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PRO POOR POLICY

List of Acronyms & Abbreviations

NASF	National Sanitation Fund
KANAWASCO	Kapsabet Nandi Water and Sanitation Company Ltd.
DMMSPs	Delegated Management Model Service Providers
CIDP	County Integrated Development Plan
CoK	Constitution of Kenya
CESHSIPs	County Environmental Sanitation & Hygiene Strategic Investment Plans
GIS	Geographical Information System
HRM	Human Resource Manager
LIA	Low Income Area
LIAM	Low Income Area Manager
LICs	Low Income Consumers
SDGs	Sustainable Development Goals
MoWSI	Ministry of Water, Sanitation and Irrigation
NRW	Non-Revenue Water
WASREB	Water Services Regulation Board
WWDAs	Water Works Development Agencies
WSPs	Water Service Providers
WSTF	Water Sector Trust Fund
JMP	Joint Monitoring Programe
KESHP	Kenya Environment, Sanitation and Hygiene Policy
PPIP	Pro-Poor Implementation Plan
NESHS	National Environment, Sanitation and Hygiene Strategy
NESCRA	National Environment, Sanitation Coordination and Regulatory Authority

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FOREWORD

This policy is formulated to seek intervention in affordability, accessibility and reliability of safe drinking water and good sanitation services in the low income areas under the company's mandate. The policy recognizes that water is a basic human right as enshrined in the Kenya constitution.

Article 43 (d) of Chapter Four of the Constitution stipulates that every citizen has a right to access clean and affordable water. Kapsabet Nandi Water and Sanitation Company Ltd (KANAWASCO) recognizes that in as much as it is a right; measures have been put in place for sustainability of the provision of the services and that without a Pro Poor Connection Policy in place, people may resort to unorthodox means to access the services. This may be through getting supply through illegal connections, illegal siphoning and vandalism of the infrastructure which may compromise the quality of standards.

In addition, the policy seeks to reduce installation costs, eliminate development of spaghetti pipelines and help attain quality workmanship in infrastructure development and maintenance. In the end, this policy seeks to bring about improved planning in the low income areas in terms of infrastructure.

This policy further particularizes how the organization will utilize its resources and skills to provide services to the LIAs and see to it that all residents in these areas are supported to access reasonable standards of water & sanitation.

This document has been developed through joint collaboration with key stakeholders in water sector residents being at the center of it.

Signed

Alfayo Lel
<u>MANAGING DIRECTOR</u>

CHAPTER ONE

1.0 Introduction

1.1 Kapsabet Nandi Water and Sanitation Company Ltd

Kapsabet Nandi Water and Sanitation Company Ltd (KANAWASCO) is a corporate entity incorporated in December 2006 under the Companies Act CAP 486 of the Laws of Kenya by the now defunct Municipal Council of Kapsabet and transferred to the County Government of Nandi after the promulgation of the new constitution. The Company is licensed by the Water Services Regulatory Board (WASREB) to provide water and sanitation services in Kapsabet and Nandi Hills towns.

1.2 Rationale

In view of the summarized national policies, it is KANAWASCO's obligation to extend the provision of water and sanitation services to un(der) served people in the LIAs. The rationale for development of this policy is to have documented and streamlined guidelines for effective development of infrastructure, supply and management of the water and sanitation in the low-income areas. The policy is intended to demonstrate a commitment to long-term pro-poor service provision. It will be used in conjunction with the Commercial Policies and Procedures Manual. Adherence to this policy will help assure maintenance of good service standards to the low-income consumers.

1.3 Goal and guiding principles

In line with the national coverage goal and the overall company's strategic plan, the company commits to undertake pro-poor initiatives in pursuit of the SDGs Goal 6 on water and sanitation working towards universal coverage – water and sanitation for all. Cognizant of the 2010 constitution, which highlights water as a basic human right. KANAWASCO shall pay special attention to the poor with the focus of ensuring they have access to quality drinking water and sanitation services and are not disadvantaged due to their status.

