



Presentation from
**2016 World Water
Week in Stockholm**

www.worldwaterweek.org

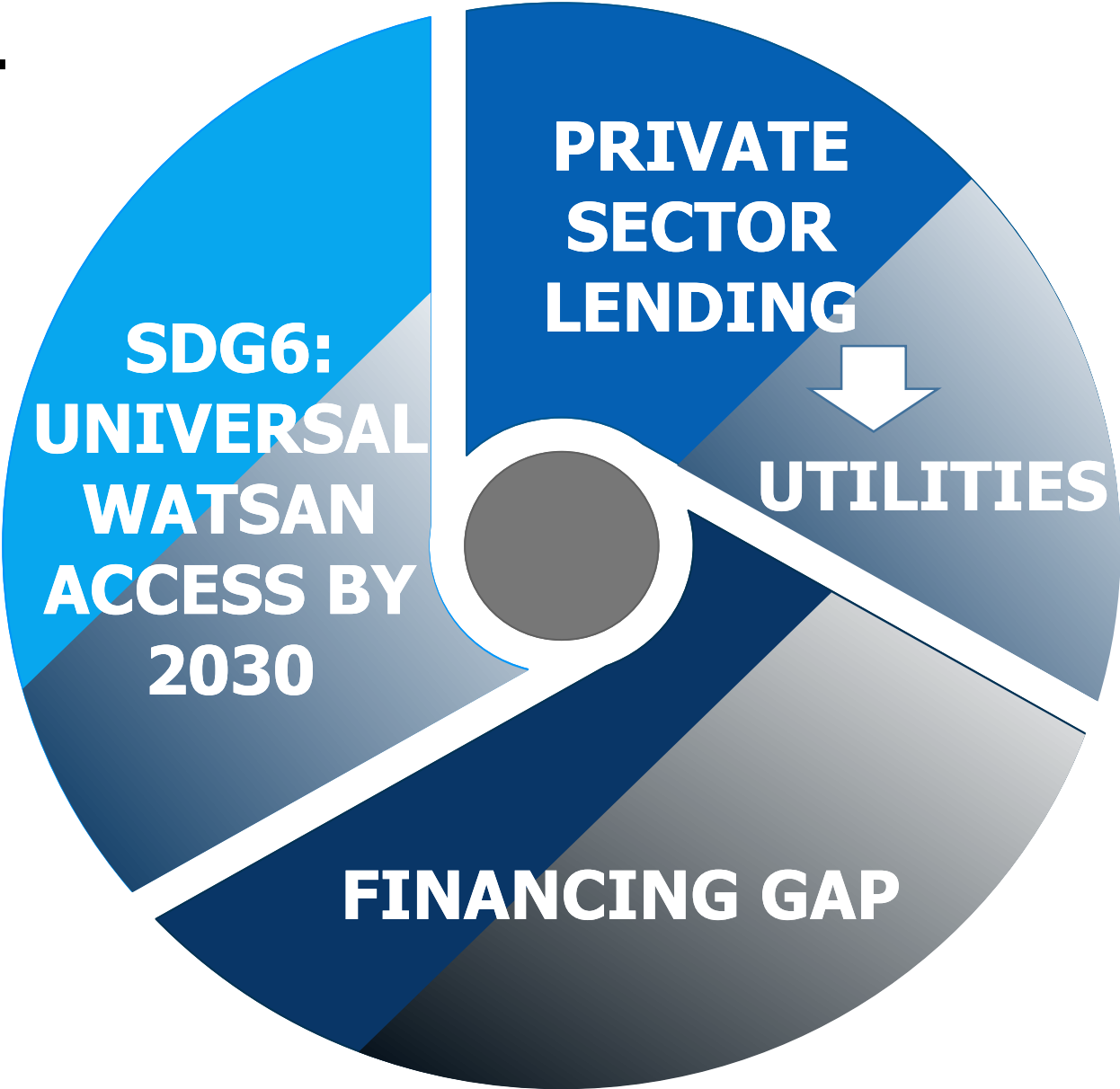
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Scaling Up Blended Financing of Water and Sanitation Investments in **KENYA**



