commission	% of total eligible cost of action
< <b>2,398,000</b> EUR >	< <b>1,700,000</b> EUR >	71 %

## 1.4 Summary

Duration of the action	36 months
Objectives of the action	<p><b>Overall objectives:</b></p> <ul style="list-style-type: none"> <li>- A standardised and sustainable water supply and sanitation (WSS) information and monitoring system is available and used in formulating strategies, allocating resources and reporting to the public to the benefits of the urban poor</li> <li>- The quality of the MDG monitoring is significantly improved</li> </ul> <p><b>Specific objectives:</b></p> <ul style="list-style-type: none"> <li>- Viable baseline data on WSS services in the settlements of the poor in the towns of Kenya are available and linked to existing information systems, updated regularly</li> <li>- Regular reporting by Water Service Providers (WSPs) on WSS services for the settlements of the poor is enhanced and used by the relevant institutions in the sector</li> <li>- The information system of the Water Services Regulatory Board (WSRB) concerning the performance of WSPs is enlarged with key indicators on coverage of the poor</li> <li>- The information system of WSRB is linked to the SWAP process and the Sector wide Information System (SIS) to enable politicians to adjust policies and strategies</li> <li>- Data and information provided gives orientation to decision makers in allocating resources towards the underserved poor in order to reach the MDGs</li> <li>- The poverty focus of the sector institutions particularly regulation is strengthened</li> <li>- Commercialised WSPs are linking up with small scale informal providers (SSIPs) in peri-urban settlements to improve WSS service provision to the poor</li> </ul>
Partner(s)	Water Services Regulatory Board WSRB
Target group(s) <sup>2</sup>	Decision makers at Ministry of Water and Irrigation (MWI), WSRB, Water Services Trust Fund (WSTF), Water Services Boards (WSBs) and WSPs
Final beneficiaries <sup>3</sup>	Poor population in un- or under-served urban settlements
Estimated results	<ul style="list-style-type: none"> <li>- an information and monitoring system for peri-urban areas is in place</li> <li>- a baseline for monitoring the MDG 7 has been established</li> <li>- information on WSS services to the urban poor is provided to important water sector panels and committees such as SWAP, SIP and SIS working groups</li> <li>- water sector institutions make use of the information provided to strengthen the pro-poor focus of policies, strategies and resource allocation</li> <li>- SSIPs are linked up with WSPs to offer safe, affordable and quality controlled drinking water for the urban poor</li> </ul>
Main activities	<p><b>Component I – Baseline Study :</b></p> <ul style="list-style-type: none"> <li>- Establish definitions on access to safe drinking water and adequate sanitation in cooperation with key stakeholders in the sector</li> <li>- Carry out a baseline study on water supply and sanitation services in all low income settlements in the urban context in Kenya</li> </ul> <p><b>Component II – Information and Reporting System:</b></p> <ul style="list-style-type: none"> <li>- Establish proposals to link SSIPs to WSPs and carry out pilots</li> <li>- Enlarge WSRB information system to cover peri-urban areas</li> <li>- Design a reporting format to inform public about the developments in the WSS sub-sector including settlements of the urban poor</li> <li>- Elaborate and disseminate handbook on use and updating of data for planning and decision making purposes</li> <li>- Establish proposal to incorporate information on settlements of the urban poor in the Annual Sector Review (SWAP Conference)</li> </ul>

<sup>2</sup> “Target groups” are the groups/entities who will be directly positively affected by the project at the Project Purpose level

<sup>3</sup> “Final beneficiaries” are those who will benefit from the project in the long term at the level of the society or sector at large

## 1.5 Objectives

The **overall objective** of the action is to introduce a standardised and sustainable WSS information and monitoring system to give guidance to politicians and other decision makers in formulating strategies and channelling investments towards targeting the urban poor. The information system will lead to regular updates of information on peri-urban settlements and will contribute to increased transparency in these areas. Thus, it will also significantly contribute to the improvement of the quality of the MDG monitoring and service provision to the poor in the fast growing peri-urban areas. The proposed action will enable the decision makers to translate their documented political will into concrete action to the benefit of the urban poor. Deriving from the overall objectives, the **specific objectives** are:

- Viable baseline data on WSS services in the settlements of the poor in the towns of Kenya are available and linked to existing information systems, updated regularly. This will not only improve the quality of existing systems but also makes the use of the action sustainable.
- Regular reporting by Water Service Providers (WSPs) on WSS services for the settlements of the poor is enhanced and used by the relevant institutions in the sector. Once the baseline has been established, WSBs and WSPs will be obliged to report on the WSS situation in these settlements.
- The information system of the Water Services Regulatory Board (WSRB) concerning the performance of WSPs is enlarged with key indicators on coverage of the poor. This will provide badly needed information for future pro-poor interventions. The existing system measures the performance of the WSP in a service area, but often without inclusion of the settlements of the poor. The enlargement of the system which is supported by the political will, shall support the establishment of and reporting on key indicators on service to the poor. Additionally, the combination of the baseline data with a GIS enables the WSBs and WSPs to improve planning of peri-urban settlements.
- The information system of WSRB is linked to the SWAP process and the Sector wide Information System (SIS) to enable politicians to adjust policies and strategies. This will increase the knowledge of decision makers on the highest level and other important stakeholders such as donor agencies concerning the underserved peri-urban settlements.
- Data and information provided gives orientation to decision makers in allocating resources towards the underserved poor in order to reach the MDGs. Following the increased knowledge about the peri-urban settlements, politicians and other decision makers will be enabled to allocate better resources towards the un- and underserved among the poor. Without proper knowledge and regular updates of the WSS situation of the poor, investments will not have the required impact on reaching the MDGs.
- The poverty focus of the sector institutions particularly regulation is strengthened. The proposed action shall also increase the effectiveness of regulatory instruments with focus on the urban poor. For example, the inclusion of reporting requirements on poor urban settlements in Licences for WSBs and Service Provision Agreements (SPAs) for WSPs.
- Commercialised WSPs are linking up with small scale informal providers (SSIPs) in peri-urban settlements to improve WSS service provision to the poor. Informal and unregulated structures in the peri-urban settlements have led to a situation where Small Scale Informal Providers (SSIPs) offer water services of uncontrolled quality at sometimes very high prices. Therefore, the challenge is to link SSIPs to WSPs in order to create a regulated environment whereby prices do not exceed the affordability of the poor.

## **1.6 Justification**

### **1.6.1 Relevance of the Action to the Objectives and Priorities of the Programme**

The intention of the baseline and information system is to support politicians and decision makers in focussing on the needs of the poor. Only with adequate information on underserved peri-urban areas decisions on a policy level can contribute effectively to the overall MDG. Having access to the information on the urban poor, WSBs and WSPs develop strategies on how to enhance the access of the poor to safe, affordable and sustainable WSS services. Additionally, the proposed action will contribute to the objective of better water governance and pro-poor orientation on different levels and at the same time support the new institutions in building capacity in formulating and implementing pro-poor strategies and instruments:

- WSPs and WSBs will be obliged to report to the national regulator (WSRB) on the settlements of the urban poor within a defined service area regardless of political boundaries and legal status. So far this is not the case. The new obligation will support the identification of major problems of water supply and sanitation services in these areas. Once this information is published, concerned utilities will face public and political pressure to enhance their pro-poor focus.
- Political decisions responding to the needs of the urban poor have always been based largely on assumptions. Data and information reflecting the real situation is, if at all, only partly available and does not provide a sound basis for proper decisions. In future, standardised and regular reporting on these areas by the responsible utilities will facilitate the formulation of pro poor policies and strategies on the political level.

Furthermore, the proposed project will enable politicians and the recently established water sector institutions to move from political commitment to actions on the ground. With the right information on which, where and how much investments are needed to implement low cost technology on a large scale, much more focus will be given to the achievement of the MDGs as a key priority in the Kenyan water sector. The baseline will also support to increase the leverage effect of ODA by giving information on the settlements of the urban poor.

Provision of funds also increasingly depends on the ability to document the impact on the ground. Politicians, the public and the donor organisations have a need and the right to receive reliable data and comprehensive information covering the entire country. Transparency on spending, verification on performance and value for money etc. can only be proven if reporting is based on solid and sustainable systems of collection and treatment of data and on regular crosschecks.

Poverty reduction strategies aiming at reaching the MDGs stress the importance of the adequate allocation of resources and the formulation of proper strategies targeting the poor. Donor organisations will recognise and acknowledge the increased transparency and concentration on urban areas of the poor. A sound information basis and a standardised monitoring of settlements of the urban poor through the annually performance reporting of the utilities will ensure that only sustainable solutions in these areas will be further supported and implemented on a large scale.

Owned by the WSRB, the implementation of the baseline and information system is entirely anchored in the Kenyan water sector. Despite improved monitoring capacities on different levels of the sector (WSP – local, WSB – regional, WSRB – national), the system also contributes to the further improvement of the institutional, legal and regulatory framework by strengthening the pro-poor focus of policies, strategies and actions on the ground.



### 1.6.2 Perceived Needs and Constraints in the Target Countries

Due to decades of degrading WSS infrastructure, the Kenyan Government initiated a deep rooted reform of the water sector in the late 90ies culminating in a new water sector policy and the new Water Act in 2002. Since then, the institutional landscape of the Kenyan water sector has undergone a radical change in an attempt to address the consistent underperformance of the sector. Key elements are decentralisation and commercialisation of water services delivery and separation of functions: operation - regulation - policy-making.

Autonomous institutions were established such as the Water Services Regulatory Board (WSRB) which is mandated to monitor and regulate service provision in cooperation with the seven regional Water Service Boards (WSBs) operating under licences issued by the WSRB. While the service obligations under the licences are to be met by contracted agents (Water Service Providers, or WSPs), the Act assigns asset management and development responsibilities to the WSBs as asset holders. This radical change in terms of new institutions and responsibilities was necessary to be able to introduce good governance principles such as increased transparency and a system of checks and balances in the sector. Commercialisation, private sector participation and the introduction of a regulatory framework are leading to increased efficiency in WSS.

While these developments show the high commitment of the Kenyan Government and the backing of modern key sector principles, planning, orientation and day-to-day implementation remains a big challenge due to the lack of information. Many of the present bottlenecks in the sector will not be overcome without improving information, monitoring and reporting systems. Especially the formulation of pro-poor strategies remains a major obstacle regarding the lack of sufficient and reliable data about settlements of the urban poor. The proposed establishment of a baseline and information system will help to overcome the current shortcomings and, in coherence with national policies and commitment, build capacity at the new institutions by including pro-poor aspects in their day-to-day business operations. Therefore, the proposed action will help to unlock increasing limits the reform process is facing and will boost further developments.

### 1.6.3 Target Groups and Beneficiaries

All target groups will benefit from the establishment of the baseline data and the improvements of the information systems. Despite the institutions being directly involved and responsible for WSS service provision and therefore also being involved in the information system (WSPs, WSBs and WSRB), decision makers at different other institutions within the water sector will benefit from the action.

<b>Target Group</b>	<b>Reasons for selection</b>	<b>Relevance of the action to the Target Group</b>
Water Service Providers	need information on settlements of the urban poor to plan and implement extension of services and improvement of water quality in these areas but also to improve their image as efficient provider by serving the poor	Baseline data and information system are essential for planning of pro-poor strategies and activities on WSP level. Links established to SSIPs will support the WSP efforts in extending safe and sustainable WSS to the urban poor
Water Services Boards	need information on settlements of the urban poor to improve and extend affordable and sustainable infrastructure in these areas and to monitor performance indicators of WSPs concerning pro-poor targets	Baseline data and information system are necessary for the WSBs to monitor performance of WSPs and for planning of infrastructure investments. This is also crucial in order to fulfil the obligation to balance economic and social goals in the sector.