KANAWASCO has been guided by the following principles in formulating this policy:

1. Mainstreamed pro-poor initiatives in KANAWASCO's investments & operations
2. Ensure equity and equality in customer services
3. Operational infrastructure and systems
4. Water & sanitation as a human right
5. Enhance suitable business investments

CHAPTER TWO

2.0 Situational Analysis

2.1 Overview

The water sector in Kenya has undergone a significant sector reform since 2002, which resulted in positive developments. Important progress in water service provision was

Made during the first phase of the sector reforms particularly with the commercialization of water service providers, achievement of operation and maintenance (O&M) cost recovery in the sector and the recognition of utilities' responsibility to provide services to the entire population in their service area, including the unplanned low-income areas (LIAs). However, progress in access to urban water has stagnated during the last years and access to piped sewer networks had declined as well. In Kapsabet and Nandi Hills towns, approx. 35% of the population live in the informal settlements characterized by low access of both water and sanitation services.

2.2 Access to water services.

Access to clean water is a significant indicator of a healthy life yet Vulnerable groups, such as the global poor and people living in crisis-ridden areas, are disproportionately affected by the lack of safe water. In Kapsabet and Nandi Hills towns, the supplies to informal settlements are plagued with many problems most notably is the unplanned nature of the informal settlement resulting in inadequate infrastructure (roads, water, sanitation, sewerage, drainage, and electricity), proliferation of temporary and haphazard building solutions, poor housing, high occupation density, and very low levels of public services. Clean water, adequate sanitation and hygiene are visibly substandard or non-existing altogether in this settlement. Due to this, the urban poor have missed the benefits of clean water.

Kapsabet and Nandi Hills towns' population is estimated at 70,000 of which 35% percent are within KANAWASCOs service area. With 5,890 connections, KANAWASCO actively serves 4,359 on a regular basis i.e. active connection (WASREB Impact Report 15). Majority of the connections are found in middle to upper settlements while only a few are found in the LIAs. It is estimated that over 35 percent of the population in KANAWASCO service area reside in the planned and unplanned informal settlements some of which include Kapng'etuny, Kapsabet Town, Kamobo, Kipsamoo and Tururo among others. Overall access to water within KANAWASCO's service area stands at 30% with the LIAs.

2.3 Access to sanitation services.

WHO/ UNICEF Joint monitoring Programme report of 2017 estimates that globally only 31% of urban resident have access to improved facilities. About 48% use shared facilities including public toilets as well as facilities shared by defined groups of households. While 18% of urban dwellers use unimproved facilities, 4% still practice open defecation. Onsite sanitation is the norm for most urban residents, as less than 20% have access to sewerage services. Transport and treatment services are very poor across all kinds of facilities. Sanitation coverage is at 60%, according to the JMP only 27% of the urban population have access to private improved sanitation. KESH policy points out that the sewer coverage is estimated at 12% out of which only 5% of sewage is effectively treated due to failures of the sewerage system and inadequate wastewater treatment processes. Onsite sanitation services are equally poor. Research has shown that the impact of inadequate sanitation falls disproportionately on women.

In Kapsabet town, 35 percent of the populations have access to improved sanitation (sewerage and onsite sanitation) of which only 7% percent are connected to the sewer network. Statistics on access to sanitation in the settlements is scanty. However, these facilities do not count as providing sustainable access to basic sanitation judging from indicators such as safety, privacy, dignity, and cleanliness. Common sanitation facilities in the settlements are traditional pit latrines with a few septic tanks. When these sanitation facilities are available, they are often shared within a compound and as mentioned, are inadequate in cleanliness, privacy, and safety. The lack of sanitation is worsened by geographical conditions in the settlements, as high-water tables, loose soils and flash flooding during the rainy season lead to the collapse of pit latrines.