**WORLD WATER WEEK
STOCKHOLM, SWEDEN
AUGUST 28, 2016**

DEVELOPMENT CHALLENGE



CHALLENGES TO COMMERCIAL LENDING FOR WATER

HIGH INTEREST RATES

COST RECOVERY TARIFF

MARKET INTELLIGENCE

ASSET OWNERSHIP

PUBLIC ENTITY / GOV'T SHAREHOLDER

PRO-POOR CONCERN

OPERATING ENVIRONMENT

HUMAN RIGHT

CREATING AN ENVIRONMENT CONDUCTIVE TO COMMERCIAL LENDING



Kenya Water Act of 2002



Autonomous Water Service Providers



Independent Sector Regulator



Ring Fencing of Revenues



Stakeholder Engagement

CREATING AN ENVIRONMENT CONDUCTIVE TO COMMERCIAL LENDING



Public investment in infrastructure

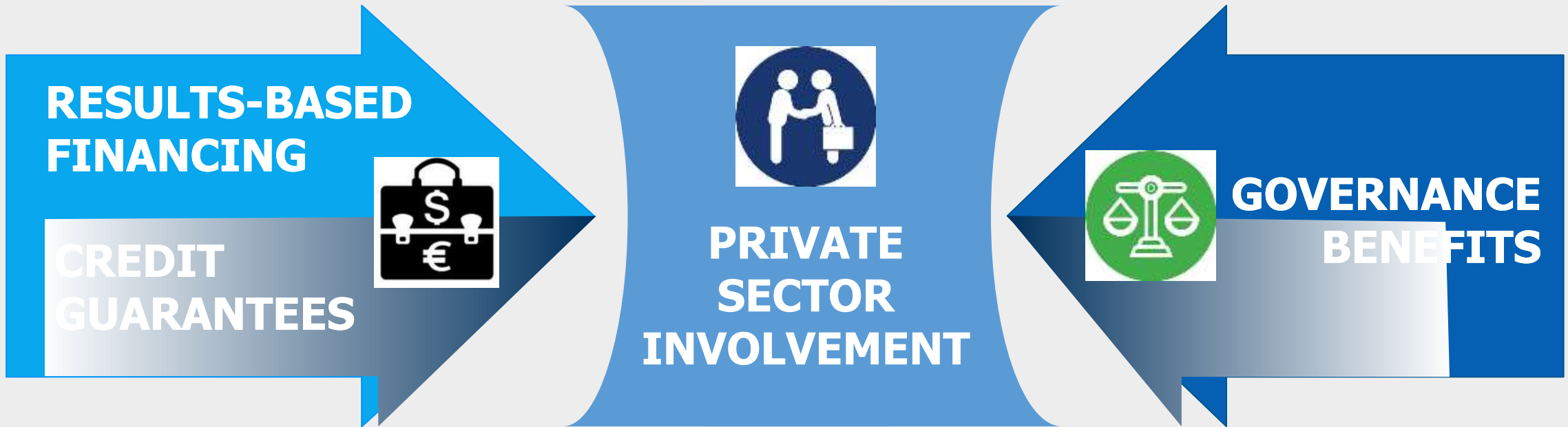


Tariff setting methodology