Water Services Regulatory Board	needs information on the urban poor to streamline regulatory instruments accordingly (tariff setting procedures, licensing of WSBs, definition of service areas)	Baseline data and information system will tremendously improve monitoring capacities and enables WSRB to fulfil its legal obligation to report on developments in the water supply and sanitation sector in Kenya
Water Services Trust Fund	needs information on settlements of the urban poor to channel investments to most needed areas and ensure value for money	The action supports the WSTF in implementing pro-poor investment strategies by identifying target areas and suitable low cost technologies increasing value for money
MWI incl. SWAP, SIP, SIS working groups	need information on settlements of the urban poor to adjust strategies, to inform stakeholders and to give direction in allocating resources accordingly	Baseline data and information system enable MWI to properly monitor the progress in reaching MDG 7 and to allocate resources according to pro-poor strategies
Donor, NGO agencies	need information on settlements of the urban poor to be able to contribute to poverty reduction and at the same time to increase value for money	Baseline data and information system provide important information for donor organisations in channelling money targeting the poor population and in reaching MDG 7 in Kenya
Other ministries, local authorities	need information on poor urban settlements to adjust their policies and strategies accordingly	The action facilitate exchange of important data for other line ministries (data on sanitation is crucial for Mo in developing strategies and policies for the poor)

#### **1.6.4 Number of direct and indirect Beneficiaries**

Covering all peri-urban areas in towns of Kenya, the improved information and monitoring basis will facilitate pro-poor approaches to the benefit of all the urban poor. Currently, around 13 million Kenyans are residing in the urban setting whereby the peri-urban settlements of the poor are the fastest growing areas in the country. These account presently for at least half of the urban 6.5 million and will in future accommodate the majority of people living in towns. Estimations indicate that 70% of the peri-urban residents (4.5 million) are underserved. This population will eventually benefit from the proposed action as improved information and data basis will lead to better resource allocation to the urban settlements of the poor.

#### **1.6.5 Added Value of the proposal for the EU Water Facility**

In other African countries like Zambia, the conduction of a baseline study and the implementation of an information system covering the urban poor have lead to a tremendous change in the coverage data dropping from 89% to 47% for the urban setting. This is now leading to improvement in terms of pro-poor approaches and their monitoring. Investment vehicles like the Devolution Trust Fund are now enabled to allocate resources were there are mostly needed. With the improved knowledge of the situation on the ground scarce funds can be better used by promoting the appropriate technologies and increasing value for money.

Additionally, extending reporting requirements of the WSPs to the settlements of the poor and the annual reports of the regulator, monitoring of the developments in the WSS sector and of MDG 7 could be lifted to a much higher quality level and made sustainable.

All in all, the baseline data and information system will not only increase the quality of the information for proper monitoring, but also the quality of decision making, strategy elaboration and resource allocations targeting the poor living in urban settlements. The proposed action can, adapted to the specific requirements, easily be replicated in other countries and will lead to the same results. It also offers added value to other donors and EU Water Facility actions and is highly profitable regarding the cost / benefit relation.

## **1.7 Detailed description of activities**

The proposed action is targeting the poor living in peri-urban areas in the towns of Kenya. Peri-urban areas include in the context of this proposal all planned and unplanned settlements regardless of their legal status (formal or informal). These settlements of the urban poor are characterised by a very high population density and growth and a lack of basic infrastructure which makes living conditions the most difficult in the entire country.

### **Component I – Baseline Study:**

The overall objective of the water sector reforms in Kenya in paving the way towards sustainable provision of WSS services to all Kenyans is especially challenged by the situation in the peri-urban settlements. To date, half of the urban population (6.5 million Kenyans) lives in peri-urban areas. The high population growth in these areas (up to 12%) means a doubling of these settlements every six to eight years and/or growing density. This documents how important it is for now and in future to concentrate on settlements of the urban poor in reaching the MDGs for WSS. One of the key problems today is that no one can say with certainty what the WSS coverage is in peri-urban areas. But it is obvious that in many cases “official” figures are far from the reality. For instance: the results of a very detailed and comprehensive base line study carried out in over 110 towns (covering all “peri-urban” areas) in Zambia confirmed this observation which seems to be symptomatic for many African countries with weak information systems and missing baselines. Previous water coverage figures had to be revised drastically downwards from 89% to 47% in the towns. This has a tremendous impact on the planning for the MDGs.

The study covering the entire country will collect, analyse and present base line data in a database concerning the demographic situation and development as well as on the existing WSS in all peri-urban areas. The database will be managed by the WSRB at national level and by the WSBs, WSPs and the Municipalities at regional level. The study will include an estimation of investment requirements for the urban poor with appropriate and affordable technology with option for basic sanitation. The outcome of the study includes:

- Identification of peri-urban settlements in Kenya
- Analysis of the socio-economic living conditions of the urban poor and the level of WSS
- Determination of investments to achieve adequate social infrastructure

#### **Activity 1: Establish definitions on access to safe drinking water and adequate sanitation in cooperation with key stakeholders in the sector**

The establishment of the baseline for monitoring the MDGs and measuring the percentage of the population having access to water supply and sanitation services has to be based on a common understanding of basic parameters. Inadequate definitions in this respect can have tremendous impact on how far away “official” statistics are from the reality on the ground. Examples from other Sub-Saharan African countries with a solid baseline and information system show how crucial this step is. Several reasons have led to the severe overestimation, all related to a weak information and monitoring basis:

- Lack of or inadequate definitions of “access” for WSS services  
Access to safe, affordable and sustainable water supply and sanitation services can be defined in various ways. Although following the recommendation of the MDGs there is no general definition which is applicable all over the world, but stakeholders have to agree on criteria specifying a suitable definition in the cultural and regional context of a country.
- Misconceptions in definitions of urban and rural areas  
Densely populated urban-like settlements are often not recognized as urban areas. Politicians frequently recognize areas as urban only when basic infrastructure is available.

Other urban-like settlements are then classified as rural. Additionally, water points like open wells or hand pumps are unacceptable in peri-urban areas because of the bad raw water quality and therefore, should not be counted for coverage

- Lack of appropriate questions in nationwide surveys:  
“Official” data are based on surveys with questions which do not satisfy the notion of access to affordable and sustainable water supply with drinking water quality. Questions in nationwide surveys have to address the key aspects of “access”. Issues that are not addressed in most of the surveys carried out in African countries comprise:
  - Definitions of criteria for reasonable access (walking distance, waiting time etc.)
  - Controlled quality of the water (knowledge about the source, means of transportation, number of quality checks etc.)
  - Sustainability of the supply situation (limitation of access to certain hours or days, dependence on the good will of neighbours etc.)
  - Affordability of services (unregulated pricing regimes)As long as there is no clarification and no clear definition of “access”, information and data collected can be interpreted in different directions. It is obvious today that “official” statistics in countries in Sub-Sahara Africa give often a misleading picture of the situation of the urban poor.
  
- Exclusion or under-representation of informal urban settlements in official statistics:  
Reporting of providers or other sources often do not include informal or formal unplanned low income settlements (the urban poor) because their network does not extend into these areas or the settlements are not within specific political boundaries. In fact, it seems that often no one accounts for these areas which then are not included in the MDG monitoring.

In Kenya, these shortcomings lead to “official” statistics indicating that access to safe water in urban areas is at 89% and to sanitation at 94.8%. When visiting the settlements of the urban poor it becomes more than obvious that the situation is completely different. This is shared by all agencies on the ground. Hence there is a need for screening the criteria for definitions of access and for collecting of information. If the “official” data would reflect the real situation in Kenya, we would have reached MDG 7 in the urban setting by now and no further engagement of donor agencies would be necessary.

Bearing in mind how important correct information and data is for the formulation of adequate strategies and actions to be taken, the need for a thorough baseline study becomes even more apparent. Like in Zambia before, many African countries (including Kenya) never carried out a thorough baseline including the area of the urban poor which makes it impossible to establish a clear reference point for the MDG. Often they also have not yet established an operational sector information system which could feed viable data into the MDG monitoring and make the system sustainable with regular updating.

#### **Sub-activities:**

- a) Analyse existing definitions in other East and Southern African countries
- b) Elaborate proposals for definitions of “access”
- c) Organise stakeholder workshop to discuss proposals and establish consensus
- d) Support the adoption of the definitions by MWI and communication to other key stakeholders such as the Central Bureau of Statistics

The discussion about and selection of criteria defining “safe, affordable and sustainable access” to WSS has to be based on broad consensus. Stakeholders comprise institutions identified as target groups and final beneficiaries in form of NGOs and Community Based

Organisations. The partner organisation (WSRB) will take the lead in the whole process in elaborating a first proposal and chairing the consensus building process. The Central Bureau of Statistics shall be involved from the beginning of the process to incorporate outcomes in the official statistics.

### **Risk and mitigation measures**

The risk is that no consensus can be found for the definitions for “access” to satisfy all stakeholders. This can be mitigated by a highly transparent process, professionally conducted dialogue and a good leadership of authorities. Additionally, professional mediation might be added during the process. As the importance of the establishment of common definitions as the basis for further progress in implementing the ongoing reforms is recognised by most of the stakeholders in the Kenyan water sector, including the Central Bureau of Statistics, the risk can be qualified as minor.

### **Activity 2: Carry out a baseline study on WSS services in all low income settlements in the urban context in Kenya**

The overall objective of the study is to identify and compile all information necessary for providing a realistic picture on WSS in the peri-urban areas and thereby improving MDG monitoring, pro-poor strategies and resource allocation for the urban poor.

A large majority of the residents of the peri-urban areas in Kenya and an increasing proportion of the urban population residing in the low-cost residential areas has no access to clean water and acceptable sanitation facilities. Estimation go as far as 4.5 million which is around 70% of the population living in these areas.

Although studies indicate that the:

- percentage of peri-urban residents is increasing rapidly,
- proportion of peri-urban poor is increasing very fast,
- WSS situation in most urban areas, and in peri-urban and low-cost areas in particular, has deteriorated during the last decades,

the knowledge and quantitative data on peri-urban and low-cost areas is mostly fragmented, largely incomplete and generally not reliable. The municipalities, WSBs and WSPs lack reliable data on peri-urban populations, their access to water and sanitation facilities and on the public health situation. However, the reformed institutions are now in a position to start giving priority to the improvement of services to the urban poor.

The need for a baseline study covering the peri-urban areas in the around 272 towns in Kenya is therefore widely recognised among the stakeholders in the water sector in order to have a realistic picture of the situation on the ground and thereby, improve MDG monitoring, strategy formulation and resource allocations for the poor. First talks with the Central Bureau of Statistics (CBS) already indicate that the problem of insufficient definitions and data is recognised and that there is openness for an amendment of statistical surveys to improve the quality of questions concerning WSS.

### **Sub-activities:**

- a) Organise inception workshop with the relevant institutions and organisations in order to inform and involve the different actors
- b) Define data categories, data to be collected, data collection techniques and tools

The preparation of the baseline study is very crucial as this step has great influence on the outcomes and results of the study. Data will have to be collected concerning the following aspects:

- Layout and physical characteristics of the areas
- Legal status of the areas and demographic situation and developments
- Socio-economic context (Poverty issues, water relevant human development indicators etc.)
- Local organisations and existing social and economic infrastructures (schools, clinics, markets)
- Conditions of existing water supply and sanitation infrastructures – population served and underserved (kiosk systems, O&M concept, water prices etc.)
- Best practices if any
- Existing and planned WSS initiatives, programmes and projects, through interviews with different stakeholders
- Solid waste and environmental situation

A detailed questionnaire has to be elaborated with the partner organisation WSRB. The proposal shall be discussed among important stakeholders in the sector before it is tested in a pilot phase. The objective is to design a data collection concept which is based upon the priorities of stakeholders including those of peri-urban residents. In other words, throughout the study a community-oriented data collection approach shall be adopted, which will focus on local expertise and knowledge, and locally created databases. Some of the above mentioned aspects have to be approached from a technical angle, others more from a socio-economic angle. The field data shall therefore be collected by several data collection field teams, whereby each team shall consist of experts covering both professions.

- c) Define organisation of the study and a detailed work plan for the collection of primary and secondary data

The very comprehensive activity of conducting a baseline study has to be carefully planned and designed. The involvement of consultants will be necessary and at the same time sustainable anchorage of the whole activity in the Kenyan water sector is needed. Staff members of WSRB and if possible the WSTF shall be assigned to oversee the baseline study to ensure that the process is embedded within the sector structure.