2.4 Legal, regulatory and policy framework

2.4.1 Sustainable Development Goals (SDGs)

The 2030 global Agenda established 17 Sustainable Development Goals (SDGs) and 169 global targets, relating to development outcomes and means of implementation, for the period 2015-2030. Of the 17 goals, to increase attention towards water and sanitation issues the SDG 6 was established.

SDG No.6 envisions achievement of universal and equitable access to adequate, safe and affordable drinking water for all and access to equitable sanitation and hygiene for all by

2030 with the commitment to "leave no one behind". This would therefore necessitate priority to disadvantaged groups and eliminate inequalities in water and sanitation services.

The national and county governments of Nandi have since incorporated the SDG doctrines into their planning processes, policies and strategies guided by the Kenyan realities, capacities, levels of development and priorities.

KANAWASCO borrows this inspiration to build on sanitation service to the population of Kapsabet and Nandi Hills through strategic and sustainable approaches especially the low-income areas.

2.4.2 Constitution of Kenya (2010)

Article 43 (Socio-economic rights) of the Constitution of Kenya (2010) acknowledges access to clean and safe water as a basic human right. It assigns the responsibility for water supply and sanitation service provision to the 47 counties. This provision creates the enabling environment for accelerated water and sanitation services through the multi-agency approach as structured in the water act 2016

2.4.3 Water Act 2016

Formulation of the Water Act 2016 to repeal the Water Act 2002 was primarily to provide for regulation, management and development of water resources and water and sewerage and related services as envisaged in the constitution of Kenya, 2010. The act recognizes the objective of devolution of water and sanitation related functions to be a shared responsibility between the national government and the county government, and to be administered as guided by the principles and values laid out in Articles 10,43, 60 and 232 of the Constitution.

The Water Act established a correspondent new structure of administration of water related services under the Ministry of Water & Sanitation and Irrigation (MoWSI), which include the water Resources Authority, National Water Harvesting and Storage Authority, the Water Services Regulatory Board (WASREB), the Water Sector Trust Fund (WSTF) and the Water Tribunal.

The Water Act 2016 mandates the county governments to establish water utilities, which operate as guided by the service provision agreements with WASREB. Water Utilities are responsible for efficient and sustainable provision of water services to fulfil the rights to water and sanitation services envisioned in the constitution of Kenya (2010).

2.4.4 Kenya Vision 2030

Under the Social Pillar, the Vision 2030 (1.2.3) blueprint stipulates that 'every Kenyan should have access to clean safe water and improved sanitation by the year 2030'. As mandated by the Water Act 2016 and detailed in the service provision agreement with WASREB, KANAWASCO acknowledges its responsibility to deliver on the right to basic water services engrained in the Constitution of Kenya (CoK) and aligned to the vision 2030.

2.4.5 National Water Policy 2013

This policy considers requirements of the new Constitution of Kenya 2010 (CoK, 2010), water body as public land and the right to water by all; the Kenya Vision 2030; the Sustainable Development Goals and other national policies and Strategies. As per the policy the swift realization by the constitution of Kenya 2010 of rights to water, for urban setting this is only possible with a pro-poor focus for the urban low-income areas where access to formalized water supply services is often as low as 20%. In areas where population density is above 400 people per km^2 urban water supply technology, infrastructure and management are needed regardless of administrative boundaries and classification of areas by the census rural or urban. Ensuring access to rights will need the enforcement, monitoring and reporting of standards for all.

The notable failures and challenges in urban water supply are: inadequate water supply services resulting from non- satisfied demand among people living in the urban low-income areas.

As per the policy all relevant public sector institution and each WSP shall progressively enhance the rights to safe, reliable and affordable water and sanitation for all (100% service coverage by 2030) while educating the public on their responsibility to pay for the services and protect the infrastructure. This entails more investments in infrastructure targeting the low-income areas, so as to replace informal service provision (like cartels) with formalized/controlled services. WSPs shall establish organizational structures for the management of infrastructure in the low-income areas. The policy requires that the county water structure and the WSPs report progress on rights for each underserved and low-income area and ensure that delegated management approaches do not infringe rights.