Strengthening of utility performance

INCENTIVES FOR PRIVATE INVESTMENT



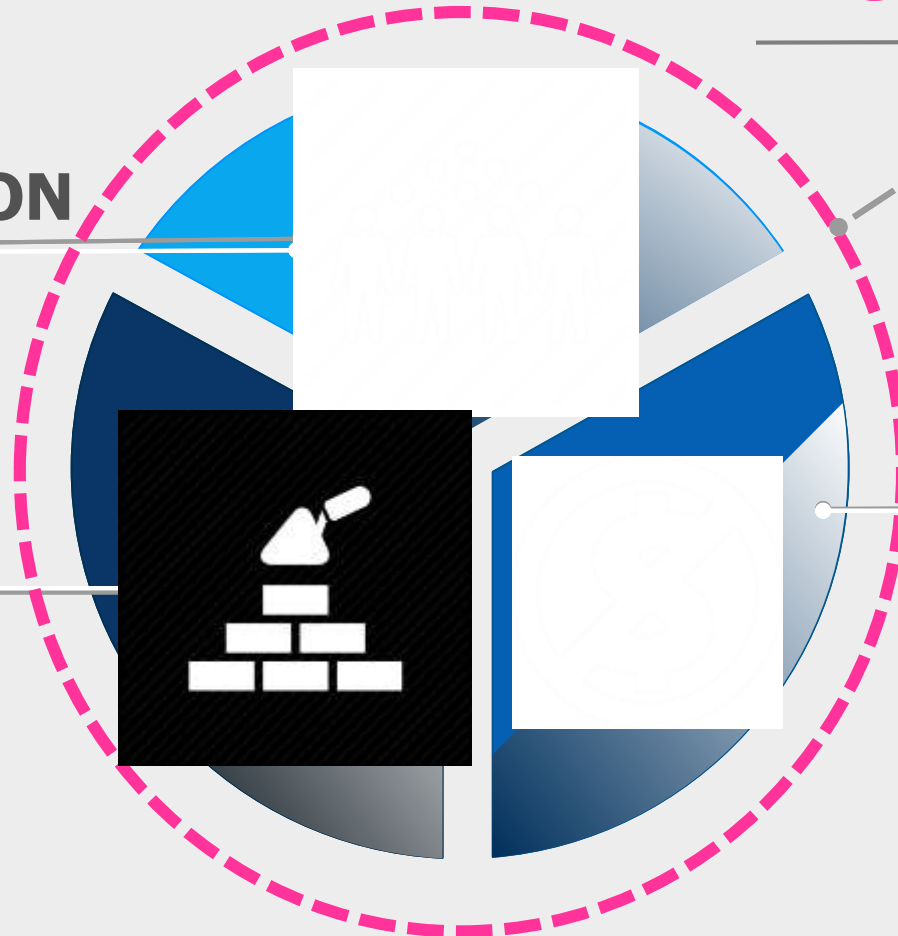
KENYA OBA FUND

CHALLENGES

GROWING POPULATION

INVESTMENT NEEDS

**LACK OF
ACCESS TO FINANCE**



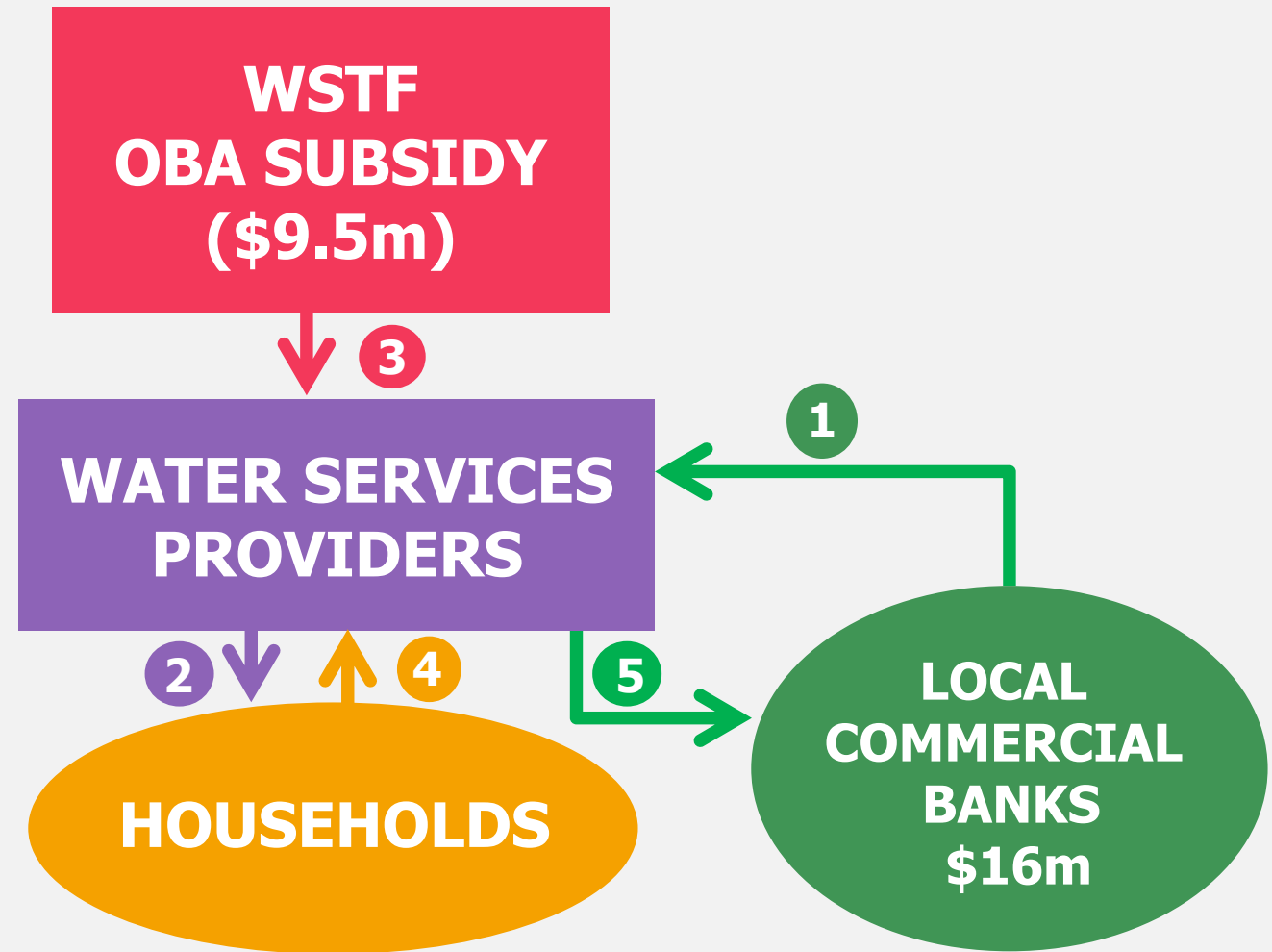
PROJECT STRUCTURE

Kenya OBA Fund

Project finance:

OBA subsidies: 60%

Commercial loans: 40%





LEVERAGES COMMERCIAL LOANS TO WATER SERVICE PROVIDERS

TECHNICAL ASSISTANCE

ASSESSING UTILITY CREDITWORTHINESS

IMPROVING LENDER KNOWLEDGE

DEVELOP BANKING PROPOSALS



DEVELOPMENT IMPACT



\$9.5m subsidies to leverage **\$16m in private loan finance** for county water service providers