- d) Collect and analyse secondary data at national level and information from other agencies  
Efficiency in collecting necessary data and information can be achieved in the first place by screening secondary data available on the national level. Cross-checks need to be established in order to ensure data reliability and correctness. Institutions to be involved in the process include: Central Bureau of Statistics, Ministry of Water and Irrigation, other ministries including Ministry of Health, NGOs, WSPs, Embassies, UNICEF etc.

- e) Prepare an outline of the database, its user interface and a GIS  
Sustainability in terms of availability of the data shall be ensured by programming a database containing the collected information. The database shall be managed and maintained by the partner organisation WSRB. Access to the database shall be given to stakeholders in the sector such as MWI, WSTF and the WSBs.

- f) Prepare a first outline of the WSP, WSB and municipality staff training programme (incl. organisational and logistical aspects)  
The WSBs, WSPs and municipalities will not only be involved in the conduction of the baseline study, but also responsible for the database on regional and local level afterwards in regard to the proper use and updating procedures. Training will be necessary to enable staff members in collecting the information and in handling the database. The training programme will be elaborated after having established the outline of the database.

- g) **Initiate pilot phase**  
The data collection concept and program will be tested in form of a “pilot” to be carried out in a mid-sized town (population 40,000 to 90,000). This has the advantage that results can be collected in a relatively short period and that the data collection field teams will experience most of the logistical and organisational problems they will face in the large towns such as Nairobi, Mombasa, Kisumu, etc. The results of the pilot phase will have to be discussed with the partner organisation WSRB and if necessary changed.
- h) **Collect data (field teams)**  
The data collection field teams will be composed of team members of different professional backgrounds (technical and socio-economic) ensuring the consideration of all the various aspects in regard to the living conditions of the urban poor and the estimation of investments necessary in low-cost technologies. As the quality of the outputs will very much depend on the skills of the data collection teams, instructions have to be clearly defined and understood.
- i) **Entry data in the database**
- j) **Finalise database concept and user interface**
- k) **Finalise training programme for WSBs, WSPs and municipality staff on the use of the database**
- l) **Finalise updating procedures**
- m) **Organise provincial workshops in order to inform WSPs, WSBs and municipalities as well as customer representatives on the situation and the use and updating of baseline data. The relevant data should be made available to the local authorities as file in order for them to also make use of them for their own planning**
- n) **Present results to other main stakeholders in the sector**
- o) **Summarize existing low-cost technologies and operation concepts for WSS and estimate investment needs**  
In combination with the data collection, information on low-cost technologies and operation concepts for WSS will be established to improve the knowledge and information basis of potential investors such as WSTF and international organisations. This is very crucial in regard to the establishment of value for money solutions and the progress in achieving MDG 7.

The partner organisation WSRB will take the lead in the whole process of carrying out the baseline study. The activities ranging from the organisation of stakeholder workshops up to the establishment of the database containing the information collected fall under the umbrella of WSRB which will oversee and control the whole process and ensure sustainable anchorage of the instruments and outcomes of the activities.

### **Risk and mitigating measures**

Risks concerning the conduction of the baseline study may arise from the difficult legal status of some of the peri-urban areas. Some municipalities are already in the process of legalising informal settlements of the urban poor. However, some may have, considering legal, public health and town planning aspects, valid reasons for not wanting to legalise all their informal settlements. The challenge will be to collect reliable information on peri-urban areas without existing official structures. In order to mitigate the risk, sustainable structures shall be explored on how municipalities can be brought on board and the political will of the Ministries can be better used. Incentives have to be identified (e.g. improved monitoring capacities, planning procedures, infrastructure measures etc.).

## **Component II – Information and Reporting System:**

### **Activity 3: Establish proposals to link SSIPs to WSPs and carry out pilots**

Today, the water supply and sanitation situation in most of the peri-urban areas in Kenya is either unknown or indicates that there is strong need to support the residents in improving their situation. While the urban poor sometimes pay more than 20 times of what consumers with household connections pay, the quality of the water as well as the supply reliability is often more than questionable. Small scale informal providers (SSIPs) in these peri-urban areas often organised in cartels are not complying with the regulatory regime and push prices through the creation of artificial shortages. They exploit the situation of the population not having access to reliable alternative service provisions in an unacceptable way. The role of the partner organisation WSRB as the regulatory body in Kenya is to ensure safe, affordable and sustainable access to WSS services for the Kenyan population. Therefore, it is absolutely necessary to bring the SSIPs under the regulation umbrella by linking the formal utility to the SSIPs and thereby, following the responsibility of the WSPs to provide WSS services to all residents within their area of jurisdiction.

#### **Sub-activities:**

- a) Review and analyse existing literature on linkages between SSIPs and WSPs and initiate exchange of experiences with other countries in Sub-Sahara Africa
- b) Define best practices in cooperation with stakeholders
- c) Establish work plan for a pilot phase for testing the best practices
- d) Conduct pilot phase
- e) Discuss outcomes with key stakeholders
- f) Document the best practice

The partner organisation WSRB plays the most important role in this process. Supported by the applicant, WSRB will implement the proposed activities bearing the entire ownership of the process. WSRB will also adjust regulatory instruments according to the outcomes to bring SSIPs under the regulatory regime.

#### **Risk and mitigating measures**

Risks may arise from both direct concerned parties. SSIPs could show limited willingness to cooperate as they are loosing most of their power to demand uncontrolled prices and being obliged to offer safe and controlled drinking water from reliable sources. Sensitisation and the involvement of the community is absolutely necessary to make SSIPs realise that under the new legal framework compliance with regulatory requirements is obligatory in order to be able to continue the provision of services. With the gradual improvement of the WSS situation in peri-urban areas resulting from the proposed action, additional pressure will come from the residents forcing SSIPs to compliance. Additional mitigating incentives should be established for SSIPs through extension of offered products. A water kiosk vendor for example might sell other small items for daily use as well and generate additional income possibilities.

Also WSPs might not be willing to link up with SSIPs as they are not considered to contribute to the company's income. Nevertheless, WSPs will understand that they are obliged by improved regulatory instruments to cover the peri-urban areas in terms of WSS. Once the settlements of the urban poor have been identified, they will be assigned to the WSPs by the Service Provision Agreement and WSPs will have to report annually on the progress in these areas.



#### **Activity 4: Enlarge WSRB information system to cover peri-urban areas**

The Kenyan regulator is currently implementing an information system for the water supply and sanitation sector. WSRBs, WSBs, WSPs can use this system for their own management information system and are enabled to produce standardised reports reflecting the performance and efficiency of their organisation. Obligated by the Water Act, all WSPs and WSBs have to report to the WSRB.

The objective of WSRB Information System is to make the

- reported data more reliable and accurate
- reports comprehensive including all data necessary for transparency in the sector
- compilation and processing of data more efficient
- transfer of data easier in order to save time and costs
- storage of data safer and comparison with previous data possible

Apart from the improved efficiency and effectiveness of data collection and reporting, the data stored in the information system shall serve to:

- Increase transparency in the WSS sector for all stakeholders and the public
- Publish an annual sector report, informing policy-makers and the public about the developments in the WSS sector
- Put WSPs and WSBs under competition through comparison
- Improve accessibility of data and information for monitoring, planning and decision making as well as for dissemination of information to stakeholders
- Support effective management audits with the objective of analyzing, evaluating, reviewing and appraising the performance of all WSPs and WSBs
- Support comparison of the performance of WSPs and WSBs for regulatory purposes, benchmarking and the identification of lessons to be learnt from the best performing
- Provide a sound basis for linking tariff decisions to performance of WSPs and WSBs
- Provide reliable data to monitor performance contracts of the top management of WSPs and WSBs

Building upon the present information system, baseline data on settlements of the urban poor shall be included by extending the present IS. So far, WSBs and WSPs are reporting on the level of the entire service area without distinguishing different settlements. This unfortunately leads to misleading information, wrong average figures and exclusion of certain areas (especially peri-urban areas) from the reporting. Once all districts for a well determined service area are identified and assigned to WSPs, annual reports will have the needed quality for MDG monitoring and will reflect the true situation. The requirement to report on the areas of the urban poor will be at the root to oblige the WSPs and WSBs to gradually improve WSS in these settlements.

#### **Sub-activities:**

- a) Define data categories to be included into the WSRB IS and annual reporting
- b) Adjust the existing software of the WSRB IS in order to enable reporting on specific areas within the WSP's area of jurisdiction
- c) Test first pilot version delivered
- d) Initiate necessary corrections
- e) Establish and disseminate final software version among user institutions (WSRB, WSBs, WSPs)

The WSRB also plays a crucial role in this activity as it has the overall responsibility for the existing information system. Obligated by the new Water Act, the WSRB can only fulfil its role to inform the public and other stakeholders about the developments in the WSS sector if information on the under-served poor (more than half of the urban population!) is provided by

the WSPs. The high commitment of the WSRB management in regard to this responsibility has contributed to the establishment of this proposal.

### **Risk and mitigating measures**

The WSBs and the WSPs might not want to cover peri-urban areas and report on them and find the WSRB IS too complicated. This risk will be mitigated by maintaining the simple conception of the existing IS and the automatically generated cross-checks, reports and the easy data transmission. The existing WSRB information system has been planned and designed in a way that allows extensions and amendments without reprogramming the whole software. The resistance of the WSPs to move into the peri-urban areas can be overcome by setting incentives through the WSRB when it comes to tariff negotiation and comparative reporting.

### **Activity 5: Design a reporting format to inform the public about developments in the WSS sub sector including the settlements of the urban poor**

In order to standardise the yearly reporting on the progress and the developments in peri-urban areas, the regulator has to design and establish a reporting format to be used by WSPs and WSBs. Next to the obligation of the WSRB to report to the public and other stakeholders, the standardised reporting procedures will also force WSPs and WSBs to closer monitor the informal settlements of the poor within their area of jurisdiction and to focus on these areas in terms of extension and improvement of WSS service provision.

#### **Sub-activities:**

- a) Select information and data categories (deriving from the baseline study) which need to be reported annually
- b) Adjust existing standard reporting format of WSRB and include it into the performance contract of the WSRB
- c) Adjust the regulatory instruments (guidelines etc.)
- d) Establish procedures at the WSRB to facilitate yearly reporting to the public and other stakeholders

This activity falls under the responsibility of the partner organisation WSRB in formulating and implementing pro-poor regulatory instruments and harmonise its reporting with the need of the stakeholders.

### **Risk and mitigating measures**

There are no risks seen under this activity as the WSRB is the partner to the proposed action.

### **Activity 6: Elaborate and disseminate handbook on use and updating of data for planning and decision making purposes**

The database containing the information collected in the baseline study will be anchored at the WSRB, the WSBs/WSPs and municipalities. All these institutions need this information for different purposes. The WSBs/WSPs can plan better extensions and fulfil their reporting requirements to the regulator (WSRB) by extracting data from the database and insert it in the WSRB information system. Municipalities need a clear picture of the living conditions of the urban poor to include this information in the planning procedures. A handbook explaining the use of the database and defining the updating procedures will be established to ensure an easy use, that the database is handled properly and updated data is accurate and reliable.

#### **Sub-activities:**

- a) Elaborate handbook during programming phase
- b) Provide copies to user during pilot phase

- c) Compile comments from user (functionality, problems encountered, suggestions for improvement, missing information)
- d) Elaborate final version of handbook and provide copies to all user

As the major host of the database, the partner organisation WSRB will be responsible for the handbook and all activities related to it. The applicant will provide advisory services during the process.

### **Risk and mitigating measures**

The elaboration of the handbook for the database is crucial for the user acceptance. Reluctance to use the database can easily occur if the handbook does not cover all technical aspects leaving the user with important questions alone. The involvement of the programming company in the development of the handbook shall mitigate this risk. Another important aspect is the user friendliness of the database. Experiences from the pilot phase will help to improve user friendliness and increase the acceptance of the user.

### **Activity 7: Establish proposal to incorporate information on settlements of the urban poor in the Annual Sector Review (SWAP Conference)**

The Annual Sector Review brings together all relevant parties to evaluate sector performance based on the various monitoring, performance measurement, tracking and value for money studies. The review collectively develops a few key undertakings for all parties to achieve during the forthcoming year chosen for their attainability and importance in improving sector performance.

