Water Sector Trust Fund
Financing the Water Sector
1st Floor, CIC Plaza I, Mara Road, Upper Hill, Nairobi, Kenya
PO Box 49699 Nairobi-00100; Tel: +254 (20) 2720696, 2729017/8
Email: info@waterfund.go.ke; Website: www.waterfund.go.ke

SITUATION REPORT (SITREP) # 593
9TH – 13TH NOVEMBER 2026

WATERFUND AND CONSOLIDATED BANK UNLOCK KSH 348.65 MILLION FOR KIHARU WATER SUPPLY PROJECT

Water Sector Trust Fund (WaterFund), in partnership with Consolidated Bank, the County Government of Murang'a and Murang'a Water and Sanitation Company Limited (MUWASCO), marked a significant milestone in water infrastructure financing through the signing of two agreements under the World Bank-supported Kenya Water, Sanitation and Hygiene (K-WASH) Programme on 10th November, 2026, in Nairobi.

The agreements comprise an Operating Contract between WaterFund and Consolidated Bank, establishing the blended financing framework, and a KSh. 348.65 million Project Implementation Contract involving WaterFund, Consolidated Bank, Murang'a County Government and MUWASCO for the Kiharu Water Supply Project.

The Kenya Water Supply, Sanitation & Hygiene (K-WASH) Programme, financed by the Government of Kenya and the World Bank, seeks to expand sustainable access to water and sanitation services while strengthening the operational and financial performance of Water Service Providers (WSPs).

WaterFund implements Result Area 3, supporting 33 WSPs across 19 counties to improve governance, operational efficiency, financial performance and access to commercial financing. Under Disbursement Linked Indicator 8 (DLI 8), the programme targets approximately KSh. 1 billion in commercial financing through innovative financing partnerships.

The Kiharu project will be financed through a 50:50 blended financing arrangement between WaterFund and Consolidated Bank. By combining interest-free returnable financing from WaterFund with commercial lending, the arrangement reduces the estimated interest rate payable by MUWASCO from 13% to approximately 6.5%, making infrastructure investment more affordable.

Speaking during the ceremony, Mr. Willis Ombai, WaterFund Chief Executive Officer, highlighted the importance of innovative financing in addressing Kenya's water sector investment gap. He noted that strategic partnerships with financial institutions would help mobilise additional resources, reduce borrowing costs and accelerate infrastructure development.

Ms. Pascaline Wanjiku, World Bank Senior Water Supply and Sanitation Specialist, highlighted the importance of strengthening WSP performance and leveraging partnerships to mobilise sustainable financing for the sector. Consolidated Bank CEO, Mr. Dominic Murage, reiterated the Bank's commitment to supporting water infrastructure investments through innovative financing partnerships. Eng. Mary Muthoni Magochi, Murang'a County Executive Committee Member for Water, Irrigation, Environment and Natural Resources, welcomed the investment, noting its anticipated contribution to improved water service delivery and the county's development priorities.

The Kiharu Water Supply Project represents an important step towards establishing a replicable financing model that enables WSPs to access affordable commercial capital. Through K-WASH, WaterFund continues to advance its resource mobilisation mandate, strengthen the financial

sustainability of water utilities and support expanded access to safe water and sanitation services.



Mr. Willis Ombai, CEO WaterFund, Giving his keynote speech



Mr. Leparan C. Tialal, CEO, WASREB, giving his remarks



Ms. Pascaline Wanjiku, SWSSS, WB, giving her remarks



Eng. Mary Muthoni Magochi, CECM-WIEN, Murang'a County, giving her remarks



Mr. Dominic Murage, CEO, Consolidated Bank, making his remarks



Mr. Bernard Kirui, DC, K-WASH Programme, MoWSI, giving his key remarks







Sector leaders and representatives during the signing process of the Kiharu Water Supply Project Implementation Contract



Delegation posing for a group photo after the contract signing ceremony



Delegation keenly following deliberations during the contract signing ceremony



Mr. Isaac Kega, General Manager, Programmes, WaterFund, giving his remarks







Delegation keenly following proceedings during the contract signing ceremony