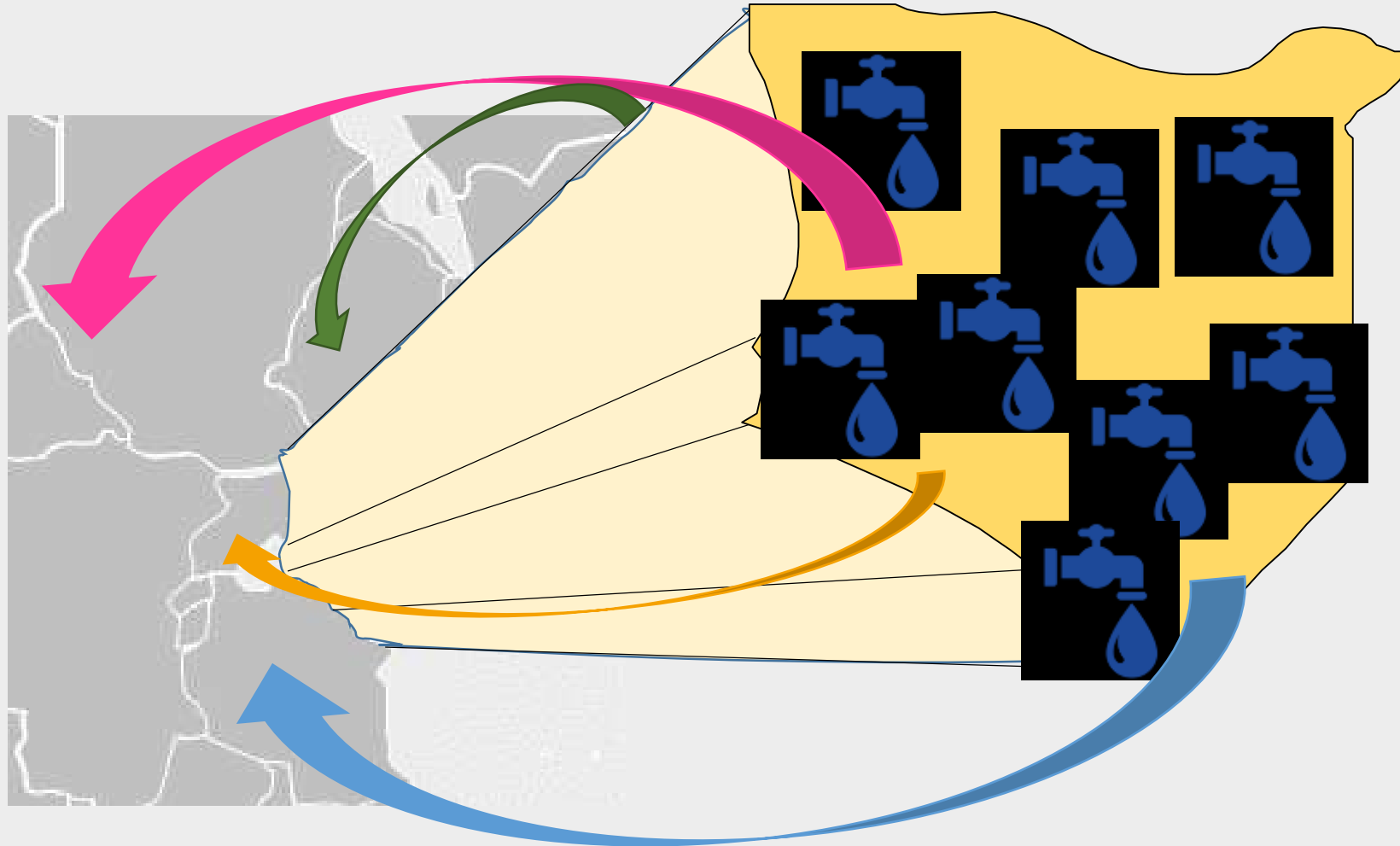


\$2.4m technical and implementation work



30,000 low-income households to gain access to water and sanitation services