The participants number around 200 and include representatives of the public sector (MWI, MOH, MOA, MOF, MPND, WSBs, WRMA, CAACs, WSRB, WSTF, Members of Parliament select committee, Environment Protection Agency), the private sector (contractors, consultants, suppliers to the water and sanitation sector, KEPISA), civil society (WRUAs, NGOs), development partners and UN Agencies (KfW, GTZ, AFD, Danida, Sida, World Bank, Water and Sanitation Program, African Development Bank, DfID, The Netherlands, UNICEF, WHO) and others (Universities, Journalists, representatives from other countries that have engaged or want to engage in a water SWAP).

In this forum, information on the urban poor will be disseminated, discussed and actions agreed. For the first time, concrete and adequate decisions can be established on how to serve the urban poor.

### **Sub-activities:**

- a) Propose compilation and preparation of information on peri-urban areas for the SWAP events such as Annual Sector Reviews and SWAP conferences
- b) Identify further information needs of participants and the dissemination mechanism

The WSRB will be responsible for all sub-activities defined. Necessary adjustments in regard to the information provided shall be discussed among stakeholders and implemented through WSRB.

### **Risk and mitigating measures**

Important stakeholders and participants of the Annual Sector Review do not base their decisions in allocating resources and formulation strategies on the information provided. Thus, the final beneficiaries of the proposed action in the peri-urban areas of Kenya will not benefit as assumed and the situation on the ground remains unsolved. Facing this risk, it is very essential that decisions and strategies of the key stakeholders and investors are monitored and discussed by MWI and in the donor round, when the outcomes are obviously counterproductive to the implementation of the overall pro-poor policy.

## **1.8 Methodology**

As an autonomous and independent government institution, WSRB (partner to the proposed action) is taking the ownership for the action. Being by law responsible for publishing information on the developments and the progress in the water supply and sanitation sub-sector in Kenya, the proposed baseline study, extension of the WSRB information system, MDG monitoring and the linking of the proposed action with the SWAP, SSIP etc. will enable the key sector institutions and particularly the regulator to be more effective and at the same time build capacities in pro-poor approaches and strategies in the sector. Therefore, the proposed action is closing a huge gap hampering presently the advance in the implementation of the sector reform.

### **1.8.1 Reasons for the proposed Methodology**

Constant underperformance and increasing inefficiencies in the Kenyan WSS sector during the last decades have led to a far-going sector reform culminating in a new legal framework and a new Water Act in 2002. The high commitment and political will of the Kenyan Government to implement the reforms have facilitated quick and at the same time sustainable successes in the last years. The newly established water sector institutions created to ensure better governance through the separation of powers (policy making, regulation and service provision) opens many windows of opportunity to increase capacity in addressing the pressing issues in the sector. Additionally, the international focus on reaching the MDGs is demanding concentration on sustainable serving provision to the poor.

The settlements of the urban poor have been neglected until recently because generally peri-urban areas were considered illegal. They were seen as temporary options, awaiting more permanent solutions in the form of low-cost, medium-cost or site and service residential areas. In recent years however, the attitude towards the peri-urban areas has started changing. Central government and municipalities have come to realise that due to the difficult economic situation, the financial means to implement Development Plans and to offer reasonable alternatives to peri-urban residents are lacking and will continue to lack in the foreseeable future. Therefore, squatter areas are there to stay. This recognition has given rise to a new policy aimed at legalising squatter areas by incorporating them in the municipalities and developing peri-urban areas. In other words, this process of legalisation of squatter or shanty areas referred to as peri-urban areas was born out of necessity. The proposed action uses this paradigm change for its approach.

The favourable political environment in focusing on serving the poor population, especially in the fast growing peri-urban areas, has recently been challenged by the weak information and data basis on these areas. Political decisions, strategies and resource allocations can only have a pro-poor direction if information on the poor population to be served is available. For the time being, this is seen as the biggest obstacle in the progress of the reforms by many of the newly established sector institutions and stakeholders in the sector.

Regarding the advantages of the baseline study, there are several reasons which make other options not recommendable. First of all, official data which is so far used for monitoring the MDGs, does not reflect the real situation. For example, the official MDG Progress Report 2005 for Kenya shows a service coverage level in urban centres of 94.8% which is more than questionable in regard to the situation of most of the peri-urban areas where 50% of the residents are living. Government institutions and other (international) organisation base their monitoring on this data which is misleading when it comes to the formulation of pro-poor strategies. As there are no other reliable sources available, decisions have to be based on assumptions so far and do not lead to effective and efficient actions on the ground. Bearing this background in mind, the necessity of a good baseline anchored in the new institutions to be updated and used becomes apparent and will unlock the present constraints for development.

### **1.8.2 Building on previous actions**

A very important advantage of the proposed action is that the special focus on the urban poor can build on an information and monitoring system presently put in place. So far, the system is much more focusing on connected consumers and on rural areas as the information in these sub sectors are more available than in the peri-urban areas. The efforts of the Kenyan Government in increasing the transparency in the sector will also be facilitated by the baseline and the information system. Being obliged to report on all settlements within their area of jurisdiction, WSBs and WSPs will have no excuse to exclude certain areas or to base their decisions concerning these areas on vague assumptions. Other stakeholders in the sector (MWI, WSTF, etc) can use the data and information collected to improve their own pro-poor approaches and resource allocation procedures.

### **1.8.3 Procedures for internal monitoring and evaluation**

The team for the baseline study covering component 1 and elements of component 2 such as the handbook on updating of information will be monitored by a joint committee from the WSRB and GTZ whereby the WSRB will make available full time a staff member of its management team and GTZ a long term advisor for 50%. This team will report progress of the action to the Board of the WSRB and the working group of information systems in the MWI (within the framework of the SWAP). These reports will be made at least biannual and in writing and will include obstacles and delays as well as corrective action taken. The monitoring of the implementation of the action will include indicators on planning, implementation and results. 4 evaluations will be carried out internally in a participatory way involving the key stakeholders and conducted by external consultants. These and the 3 audits will reveal any shortcomings in achieving the goals and purpose and will help to make changes and adjustments if needed. The final evaluation will illuminate overall lessons learned and potential for duplications in other sectors and partner countries. If possible the reviews will be factored in the existing joint donor reviews and presented at the SWAP conferences. Good practices will be published and widely disseminated.

### **1.8.4 Level of involvement and activity of other organisations**

The presently implemented WSRB sub-sector information and monitoring system (I+MS) in which the action will build on is also to a great advantage of the WSBs (asset holders) and the WSPs (operators) as their can use the software for the reporting to the WSRB for their own means. They have the opportunity to use the WSRB I+MS as management information system within their organisation as the software is installed free of charge on their PCs and laptops. This interest of the WSBs and the WSPs to maintain such an I+MS is enhanced once the baseline data on the urban poor are available and build into the sub-sector reporting system in an easy to handle way. The WSBs and the WSPs are the source of the data for a national system which is easy to handle and permits to have a national overview of the WSS situation. This chain of reporting and the inclusion of the areas of the urban poor into the license and Service Provision Agreements (SPA) as service areas will amplify significantly the pro-poor approach in the sector not only through commitments on policy level but also through concrete actions.

Once the baseline data on the urban poor has been established and the annually updated key information is feeding into the WSRB information and monitoring system other stake holders can use the data base for the baseline for detailed planning in the specifically targeted areas. These are next to the WSBs and WSPs the Municipalities, NGOs, Donors and actors from other sectors which at the same time will be used to help update the information whenever it is in their interest. Updating and understanding about the information is made easier by transforming data into WSS oriented pictures/maps (GIS) in which for the first time all the

settlements of the urban poor will appear. On the other hand the MWI will cooperate with the Central Bureau of Statistics in order to ensure that the data is harmonised with the official data which shall avoid the present publishing of unrealistic information on the progress on the MDGs.

During the identification of the criteria, the consultants will adopt a stakeholder-oriented approach. The implementation team composed of WSRB, GTZ, WSBs and a representative from the MWI is convinced that peri-urban populations know best what works for them and are best able to describe their problems and priorities. Therefore, the identification and detailed description of the criteria will be done together with the peri-urban populations. The consultants will identify a representative peri-urban area and work together with its residents representation and population in order to arrive at a detailed list of criteria. During the identification of the criteria, there will also be discussions with selected WSPs and Municipalities in charge of water supply. This process touches directly upon the methods and techniques that will have to be adopted for the collection and presentation and later use of data.

### **1.8.5 Reasons for the role of the partner**

The WSRB has the legal mandate and obligation to collect and maintain data on the WSS sub sector and is building a reporting system (core responsibility) with clear reporting requirements (guidelines) for the WSBs and WSPs. This has to be enlarged to cover all areas including the urban poor. At the same time, as an autonomous authority the WSRB can better ensure sustainability of the action than other institutions as the WSRB will in future not depend on the national budget but obtain financial autonomy through levy on the water bills of 1%. Thus the action helps the WSRB to fulfil its legal mandate and uses the advantages of sustainability build into the new legal and institutional setup. Equally, the WSRB is signing annually a performance contract with the MWI in which the WSRB board members consisting of the stakeholders from the different institutions and sectors are engaging themselves to maintain an I+MS and to publish the development of the sector. The WSRB as an autonomous institution is accountable to the MWI and to the public to provide sufficient data and report on the development of service provision to the poor. Furthermore, the WSRB and the WSBs cannot implement key regulatory tools effectively such as tariff negotiation, comparative competition of providers and asset holders etc. and balance social and economic interest without such a pro-poor I+MS.

### **1.8.6 Team proposed for the action**

The overall implementation responsibility will be secured by the team leader of GTZ and the local GTZ expert who will be overseen by a committee composed of members from the WSRB, MWI and the GTZ advisor to the WSRB. Local and international experts like for sanitation, sociologists will be associated to the implementation team when required. This team will also prepare and oversee closely the services which are contracted out and organise the links to the different partner organisations.

The biggest part of the services contracted out will be the establishment of the baseline data for which a sub-team of international and local consultants will be established. The consultant must prove ample experience in such size and complexity of work carried out with a multi-disciplinary team. They will form at least 3 teams of local experts and will recruit a number of additional team members, responsible for a number of data collection activities, who will have to be trained for the task to be carried out. The WSRB and WSBs will participate in the training and become integral part of the study team. Staff of the MWI, WSRB and the providers will be closely involved during the different phases of the study.

The teams will be divided into 3 task teams in order to work more efficiently and cover several towns and areas at the same time by establishing close working relations with Local Authorities and resident committees. It is proposed that the data collection concept and program is tested in the form of a short 'pilot' to be carried out in a mid-size town (population 40,000 to 150,000). This has the advantage that results can be collected in a relatively short period and that the 3 data collection Field Teams will experience most of the logistical and organisational problems they will face in big towns. The results of the pilot will be discussed with the stakeholders. If necessary the data collection concept and the structure will be adapted accordingly. In addition to being a 'pilot' for data collection activities, the data collected will also be entered into the database and the Pilot Phase will therefore also serve as a test for the provisional database concept. One of the primary purposes of the Baseline Study (which includes the design and implementation of updating procedures) is that development interventions no longer have to be based on estimations (which often turn out to be wrong) but on primary data.

The action implementation team will help the MWI and other key stakeholders in the use of the database and the WSRB information and monitoring system in order to evaluate and rank investments on the basis of poverty indicators. Assessments of needs and of the efficient use of capital and on the per capita investment costs will be required to create a water supply and sanitation (WSS) solution which satisfies the needs of all stakeholders, especially the poor. This should enable the WSPs to identify the WSS priority areas within their supply area and to prepare detailed proposals which include a transparent justification of priorities and choices. This linking of institutions with the database should allow WSS oriented stakeholders and other stakeholders (organisations and NGOs) to acquire the information they need to prepare project proposals and programs targeting the peri-urban areas. The database will allow for additional analyses and detailing.

The baseline data is a comprehensive and very large information base where not all data needs to be updated annually. The involvement of the WSRB, WSBs, WSPs and wherever possible the Municipalities during the baseline study is necessary so that the link to the GIS is understood and the institutions are motivated to use it for planning activities in their areas and update the baseline data whenever needed. Nevertheless, the link to the national WSS information system is a key element of the action and the WSRB can ensure annual updating by the WSPs and WSBs as enforcement of a legal requirement. The amount of these data is limited but very much focused on the performance of the WSPs and WSBs in the service provision to the poor. These are also the key data needed to monitor the MDGs which unfortunately are missing so far nation wide and in an acceptable quality.

