

WATER SECTOR TRUST FUND (WSTF)

Up-Scaling Basic Sanitation for the Urban Poor (UBSUP)

Incentives for the Water Service Providers (WSPs)



ISO 9001:2008 CERTIFIED

Financial Support for improved Access to Water and Sanitation

P.O. Box 49699-00100 Tel: (020) 272 9071, 16, 19 EMail: info@waterfund.go.ke Site www.waterfund.go.ke

Introduction

- Licensed WSPs are key stakeholders within the UBSUP programme
- WSPs are in charge of the preparation, implementation and operation of SafiSan projects
- Being responsible for the provision of sanitation services, they not only own and operate their SafiSan projects; they also act as facilitators between the County Government and the communities on the one hand and the WSTF on the other



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Some Challenges WSPs are facing

- Many WSPs still face difficulties adequately supplying residents of their service areas with safe water
- Some WSPs still face problems paying salaries and electricity bills due to old infrastructure, inefficient revenue collection, high NRW, etc.
- WSPs can be overwhelmed by the current range of tasks and may face problems when having to take on additional, onsite sanitation-related responsibilities
- Some WSPs may even have to employ additional staff – e.g. staff needed for the creation of a Sanitation Unit - in order to be able to deliver sustainable sanitation services (e.g. operation of DTFs, customer care)
- Being aware of these challenges, the WSTF has developed a concept (UBSUP/SafiSan) which minimises the burden for the WSPs.
- Moreover, it aims to provide a set of incentives for WSPs that have embraced the UBSUP programme



NRW = Non-revenue water

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Incentives for WSPs

A main incentive for the WSPs to apply for WSTF/UPC-funded projects is the funding (using grants) of new WSS infrastructures (assets) as well as the additional revenues realised through the provision of access to safe water to new customers.



Onsite-sanitation related incentives:

- **Onsite sanitation as a cost covering activity.** The regulator (WASREB) will accept that all charges and costs related to operation of SafiSan project infrastructure (e.g. DTF operation, costs made the sanitation unit) are included in the tariff proposal submitted to the regulator
- **Potential for exhauster fees:** Within the UBSUP programme, a WSP can apply for one or more WSTF-funded decentralised treatment facilities (DTF). It is expected that through the construction of additional decentralised treatment capacity, more private exhausters will make use of these facilities enabling the WSP to collect disposal charges
- **Increased revenue due to an increase in the number of sewer connections.** This is especially possible if the area has a sewerage connection
- **Helping the County Government to achieve its public health objectives**
- **Improving status**
- **Sale of end-product:** There is a potential for the sale of the treated content of treated sludge to farmers and peasant farmers



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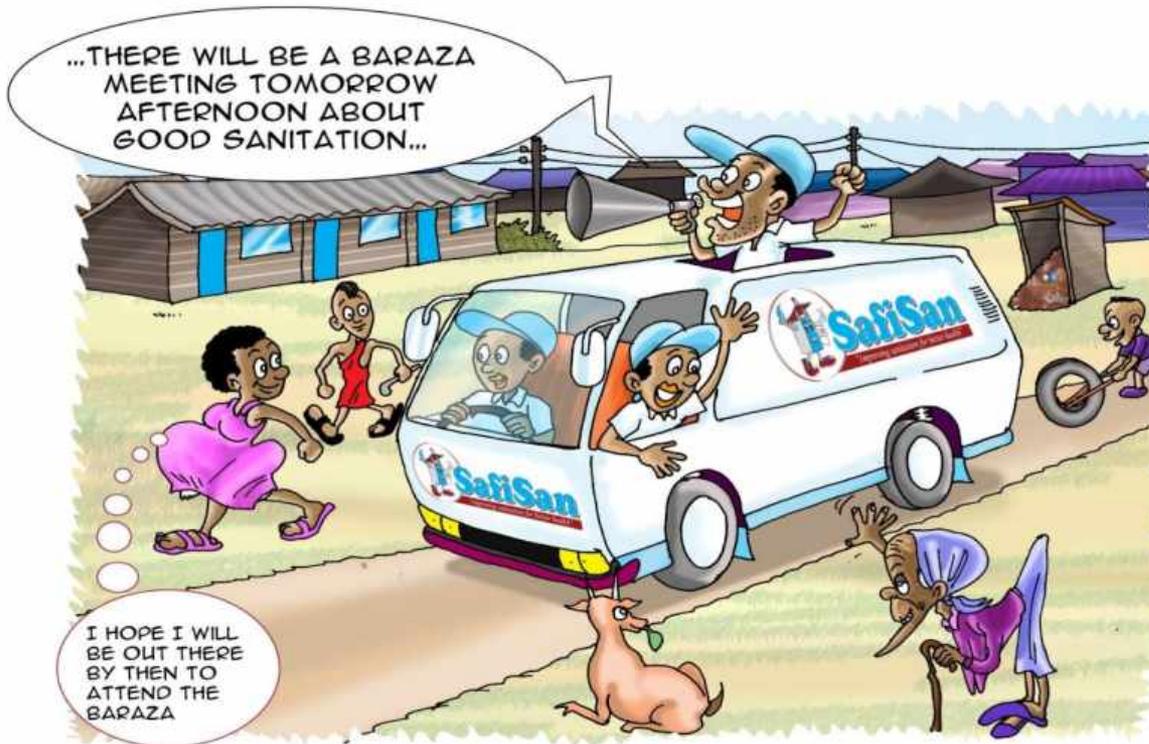
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WSP engagement with other stakeholders

- The WSP could engage other private investors who may be interested to be involved in the sanitation component of the WSP.
- A clear outline of the engagement terms should however be prepared



Thank you!



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