SCALING UP

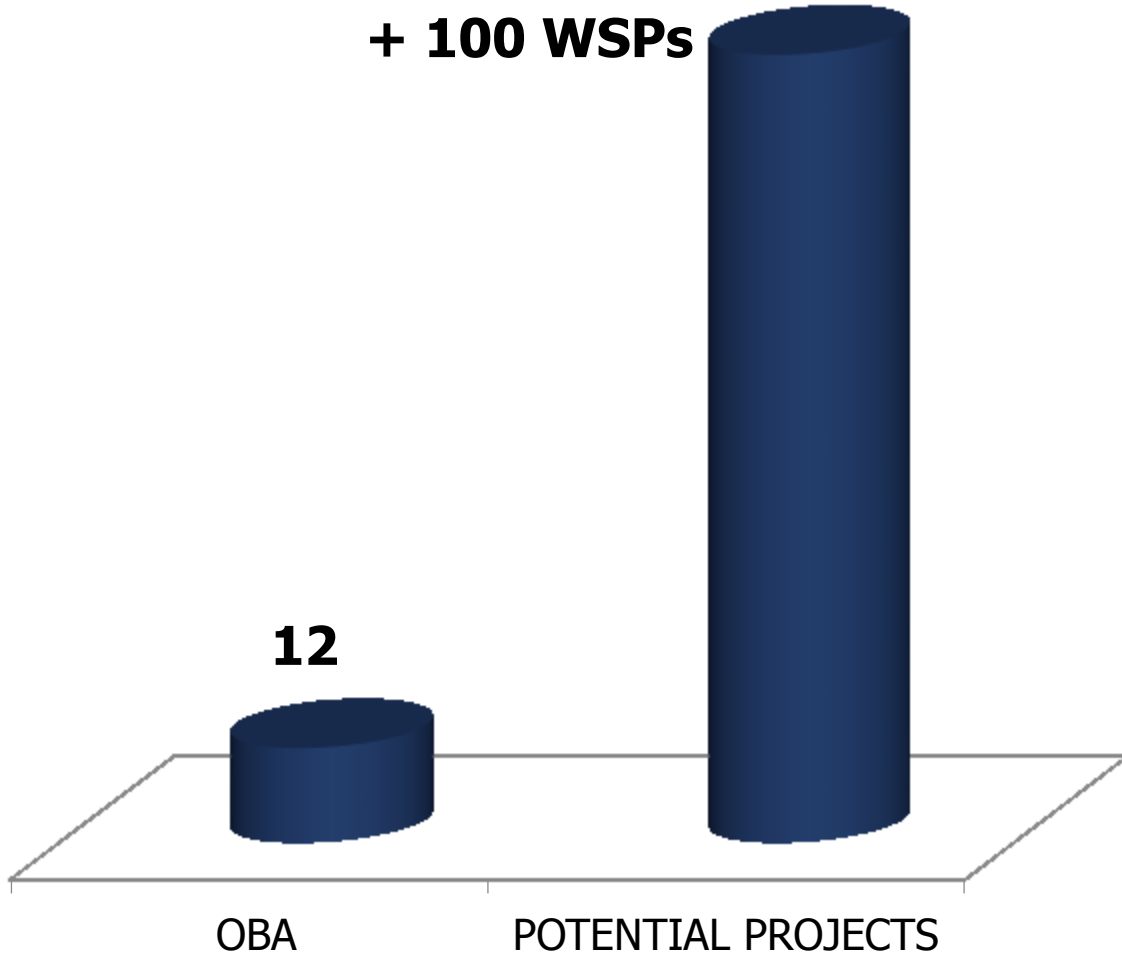


SCALING UP: POTENTIAL PROJECT IN KENYA

KENYA OBA FUND

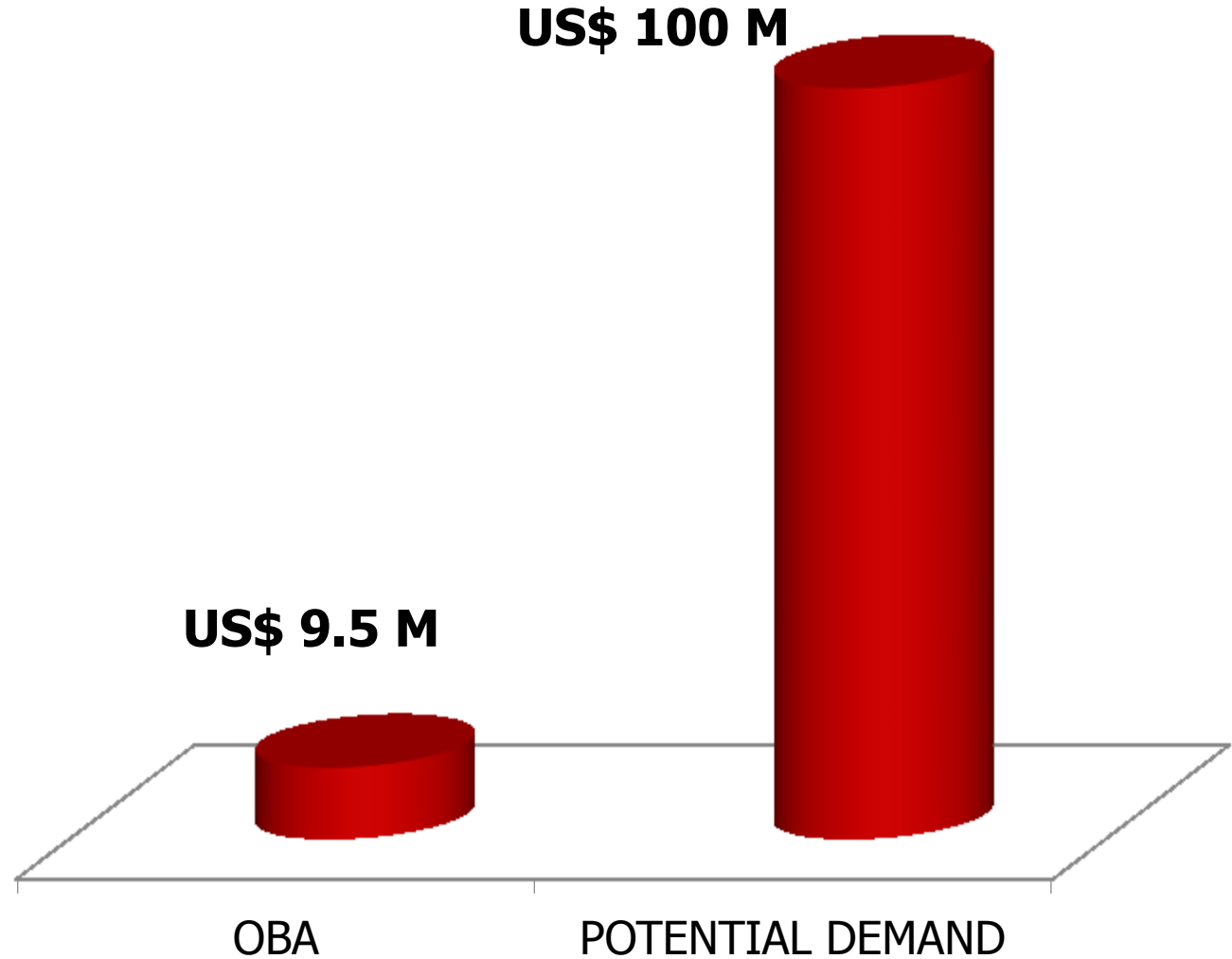