The experience of the baseline team and the feed back of the stakeholders will help to establish concrete and feasible proposals how to link the SSIPs to the WSPs and thereby bringing them into a regulatory framework. The proposed solution will be part of the stakeholder consultation and the decision will be factored into the handbook for the use and updating of data for planning and decision making purposes. The involvement of the MWI and the Donor agencies as well as the anchorage of the WSRB into the IS working group of the SWAP will also ensure that a practical mechanism is defined and adopted on how to use the information on the urban poor within the decision making process of the SWAP (yearly conference). Therefore, the proposed action not only helps to establish viable data on the urban poor, but the methodology of the action is also enhancing the sustainability of monitoring systems and the translation of political will to improve access to the poor into concrete actions within a SWAP and on the implementation level.

## 1.9 Duration and action plan

The duration of the action will be 36 months.

Year 1													
Activity	Quarter 1			Quarter 2			Quarter 3			Quarter 4			Implementing body
	1	2	3	4	5	6	7	8	9	10	11	12	
Activity 1: Establish definitions													Applicant and local partner WSRB
Sub-Activity a) Analyse existing definitions													Applicant and local partner WSRB
Sub-Activity b) Elaborate proposals for definitions													Applicant and local partner WSRB
Sub-Activity c) Discuss proposals with stakeholders													Local partner WSRB
Sub-Activity d) Support adoption of definitions													Applicant and local partner WSRB
Activity 2: Carry out baseline study													Applicant, local partner WSRB and consultant
Sub-Activity a) Organise inception workshop													Local Partner WSRB
Sub-Activity b) Define data categories													Applicant and local partner WSRB
Sub-Activity c) Define organisation + work plan of baseline study													Applicant and local partner WSRB; external consultant
Sub-Activity d) Collect + analyse secondary data													External consultant
Sub-Activity e) Prepare outline of database													External consultant
Sub-Activity f) Prepare outline of WSP + Municipality training													External consultant
Sub-Activity g) Initiate pilot phase													External consultant
Sub-Activity h) Collect data													External consultant
Sub-Activity i) Entry data in database													External consultant
Activity 6: Elaborate handbook on database													Applicant, local partner WSRB and consultant
Sub-Activity a) Elaborate handbook													External consultant
Sub-Activity b) Provide copies to users (pilot)													External consultant
Sub-Activity c) Compile comments from users													External consultant
Activity 3: Propose link to SSIP													



<b>For the following years:</b>									
Activity	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Implementing body
Activity 2: Carry out baseline study									Applicant, local partner WSRB and consultant
Activity 3: Establish proposals to link SSIPs and WSPs									Applicant and local partner WSRB
Activity 4: Enlarge WSRB Information Systems									Applicant and local partner WSRB
Activity 5: Design reporting format for WSRB									Applicant and local partner WSRB
Activity 6: Elaborate handbook on database									Applicant, local partner WSRB and consultant
Activity 7: establish proposal for information dissemination (SWAP)									Applicant and local partner WSRB

## 2. Expected results of the action

### 2.1 Expected impact on target groups and final beneficiaries

An important guidance for the institutions and especially for the WSRB in the water supply and sanitation sector is the Millennium Development Goals (MDG). Strategies, development plans and investment programmes aiming at reaching these goals can only be successful if there is a detailed knowledge regarding the existing demographic, socio-economic and WSS situation. Determining realistic (success) indicators for an overall sector strategy, carrying out comparative needs assessment studies (comparing the needs of districts towns or peri-urban areas within a particular town) and establishing investment requirements can only be done if one has access to reliable data. The proposed action aims at filling this data gap and lack of knowledge by collecting, analysing and presenting data on all the urban centres in Kenya. This implies that after the completion of the study the database will contain quantitative and qualitative data on all the peri-urban and on many underserved low-cost areas of the country. The action will reveal the actual proportion of the population that has no access to clean water and safe sanitation facilities.

Therefore, the action will not only have a crucial impact on the pro-poor orientation of the key institutions in the sector but also on the effectiveness of their decisions. The final beneficiaries of the increased capacity of the institutions are the urban poor as the action proposed improves information and monitoring of their settlements.

The WSRB, WSBs and WSPs presently do not have enough information on the underserved settlements of the poor. Often these areas are ignored and are not even included in the reporting. Thus, they are also left out as focal areas when it comes to resource allocation by the MWI, not intentionally, but because of lack of data. The WSRB therefore cannot play its role as a sector advisor to the MWI and cannot reveal and make public the developments in these areas as requested by the law. Planning of WSS infrastructure is often not made according to the requirements and expressed needs of the poor. Additionally, the WSRB cannot specify the service areas of the WSBs/WSPs precisely including the urban settlements of the poor and therefore use its regulatory instruments to oblige the service providers to cover such areas adequately. Without the action, this situation will worsen as the most rapid population growth takes place in these areas. The urban poor will bear the consequences of this further deterioration, especially the women and children in the underserved urban setting.

With the action the:

- **WSRB** will improve its capacity to monitor the WSBs and WSPs by using the data base for its information and monitoring system and enlarging at the same time this system with the information on the urban settlements of the poor. The management will be able to advise the MWI and the WSTF which areas are to target with priority investments and what technology to use. The WSRB can better delimitate the service areas and oblige the WSBs and WSPs to cover the entire urban setting within their areas and not remain in political and other boundaries as excuse. The political will to change service areas in such a way can now be enforced. The better use of the regulatory instrument put in place presently will give more incentives put also puts more pressure on the WSBs and the WSPs to improve service provision to the urban poor. Comparative competition on the service provision to the urban poor will be possible for the first time. This will enlarge the set of performance indicators significantly in the framework of benchmarking in the sector.

Going public with hard facts by the means of a yearly sector development report has proven a powerful tool in many other countries. The management of the WSRB will be

able to indicate clearly how the WSPs have to link up with the SSIPs in order to reach more efficiency in the service provision to the poor. At the same time monitoring of the arrangements ensuring sustainability of the systems will be able for the first time.

The action will also enhance the sustainability of the reporting and monitoring system of the WSRB and make the actions of the regulator more credible in the eyes of the MWI and the final beneficiaries because it makes the sub-sector finally transparent to the benefit of the poor.

- In contrary to what happens presently, **MWI** and the **WSTF** (sector financing basket) will be able to channel funds to the most needed areas in collaboration with the donor and NGO community as the enhanced information and monitoring system of the WSRB will provide accurate data for the sector wide information and monitoring system at the MWI in the framework of the SWAP. Only with the contribution of the proposed action and the sustainable use of it, value for money can be realistically assessed and compared between different supports which target the poor.

MWI can also give solid and proven information to the Central Bureau of Statistics and thereby correct the stunning insufficiencies of the MDG monitoring of international institutions like UNDP, WB etc. present today. The action will enhance the contribution and the ownership of the MWI in the monitoring of the water and sanitation related MDGs.

- **WSBs** and the **Municipalities** will be able to use the information system for planning purposes and can make data available to all supporting agencies, other sector institutions and the WSPs as operators. This will be key in strengthening the technical and managerial function of their organisations.
- The **WSBs and WSPs** can use the enlarged information and monitoring system form the WSRB as management tool for monitoring of their own key performance indicators particularly for the service provision of the urban poor. This will improve the present management system in many Utilities and generate interest by all concerned in reporting to the regulator.
- The final **beneficiaries/the poor** in the urban underserved areas will benefit from the changes the action supports at the institutions described above. More and better targeted investments as well as making insufficiencies and development in the settlements of the poor public will lead to better living condition for the poor and hence reduction of poverty.

The implementation of the action will be monitored by a team of WSRB, GTZ and MWI with some WSB representatives associated. This team will establish a detailed working plan with the involved stakeholders at the beginning of the action. Reporting and review will be carried out as described in the chapter 1.8. The set of indicators for the components and the actions will build the framework of monitoring and reporting.

**The monitoring and evaluation will follow the following and not necessarily in a linear format:**

<b>Internal reporting channels: Who is reporting to/with for the indicator</b>	<b>Design &amp; planning process for the indicator: Who is involved, what are the pre-requisites necessary</b>	<b>Resources (incl. personnel) required for the indicator:</b>	<b>Implementation Process: Consider also if the implementation of this indicator is independent or dependant on another indicator(s)</b>	<b>Mid-term evaluation</b>	<b>Lessons learned (incl. feedback mechanisms &amp; replication in other indicator or elsewhere)</b>	<b>Verification: What are the means to verify the indicators) Final Action Evaluation</b>

## 2.2 Outputs

The outputs of the proposed action shall ensure the desired impact in regard to the target group and the final beneficiaries. Additionally, the outputs should fulfil the requirements to be sustainably anchored in the new setup of the Kenyan water sector. The design of the action does not always allow the exact quantification of the outputs, especially in regard to the final beneficiaries. Nevertheless, the description of the outputs gives a clear indication how the objectives shall be met by the action.

The outputs are:

- Common and agreed understanding of definitions for access to water supply and sanitation services among all important stakeholders in the sector including representatives of the final beneficiaries. The agreed definitions shall be used by all actors and will be adopted by the MWI and used for monitoring MDG 7. Thus, water service coverage figures for towns in Kenya will then correspond to the agreed definition of coverage.
- A comprehensive database containing information from the baseline study and identifying the settlements of the urban poor. For the first time a clear picture and precise data on the living conditions and especially access to WSS of the urban poor will emerge. The partner organisation WSRB in collaboration with the WSBs and municipalities will maintain and regularly update the database to monitor developments in the sector.
- All settlements of the urban poor in Kenya are identified and can be inserted into the Service Provision Agreements (SPAs) with the WSPs.
- A realistic estimation for investments for the needs in low cost technologies for the urban poor is available in a data base. This information will also be captured in the database and shall be made available to investors in the sector. The baseline study as a very comprehensive activity of the proposed action shall not only state the situation for the time being, but also facilitate the collection of baseline data in the future. This is very crucial in terms of the sustainability of this action.
- Proposals on how to link up SSIPs with WSPs are established and tested. To bring SSIPs under the regulatory regime is ensuring safe, affordable and sustainable service provision to the urban poor. The proposals shall be evaluated, discussed among stakeholders and best practices shall be established by testing them in pilot areas.
- The existing information system of the partner organisation WSRB is adjusted by including all identified settlements of the urban poor. Installed at all levels of WSS service provision (WSRB, WSBs, WSPs), the system will support all concerned institutions in concentrate on the achievement of MDG 7.
- The reporting system of WSRB is available and includes a summary of the development in the settlements of the urban poor. The reporting on all of these areas by the WSPs and the WSBs will be made obligatory and will lead to a clearer and more precise picture of the WSS situation in these areas. The improved reporting system will provide stakeholders with sufficient information on WSS service provision to the poor.
- The pro-poor focus of the key institutions is enhanced. The MWI and WSRB feeds this information on the settlements of the urban poor in the SWAP and the Sector Investment Planning process. The WSRB adjusts its regulatory instruments and strategies according to the information gained and recommendation offered by the base line study.
- A handbook on the use and the updating of data for planning and decision making purposes on different levels (national – regional – local) is available. Users are the WSRB, WSBs, WSPs and municipalities
- Training programs on updating of base line data are carried out.
- Simplified GIS for better planning by the above mentioned users is available.

### **2.3 Multiplier effects and added value**

There are three key areas that the action outcomes can be replicated and extended:

#### **Transparency and good governance / good practices:**

- The information and reporting on national, regional and local level will improve transparency in the sector and enhance good governance on all levels. This will provide a positive feed back for other sectors within the country, but it can also be used as good practices for countries in the region.
- The clear definition of what is adequate access to the poor will send a signal to the water sector in other countries which struggle to monitor adequately the MDG and to select the right service level for the urban poor.
- Another lesson learned for other sectors will be the linking of players on different levels and public and private sector to maintain a national monitoring and information system and give government and development agencies the possibility to have a sector wide picture.
- The better sector wide picture about progress of development also includes a better understanding of what makes interventions failing or successful. These lessons learned will reduce failure when disseminated adequately.
- The improvement in allocation and planning of funds through better information within the SWAP will be good examples for quality increase in the process and therefore allows other sectors to follow accordingly.
- The action with the enlarged reporting to the public as outcome will help to make institutions and organisation aware that political boundaries and legal status of settlements is no longer an excuse for ignoring the poor.

#### **Streamlining of pro-poor focus in practice:**

- As a lesson learned stakeholders in other sectors will be encouraged to concentrate more on the poor as improvements in the water sector through increased data and transparency will emerge and will be disseminated.
- Linking SSIPs and WSPs, that means bringing SSIPs into the regulatory system to the long term benefit of the poor is a challenge not many partner countries have started to tackle yet. Therefore, the contribution of the action to this issue can be documented as good practice and a possible way forward in all countries south of Sahel.
- WSPs being named publicly as good performers in the sector because of offering increasingly good and sustainable access to the urban poor will help to increase interest of other service providers regardless of their institutional set-up to follow.

#### **Capacity building among the key stake holders in the water sector:**

- Government institutions on national, regional and local level as well as commercialised utilities will learn the importance of a powerful information and monitoring system which links into the vertical structure. This will enhance their management capacity by using the different tools linked to the information and monitoring system.
- The handbook on the use and updating of baseline data will be a helping tool for management of municipalities, NGO, donor agencies and the sector institutions on implementation level to strengthen their planning efforts.

## **2.4 Short- and long-term sustainability**

### **2.4.1 Impact on the target groups and final beneficiaries**

The short term impact on MWI, WSRB, WSTF, WSBs and the WSPs target groups is a much better understanding of the situation in the settlements of the urban poor. The long term impact is the use of this better understanding for their management instruments with an improved focus on reaching the MDGs.

On national level, it is the use of the regulatory instruments which will become much more effective on the long term and which will have an impact on how the WSBs and WSPs will develop. The improved information basis on the situation of the poor will enable the different target groups to adjust policies and strategies accordingly to the benefit of the poor.

On the implementation level, the increased transparency on WSB- and the WSP-level will make these institutions concentrate much more on the poor. Public pressure and their bad reputation if they do not improve the performance additionally facilitate this process. This will have a direct impact on the WSS provision to the underserved poor and will improve their living conditions. The linkage of the database to a GIS makes data clearer and easier to understand. This approach would allow for a more transparent presentation and visualization of the information and would ease the accessibility of the data. It is well appreciated that graphs, figures and especially maps can carry more information and are easier to read and to understand than text and tables. Considering the load of data to be processed and presented, it is believed that the presentation and the analysis of data would be greatly improved by introducing a mapping tool. Therefore, GIS will help to make the use of the baseline data by the WSBs, Municipalities, WSPs and other stakeholders like NGOs etc. more sustainable because of increased user friendliness.

The short term impact on the relation between the SSIPs and WSPs will be that the SSIPs will be brought into a controlled system where they have to comply with standards, but where they will also find a decent income and more security by being linked to the utility holding an SPA by signing a contract. Thereby, the enhanced sustainability of service provision to the poor will reduce poverty because of improved health conditions and decreased morbidity. This will also result in improved productivity by the working population and better school attendance by children.

Embedded in a framework which gives clear obligations, the cooperation of the sector institutions will be enhanced on the long term by exchanging information regularly.

### **2.4.2 Financial Sustainability**

General financial sustainability in the water sector is ensured by increasing self financing of the sector institutions through commercialisation of the WSPs and the autonomy of the WSBs and WSRB from the Ministerial budget by 2009 which has to be achieved according to the transfer plan of the water sector reform. Other factors enhancing financial sustainability are the trend to integrate more professionals recruited from the market into the state corporations such as WSRB and WSBs, but especially at the commercialised WSPs where managers are much aware of the need for viable and information of good quality. This is in contrast of the awareness in the past of civil servants providing basic services. Additionally, the obligation by law to provide data to WSRB and its enforcement through guidelines will secure the provision and flow of information as needed.

The financial sustainability of the action itself will be achieved by entirely integrating the proposed action in the new institutional framework with clear responsibilities for the new water sector institutions. The partner organisation WSRB will thereby take the lead and involve all other stakeholders in the course of the process. As most of the costs of the action are directly linked to the conduction of the baseline study, only few costs will occur after the completion of the implementation. Once the baseline has been established, the WSRB information system has been extended and regulatory instruments have been adjusted, standardised and integrated updating procedures ensure efficient and inexpensive sustainability also after the three years of implementation of the action.

Without having established and properly maintaining an adequate information and monitoring system, institutions like the WSRB have already experienced that they cannot respond to requests by the MWI and other stakeholders which they are obliged to answer by law. Therefore, they are eager to do so and need no longer be convinced by sensitisation activities.

The linking of the information and reporting system across the different levels (WSRB, WSBs and WSPs) reduces the costs of compilation, transfer and analyses of data and gives a clear incentive to the WSBs and WSPs to use the systems for their own needs and to their benefit.

Experiences from other partner countries show that outsourcing is enhancing the sustainability of information and monitoring system when professionals are involved and financing comes from consumers more than from ministerial budgets.

### **2.4.3 Institutional Sustainability**

The new institutions which will be the target groups of the action are established according to the new Water Act 2002. They have a solid legal framework which defines their responsibilities in collecting data and reporting. The institutional systems also offer a very good control system with boards being composed of the key stake holders of the sector and annual performance contracts to be fulfilled. This does not only ensure ownership and control of the proposed action but also its sustainability. Depending neither on financial resources nor institutional capacities from outside and entirely embedded in the new sector institutions, the proposed action ensures the highest sustainability level possible.

Another important factor for the sustainability of the action is that the base line data are already linked during the action to the WSRB information system by offering an extension of the presently build up system. The need of the MWI and the donor agencies for the SWAP will ensure that the WSRB fulfils its annual reporting requirements.

### **2.4.4 Impact on Policy Level**

The action will directly lead to a more focused approach on a national level on serving the urban poor because of the involvement of the WSRB and the WSBs and particularly because of the regulators role (according to the legislation) to advise central and local government on WSS service provision.

The action will support the efforts in linking the monitoring activities on the different levels and to anchor them in the SWAP process. It will also help the WSPs to professionally get involved and link up with numerous small-scale community managed schemes and SSIPs in their service areas and to enlarge the information system into the areas of the concerned population.

Building upon the new structure on national and implementation level established in the framework of the sector reform, the proposed action will increase transparency and accountability in many areas, especially in the allocation and the use of funds. A better transparency of the sector will help to translate ownership into concrete actions by also using the tools of checks and balances as foreseen in the legislation. Such successes will have a positive impact on other government institutions in the country on water and corporate governance.

All in all, the sustainable anchorage of the action in the new institutions will require and at the same time enable capacity building on these levels. The proposed methods and activities reflecting strong ownership and high commitment of the partner organisation facilitate capacity building at the new sector institutions.

#### **2.4.5 Environmental and Social Aspects**

The project will have no major direct environmental impacts. Nevertheless, data from the baseline study will include social and environmental information. This will also make the sub-sector more transparent in regard to these aspects. The monitoring system will reveal successes but also failures and indicate if they are due to social and environmental constraints. Other best practices might emerge which are not known prominently today such as the use of kiosk systems for sensitisation of HIV/AIDS being one of the most urgent problems in Africa.



**2.5 Logical framework**

---

### **3. Budget for the action and Procurement Plan**

#### **4. Expected sources of funding for the action**

## **5. Financial and Economic Analysis**

Today, it is recognised that improved information and its use lead to increased effectiveness of funds. Only if the sector is made transparent, effective actions can be taken. Often, all necessary information is available in one way or the other, but collection is expensive, especially if data has to be collected on the ground. The complex and comprehensive task of establishing a baseline on WSS services for an entire country therefore requires availability of sufficient resources. The equipment, but most of all the manpower needed to define, collect and analyze the data and information will be a major part of the budget. Regarding the establishment of a baseline on peri-urban areas of 272 towns in Kenya and all additional benefits of the proposed action, the required funds of 2.3 Mio Euro will be well invested and offer a profitable cost / output ratio.

A highly profitable cost / output ratio is also achieved by maximising the use of the outputs from the baseline study through the chosen methodology. The results and outcomes will therefore be stored, disseminated and regularly updated on different levels:

- A user-friendly database containing all information and data collected will be made available to Municipalities, WSPs, WSBs and WSRB. The combination of the database with a GIS makes the database more attractive for potential users because the information can be easier understood and interpreted
- The existing I+MS of WSRB will be extended with selected information from the baseline. This will guarantee that the data is used and updated annually by WSS providers and will feed back developments in the WSS sector to WSBs and WSRB.
- A standardised WSS sector report based on the information including peri-urban areas will be published by WSRB to inform public, decision makers and other stakeholders about the development in the sector. The report will influence decisions on investments to the benefit of the poor
- A standardised reporting format will be established with detailed information on the WSS situation of the urban poor to inform participants of the Annual SWAP Conference. Decision makers and the donor community will be enabled to base their decisions and the allocation of resources on the improved data basis which will create benefits for a very large part of the urban population in the fight against poverty. Currently, this concerns 4.5 Mio residents in peri-urban areas and following the high population growth, many more in future

The sustainability of the proposed anchoring of the action in the new institutional setup of the Kenyan water sector will additionally contribute to increased benefits of the outputs. Clear responsibilities within the new water sector institutions and independence from external funding will ensure long lasting sustainability. Once the baseline has been established, internal standardised updating procedures from institutions on the ground (WSPs, Municipalities) regularly provide important information on peri-urban settlements for decision makers without additional costs. Therefore, the benefits of the action will go far beyond the implementation period.

GTZ as the applicant will ensure through the strict rules and regulations in the utilisation of resources the sound use of funds and at the same time monitor the fulfilment of quality requirements to ensure maximum use of the outcomes.

The economic effects of the proposed action will be highly positive because the information provided by the database and the I+MS will be utilized by all stakeholders in the sector in channelling investments differently towards the urban poor offering more value for money. The proposed action will have an essential impact on the service delivery to the poor. Improving WSS situation by providing information for decision makers and funding vehicles like WSTF will not only have positive effects in regard to the health conditions of the urban poor, but also on many other important economic aspects.

Official statistics indicate that improved health conditions through safe water and basic sanitation leads to a higher school attendance of children as well as to increased productivity among the working population. Increased WSS services also boost business opportunities directly depending on the supply of water and therefore have positive employment effects. Better WSS service provision also enables the urban poor to allocate more time towards productive activities instead of spending time for fetching or waiting for their daily water.

Furthermore, the urban poor will benefit from linking up SSIPs with WSPs by receiving water of better quality with continuous supply for a much lower price. Consequently, the poor households can reduce their spending on water and health and will have more money for the satisfaction of other basic needs.

Concentration on the urban poor has a big leverage effect because with a given amount of funds a high number of final beneficiaries can be reached. With low cost technology like water kiosks and basic sanitation which the action will propose for all peri-urban areas in Kenya, investments per capita are estimated around 10 Euro for water and the same for sanitation. Therefore, the impact of the action will lead to a much higher value for money of investments than in the past.

### III. THE APPLICANT

#### 1. Identity

Full legal name:	Deutsche Gesellschaft fuer Technische Zusammenarbeit (GTZ) GmbH
Acronym (where applicable):	GTZ
Legal status: <sup>4</sup>	Company with limited liability owned by the German Government working for public benefit (not-for-profit organization)
Legal Entity Sheet number <sup>5</sup>	N/A
Nationality:	German
Official address <sup>6</sup>	GTZ House Lenana Road, Kilimani P.O.Box 41607 00100 Nairobi Kenya
<b>Telephone number:</b> Country code + city code + number	+254 20 2719987
<b>Fax number:</b> Country code + city code + number	+254 20 2730972
<b>E-mail of the Organisation:</b>	Roland.werchota@gtz.de
<b>Website of the Organisation:</b>	<a href="http://www.gtz.de">www.gtz.de</a>
<b>Contact person for this action :</b>	Mr Roland Werchota
<b>Contact person's email address :</b>	Roland.werchota@gtz.de

**Any change in the addresses, phone numbers, fax numbers and in particular e-mail, must be notified in writing to the European Commission. The European Commission will not be held responsible in case it cannot contact an applicant.**

#### 2. Bank details

Before the grant contract /contribution agreement is signed, the applicants selected will have to supply a financial identification sheet using the model in Annex J to the Guidelines for applicants, certified by the bank where the payments have to be made.