+ 100 WSPs

12



US\$ 100 M

US\$ 9.5 M



INCREASING ACCESS TO WATER AND SANITATION

KENYA OBA FUND

**KENYA
POPULATION**



**46.7
million**

Without Access to:

Clean Water

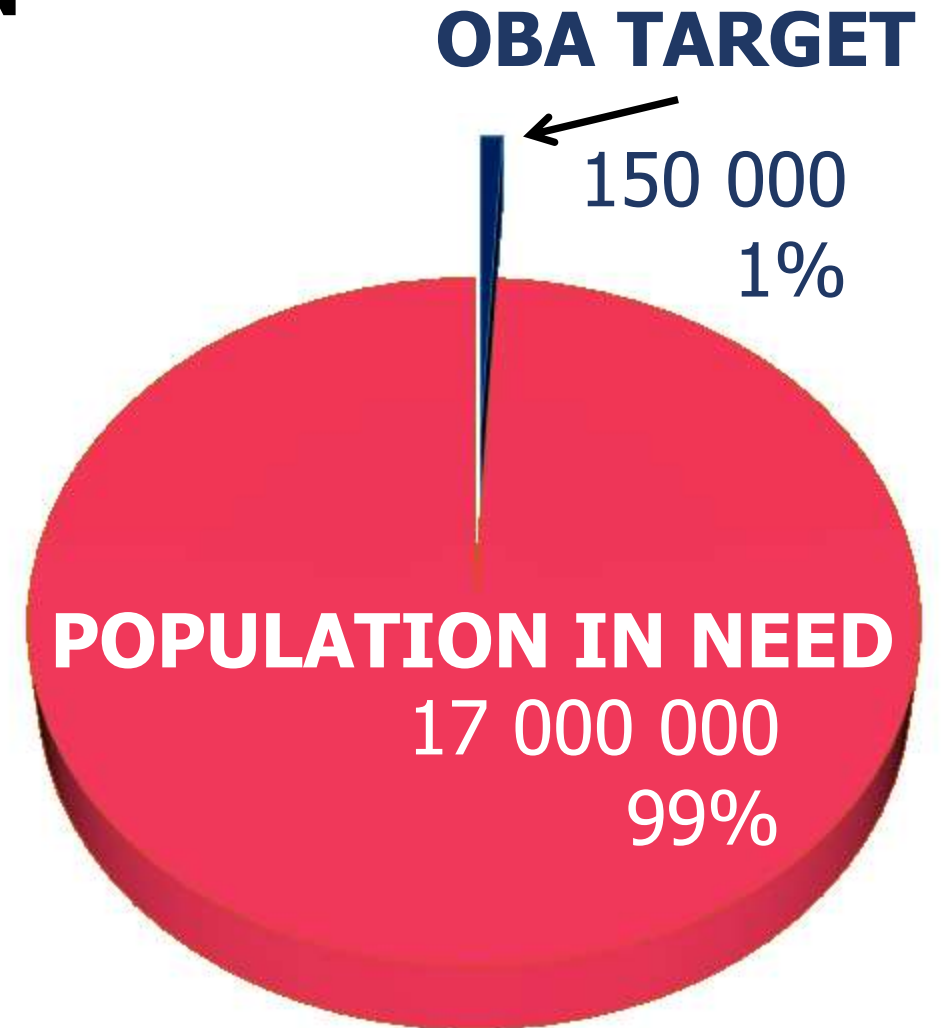


**17.3
million**

Sanitation



**32.7
million**



**According to JMP 2012 Report*