<sup>4</sup> e.g. state whether the applicant is a for-profit or not-for-profit organisation

<sup>5</sup> If the applicant has already signed a contract with the European Commission

<sup>6</sup> If not in one of the countries listed in section 2.1.1(1) of the Guidelines, please justify its location.

### 3. Description of applicant (one page maximum)

#### 3.1. When was your organisation founded and when did it start its activities?

GTZ was established in 1974 by the Government of the Federal Republic of Germany. Although government-owned, GTZ was given the legal status of a private limited company (GmbH) under German law. This status has two significant advantages: as a private company GTZ is able to offer its clients competitive, needs- and target-oriented services, whilst government ownership vouches for its integrity and reputability.

GTZ is Germany's implementing agency for Technical Cooperation. While most commissions are placed by the German Government, GTZ's services are frequently contracted directly by partner country governments and international institutions - a fact reflected by the growing number of contracts from the European Union, the World Bank, other international financial institutions and United Nations organisations. GTZ is committed to the achievement of the Millennium Development Goals, as well as the goals established by the Federal Government's Programme of Action 2015 addressing poverty reduction.

#### 3.2. What are the main activities of your organisation at present?

GTZ has a worldwide portfolio of development programmes in various sectors such as health, education, governance, rural development, environment and finance, and multisectoral programmes through which we can build and develop cooperation to meet the future needs in partner countries. One of the focal areas in Africa is the support in implementing water sector reforms introducing sound principles such as good governance, transparency, regulation, commercialisation and pro-poor approaches.

#### 3.3. List of the management board / committee of your organisation.

Name	Profession	Nationality	Position	Years on the board
Dr. Bernd Eisenblätter	Lawyer, Political Scientist	German	Managing Director	10
Wolfgang Schmitt	Historian, Political Scientist	German	Managing Director	5

## 4. Capacity to manage and implement actions

### 4.1. Experience of similar actions

GTZ is a world wide operating development agency present in over 130 partner countries with over 2,500 development projects/programs ongoing. Around 10,000 employees are involved in these projects directly and indirectly.

The implementation of actions like the proposed is part of the project/program activities in various sectors and in partner countries. Evaluation of the projects/program world wide document that far over  $\frac{3}{4}$  of them are successful and according to the expectations of the partner institutions and the financing body by meeting the set objectives.

GTZ presently supports several water sector reform programs in East African and adjacent Regions such as in Kenya, Tanzania, Uganda, Zambia, Congo and prepares to commence in Burundi. In all these partner countries, the water sector is a focal area where Germany is the biggest or one of the key donors. Some of this cooperation in some cases goes back 25 years.

The present GTZ-team in Kenya was very closely involved in the baseline study and the establishment of a regulatory regime with the implementation of the sub-sector I+MS in Zambia and has contributed to the I+MS in Uganda and recently in Tanzania. In all of these countries, the systems are successfully implemented and in operation or just before commissioning through the partner organisations. A very good example is Zambia, where with the support of GTZ the regulator NWASCO is publishing since 5 years a sector development report. These increasingly focus on the service provision of the urban poor.

With the support of these programs, the partner organisations in all these countries are now focusing more and more on the service provision to the poor by improving their data base and moving towards SWAPs. The fact that reports on the service provisions of the poor are published, improves the pro-poor focus and the commitment of the service provider to focus on the settlements of the urban poor. With improved information, it becomes increasingly apparent that the MDG monitoring so far is not reflecting the real situation on the ground. Therefore, the support of GTZ in these countries is now crucial to rectify this, orient partner focus more on the settlements of the poor and translate the political will to achieve the MDGs by concrete actions. Also donors are influenced by the development supported by GTZ and provide increasing funds to the urban poor.

The concerned support of the water programs in these countries carried out by GTZ are between 1 million to 2 million EUR per year. The programs to support the water sector reforms in the mentioned partner countries are designed to run for 10 to 12 years in average.

In some of these countries, GTZ is cooperating very closely with other donors like in Kenya with SIDA/DANIDA (joint financing agreement) with WSP/WB. In Zambia for example GTZ is cooperating closely with organisation such as DANIDA, IDC, WSP etc.

Therefore, GTZ has ample experience through the implementation in many countries in the water sector to carry out actions like the one proposed.



## 4.2 Resources

- 4.1.1 Annual income over the last three years, mentioning where applicable for each year, the names of the main financial backers and the proportion of annual income each has contributed
- 4.1.2 Financial data. Please provide the following information on the basis of the profit and loss account and balance sheet of your organisation

	<b>2002</b>	<b>2003</b>	<b>2004</b>
	<b>Mio EUR</b>	<b>Mio EUR</b>	<b>Mio EUR</b>
Turnover	875.8	884.8	878.8
Total operating performance	882.6	890.0	891.3
New commissions	940.1	972.8	1,115.4
Total commissions in hand	2,114.0	2,132.2	2,264.6
Income from public clients	797.4	746.8	692.2
	<b>Number</b>	<b>Number</b>	<b>Number</b>
Ongoing projects	2,754	2,726	2,628
Partner countries	134	131	131
GTZ seconded experts	1,373	1,430	1,393
National personnel	8,520	7,081	6,971
Integrated Experts	703	668	664
Head office staff	1,047	1,042	999

	<b>Incoming Orders 2002</b>	<b>Incoming Orders 2003</b>	<b>Incoming Orders 2004</b>
	<b>Mio EUR</b>	<b>Mio EUR</b>	<b>Mio EUR</b>
<b>Parties commissioning GTZ-services</b>			
Federal Ministry Economic Cooperation and Development / Public Clients	769.3	812.8	900.8
<i>International Clients</i>	170.8	160.0	214.6
<b>Total</b>	<b>940.1</b>	<b>972.8</b>	<b>1,115.4</b>

<b>International Clients</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
	<b>Mio EUR</b>	<b>Mio EUR</b>	<b>Mio EUR</b>
European Union	73.9	59.6	61.2
UNHCR	31.0	28.7	41.9
KfW	1.9	6.1	4.2
Saudi Arabia, Gulf States	32.0	23.5	23.6
World Bank	4.3	9.5	10.5
Others	27.7	32.6	73.2
<b>Total</b>	<b>170.8</b>	<b>160.0</b>	<b>214.6</b>

<b>Main International Clients 2004</b>	<b>Mio €</b>	<b>%</b>
European Commission	<b>61.2</b>	28.5%
Gulf States	23.6	11%
<b>UNHCR</b>	41.9	19.5%
Worldbank	10.5	5%
Others incl. Regional Banks	77.4	36%
<b>Total</b>	<b>214.6</b>	<b>100%</b>

## Excerpt of profit and loss accounts

	2001 EUR	2002 EUR	2003 EUR	2004 EUR
Total operating performance	868,601,155	882,619,566	889,885,648	891,290,766
Other operating income	13,976,082	13,182,925	11,972,186	14,125,897
(less) Operating expenses	-882,378,701	-919,882,743	-917,186,848	-922,850,438
Interests and similar income	3,965,460	6,724,518	5,908,959	7,582,412
Results of ordinary operations	4,163,996	-17,355,734	-9,420,055	-9,851,363
Taxes	-68,291	427,606	105,567	-79,228
Net income	4,232,287	-17,783,340	-9,525,622	-9,930,591
Transfer to the reserve provided for by the articles of association	4,232,287	17,783,340	9,525,622	9,930,591
<b>Net profit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

4.1.3 The number of full-time and part-time staff by category (e.g. number of project managers, engineers, other development specialists, accountants, etc), indicating their place of employment

Average manpower	2002	2003	2004
Permanent staff	1,166	1,094	1,030
Non permanent	9,941	9,179	9,028
<b>Total</b>	<b>11,107</b>	<b>10,273</b>	<b>10,058</b>

Average Annual Personnel Figures	2002	2003	2004
<b>Head Office Staff</b>	<b>*1,166</b>	<b>*1,094</b>	<b>*1,030</b>
• of whom management staff	157	164	176
<b>Project Staff</b>	<b>9,941</b>	<b>9,179</b>	<b>9,028</b>
• of whom GTZ field staff	1,373	1,430	1,393
• of whom locally contracted staff	7,865	7,081	6,971
• of whom integrated experts	703	668	664

\*Including experts between field staff contracts

### 4.1.4 Equipment and offices

The organisation has more than 10,000 employees in 134 countries of Africa, Asia, Latin America, the Eastern European countries in transition and the CIS. Around 7,500 are locally contracted nationals, of whom more than 40% are management personnel. GTZ maintains its own Offices in 65 countries. Around 1,030 people are employed at the Head Office in Eschborn near Frankfurt am Main.

### *GTZ Country Offices*

Efficient on-site project assistance requires that the GTZ is able to react very flexibly to often rapidly changing situations. To ensure decision-making on a decentralised basis the GTZ has set up Offices in many countries.

GTZ offices provide advisory services to the partner organisations in designing projects; they prepare the implementation of projects and are responsible for projects not staffed with long term experts. They are a clearinghouse for country specific information, collecting details of local expertise and expertise that can be utilised in project work, and promoting a regional exchange of experience between individual projects. GTZ offices are mainly responsible for project management, accounting and backstopping.

### ***GTZ Head Office***

**The Regional Departments** are responsible for ensuring that technical solutions are in line with the cultural, social and economic framework conditions in the partner country. They draw up country concepts, and manage the project preparation phase, and the implementation and evaluation of project and program activities.

**The Planning & Development (P & D)**, GTZ's pool of in-house sectoral knowledge, is responsible for designing, detailing and further developing the sector expertise available for project support. Together with counterparts and on-site field staff, members of the Planning & Development Department carry out the sector specific planning of project activities and support the Country Departments in drawing up project concepts and integrating projects into complex, interdisciplinary programmes. The P & D Department manages personnel resources – identifying suitable experts to implement project concepts, briefing them in their work – and is charged with innovation and program management. The Department promotes the intersectoral co-operation and exchange of experience within GTZ.

### ***GTZ Service Departments***

Administrative and commercial services such as finance, accounting, personnel welfare and insurance are the essential commercial basis for GTZ's operations. The Commercial Department also supplies the full-scale procurement services involved in purchasing and delivering materials and equipment to projects.

## 5. Other applications made to European Institutions, the European Development Fund (EDF) and EU Member States

### 5.1. Grants, contracts and loans obtained over the last three years from European Institutions, the EDF and EU Member States.

Action title and reference number	EC budget line, EDF or other source	Amount (EUR)	Date obtained
IPM Europe: European Research and Development Group on Integrated Pest Management (b-ii-2.IPMEUROPE; ICA1-2002-50055; ICFP599A4AM01)	INCO-1999, 5 <sup>th</sup> Framework Programme; shared cost RTD actions	0,5 mio	06.12.2002
<a href="#">Met@LoGo</a> - Meta and Local e-Government	@LIS: Alliance for the Information Society	3.0 mio	start date: 10/2003
Asia Urbs Programm ASIE 2004/91859	B7-300	0,29 mio	12/2004
programme ACORDS /UADEL, région Ihrombe EuroAid/120398/D/G/MG	ACORDS 9 ACP MAG 10	0,55 mio	04/2005
programme ACORDS /UADEL, région Androy EuroAid/120398/D/G/MG	ACORDS 9 ACP MAG 10	0,64 mio	04/2005
programme ACORDS /UADEL, région Atsimo-Andrefana EuroAid/121325/D/G/MG	ACORDS 9 ACP MAG 10	0,53 mio	10/2005
Asia Pro Eco II-2005-99	EU Sustainable Energy Efficiency Initiative, budget line 19.1002	0,44 mio	12/2005
Asia-Pro Eco 2005	<b>EUROPEAID/120848/C/G</b>	0,35 mio	12/2005

Service contracts awarded to GTZ by the European Commission during the last three years comprising all EC programmes (ALA, MED, EDF, Phare, Tacis, etc.)

Number of operations financed by European Commission	Amount (EUR)	Year of award
39	73.9 mio	2002
44	59.6 mio	2003
46	61.2 mio	2004
38	<b>88.4 mio</b>	2005

**5.2 Grant and loan applications submitted (or about to be submitted) to European Institutions, the EDF and EU Member States in the current year.**

Action title and reference number	EC budget line, EDF or other source	Amount (EUR)
ACP-EU Water Facility (EuropAid/120598/C/G/Multi) 6 applications	9 <sup>th</sup> European Development Fund	13.4 mio
Decentralize and Scale-up Clean Development Mechanism Capacities in China	B7-620 (21 02 05)	1.07 mio
National Capacity Building for Scaling up HIV/AIDS Responses	B7-6311	4.5 mio

**Nota Bene:** The applicant is required to inform without delay the Commission department to which this application is submitted if the same application for funding made to other Commission departments or Community institutions has been approved by them AFTER submission of this grant application

#### IV. PARTNERS/CO-DONORS OF THE APPLICANT PARTICIPATING IN THE ACTION

##### 1. Description of the partners

	Partner 1.....	Partner 2.....
Full legal name	Water Services Regulatory Board (WSRB)	
Nationality	Kenyan	
Legal status	State Corporation	
Official address	9 <sup>th</sup> Floor NHIF Building, P.O. Box 41621, 00100 GPD Nairobi	
Contact person	Kamau H. Maina	
Telephone number	+254 20 2733559	
Fax number	+254 20 2733558	
E-mail	wsrb_kenya@yahoo.com	
Number of employees	29	
History of cooperation with the applicant	Applicant provides advisory services since the incorporation in 2004	
Experience of similar actions, in relation to the role in the implementation of the proposed action	Establishment of an information system for regulation of water supply and sanitation service provision	
Role and involvement in preparing the proposed action	Support to the elaboration of the proposal	
Role and involvement in implementing the proposed action	Policy leadership, control and facilitation of implementation, coordination of key stakeholders involved in the action	

#### Important:

1. This application form must be accompanied by a signed and dated partnership statement from every partner, in accordance with the models provided on the next page.
2. Partners who are also providing co-financing do have to sign and date the co-donor statement as well.

## 2. Partnership statement<sup>15</sup>

A partnership is a relationship of substance between two or more organisations involving shared responsibilities in undertaking the action funded by the European Commission. To ensure that the action runs smoothly, the European Commission requires all partners (including the lead applicant that signs the contract) to acknowledge this by agreeing to the principles of good partnership practice set out below.

### *Principles of Good Partnership Practice*

1. All partners must have read the application form and understood what their role in the action will be before the application is submitted to the European Commission.
2. All partners must have read the standard grant contract or contribution agreement and understood what their respective obligations under the contract will be if the grant is awarded. They should authorise the lead applicant to sign the contract with the European Commission and represent them in all dealings with the European Commission in the context of the action's implementation.
3. The applicant must consult regularly with its partners and keep them fully informed of the progress of the action.
4. All partners must receive copies of the reports - narrative and financial - made to the European Commission.
5. Proposals for substantial changes to the action (e.g. activities, partners, etc.) should be agreed by the partners before being submitted to the European Commission. Where no such agreement can be reached, the applicant must indicate this when submitting changes for approval to the European Commission.
6. Before the end of the action, the partners should agree on an equitable distribution of equipment, vehicles and supplies for the action purchased with the EU grant among local partners situated in the target countries. Copies of the transfer titles must be attached to the final report.

### *Statement of partnership*

We have read and approved the contents of the proposal submitted to the European Commission. We undertake to comply with the principles of good partnership practice.

Title of the Action	Water Supply and Sanitation Information and Monitoring System for the Settlements of the urban Poor in Kenya	
Name :	Kamau H. Maina	
Organisation:	Water Services Regulatory Board (WSRB)	
Position:	Chief Executive Officer (CEO)	
Signature		
Date and place:	Nairobi, 16.06.2006	

<sup>15</sup> To be provided by each partner in all cases where there is a partner in addition to the applicant.

### 3. Description of the co-donors

	Co-donor 1.....	Co-donor 2.....
Full legal name	KfW Kreditanstalt fuer Wiederaufbau	Water Services Regulatory Board (WSRB)
Nationality	German	Kenyan
Legal status	International Organisation	State Corporation
Official address	KfW Office Nairobi, German House, Lenana Road, Kilimani. P.O. Box 52074, 00200 Nairobi, Kenya	9 <sup>th</sup> Floor NHIF Building, P.O. Box 41621, 00100 GPD Nairobi
Contact person	Dr. Joerg Dux	Kamau H. Maina
Telephone number	+254 20 3872111 / 3872122	+254 20 2733559
Fax number	+254 20 3872103	+254 20 2733558
E-mail	<a href="mailto:dux@kfw.co.ke">dux@kfw.co.ke</a>	wsrb_kenya@yahoo.com
History of cooperation with the applicant	Support to establishment of new sector institutions such as WSRB within sector reform support since 2002	Applicant provides advisory services since the incorporation in 2004
Role and involvement in the proposed action	Joined-up cooperation with GTZ and WSRB within sector reform support framework ensuring proper embedment, efficiency and sustainability of I + M systems in the sector	Policy leadership, control and facilitation of implementation, coordination of key stakeholders involved in the action



## 4. Co-donor statement<sup>1</sup>

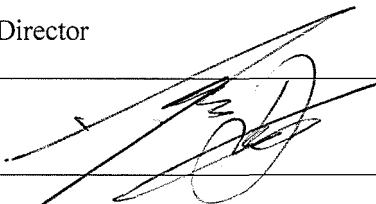
**Important notice: Partners, EU and ACP state actors who are also providing co-financing do have to sign this co-donor statement as well.**

We have read and approved the contents of the proposal submitted to the European Commission. We confirm that we will co-finance the action with an amount of 500,000.00 €.

Tick as appropriate:

This statement is already legally binding for our organisation.

This statement is going to become legally binding for our organisation only after the decision of the Federal Ministry for Economic Cooperation and Development (BMZ). We acknowledge that such decision must occur at the latest within four months from the date of provisional acceptance by the EC of the proposal. The EC grant will be subject to this pre-condition. Should this pre-condition not be fulfilled, then the EC's provisional acceptance and the related award of grant will be null and void.

Title of the Action	<b>Improving Water Supply and Sanitation Information and Monitoring System for the Settlements of the urban Poor in Kenya</b>
Name :	Dr. Joerg Dux
Organisation:	KfW – Kreditanstalt fuer Wiederaufbau (German Financial Cooperation)
Position:	Director
Signature :	 <b>KW/DEG REGIONAL OFFICE</b> <b>P. O. Box 52074 - 00200</b> <b>NAIROBI.</b> <b>Tel: 3872122 / 3872111 / 3868519</b>
Date and place:	20. June 2006, Nairobi/Kenya

<sup>1</sup> To be provided by each co-donor in all cases where there is a co-donor in addition to the applicant.

#### 4. Co-donor statement<sup>1</sup>


**Important notice: Partners, EU and ACP state actors who are also providing co-financing do have to sign this co-donor statement as well.**

We have read and approved the contents of the proposal submitted to the European Commission. We confirm that we will co-finance the action with an amount of 36,000 €.

Tick as appropriate:

This statement is already legally binding for our organisation.

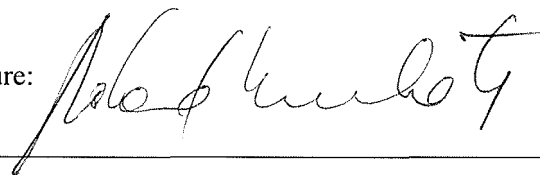
This statement is going to become legally binding for our organisation only after the decision of the. We acknowledge that such decision must occur at the latest within four months from the date of provisional acceptance by the EC of the proposal. The EC grant will be subject to this pre-condition. Should this pre-condition not be fulfilled, then the EC's provisional acceptance and the related award of grant will be null and void.

Title of the Action	Improved Water Supply and Sanitation Information and Monitoring System for the Settlements of the Urban Poor in Kenya
Name :	Kamau H. Maina, CEO
Organisation:	Water Services Regulatory Board (WSRB)
Position:	Chief Executive Officer (CEO)
Signature :	
Date and place:	Nairobi, 20.06.2006

<sup>1</sup> To be provided by each co-donor in all cases where there is a co-donor in addition to the applicant.

V. DECLARATION BY THE APPLICANT:

<p><b>A. The applicant declares that:</b></p> <p>(a) the information given in this application is correct; and          (b) the applicant is directly responsible for the preparation and management of the action with its partners, and is not acting as an intermediary (notwithstanding the exceptions foreseen in the Guidelines).          (c) the applicant and its partners (where applicable) do not fall into any of the categories (a) to (f) listed in section 2.1.1.2 of the Guidelines for Applicants and comply with the eligibility criteria set out in section 2.1.1 of those Guidelines; and          (d) the applicant has the sources of financing and professional competence and qualifications specified in section 2.3.2 of the Guidelines for Applicants.          (e) it undertakes to comply with the principles of good partnership practice foreseen in section IV.2 of the grant application form.          (f) If selected, it is in a position to deliver immediately, upon request, the supporting documents stipulated under point 2.4 of the Guidelines for Applicants          (g) the applicant confirms its own (if applicable) co-financing of 162,000 €.</p>		
<p><b><u>Furthermore, the applicant declares that :</u></b></p>	<p><b>To be filled in by the applicant</b></p>	<p><b>To be filled in by the EC</b></p>
<p><b>1. It is eligible in accordance with the criteria set out under point 2.1.1 of the guidelines.)</b></p>	<p>yes</p>	
<p><b>2. Partner 1 is eligible (in accordance with the criteria set out under point 2.1.1 of the guidelines.) (if any* )</b></p>	<p>yes</p>	
<p><b>3. Partner 2 is eligible (in accordance with the criteria set out under point 2.1.1 of the guidelines.) (if any*)</b></p>		
<p><b>4. Partner ... is eligible (in accordance with the criteria set out under point 2.1.1 of the guidelines.) (if any*)</b>  <b>NB: add as many rows as partners</b></p>		

<p><b>B. SIGNATURE:</b></p>	
<p>I, the undersigned and person responsible in the applicant organisation for the application, certify that the information given in this Declaration is correct.</p>	
<p>Date:20.06.2006</p>	
<p>Name: Roland Werchota</p>	<p>Signature: </p>
<p>Position: Program Manager</p>	

\* Please indicate "Not Applicable" (NA) if you have no partner

## CHECKLIST

**Before dispatching your application, please check that it is complete  
(see Notice on page 2) against this checklist!**

### The application form

- The proposal is typed in English, French, Portuguese or Spanish. (Hand-written applications will not be accepted)
- The proposal is complete and complies with this application form's requirements.
- The duration of the action and requested contribution (in EUR and in %) from the EC are within the limits stipulated in chapter 1.3 of the Guidelines
- If there are **partners** or **co-donors**, each partner/co-donor has completed and **signed** a partnership/co-donors statement. (Included in section IV)
- The declaration by the **applicant** (Section V) is **signed** and attached.
- The **budget** with the **expected sources of funding** is presented in the format of the Annex B1, completed and drawn up in **Euro**.
  - The budget covers all eligible costs of the action and not just the EC contribution
  - In the budget, overheads do not exceed 7% of direct eligible costs
  - The expected sources of funding are clearly identified and the European Commission's contribution is limited to the maxima of the total eligible costs of the action, as specified in the Guidelines.
- The **logical framework** (Annex C) is completed in accordance with the template and consistent with the information provided in part I and II of the application form.
- The **procurement plan** (Annex D) is completed in accordance with the template and consistent with the information provided in part I and II of the application form.
- The **check list** (section V of the information note – Annex E) of the **Financial and Economic Analysis** for projects under Component B and C is completed and consistent with the information provided in the application form.
- The **summary table of indicators** (Annex E1) is completed and consistent with the information provided in the application form
- One original (marked as such on the cover page) and 2 copies of all documents are included.
- When and if available, additional documentation (ref. to guidelines 2.2.1) is annexed.
- One electronic copy of all documents of the proposal, on floppy disk or CD-ROM, is enclosed.