2.4.6 Pro Poor Implementation Plan for Water & Sanitation (2007)

The Pro-Poor Implementation Plan for Water Supply and Sanitation (PPIP) sets out the actions which need to be undertaken by water sector institutions, water and sanitation service providers, development partners and civil society among other stakeholders to streamline their actions towards a national approach aiming to achieve the sustainable development goals (SDGs) for water and sanitation.

2.4.7 The Kenya Environmental Sanitation and Hygiene Policy 2016-2030 (KESHP)

The KESH policy envisages a clean, healthy and economically prosperous population free from sanitation and hygiene related diseases and seeks to ensure universal access to improved sanitation, clean and healthy environment by 2030. It stresses on increased public and private sector investment through public-private partnerships. It articulates and details roles and responsibilities of stakeholders and institutions involved in the sanitation sector, and highlights the national and county Governments' pledge to dedicate resources in sanitation and creating an enabling environment.

The Policy promotes formation of the National Environmental Sanitation Coordination and Regulatory Authority (NESCRA) and the National Sanitation Fund (NASF). A National Environmental Health and Sanitation Bill and county environmental sanitation and hygiene strategic and investment plans (CESHSIPs), and a national environmental sanitation and hygiene strategy (NESHS), would also be prepared to ensure its effective implementation.

It proposes eight strategies: Scaling up access to improved rural and urban sanitation, Assuring clean and healthy environment free from public nuisances, Fostering private sector participation and investment in sanitation, Building governance and leadership capacity for sanitation, Sustainable financing and investment for sanitation, Building enabling legal and regulatory environment, Establishing an effective research and development framework for sanitation and Strengthening monitoring and evaluation systems for the sanitation sector.

The policy measures embrace the principles that impact on access to improved environmental sanitation and hygiene services and a clean and healthy environment such as the recognition of a clean and healthy environment and sanitation as human rights, community-led total sanitation, gender responsiveness and social inclusion, and the polluter pays.

This policy has been borrowed in development of the Nandi County Environmental Sanitation and Hygiene Policy which would guide KANAWASCO in executing its mandate in water and sanitation services provision

2.4.8 Nandi County Integrated Development Plan

The Nandi CIDP is a strategic document that highlights the Nandi County baseline situation analysis and highlights the county plans which would promote enjoyment, protection and fulfilment of socio-economic rights in Nandi County. It profiles the County, its administrative units, the planned periodic projects, projected resources requirement during the period under focus, and how to bridge the resource gap. The CIDP focuses on water and sanitation, land and housing, education and health, which majorly have a significant impact on marginalized groups living in the informal settlements of Kapsabet and Nandi towns.

CHAPTER THREE

3.0 Pro-Poor Policy Framework

3.1 The policy context

KANAWASCO shall play a direct and interventional role in the provision of service in low-income areas. These are areas in which low-income earners and / or squatters live but still require safe, reliable, affordable and sustainable access to safe drinking water and basic sanitation.

3.2 Policy objective

The objective of the pro-poor policy is to:

1. Improve safe water coverage in LIA's by 5% annually.
2. Increase improved sanitation coverage by 2% per annum in the LIA's.
3. Reduce NRW in low-income settlement.
4. Enhance primary and secondary stakeholder participation in WaSH activities and project ownership by beneficiary communities
5. Improve corporate image and reputation of the Company.
6. Develop a comprehensive baseline survey on WaSH to determine need and service provision
7. Develop modalities for operation of the sub-units and sub-task forces; where and when one becomes necessary to be established

3.3 Policy scope

The pro-poor policy seeks to guide and coordinate company-wide efforts in provision of water sanitation services in LIAs

3.3.1 Reference document

1. The constitution of Kenya
2. Vision 2030
3. Water Act 2016
4. National Environmental Sanitation and Hygiene Policy
5. The National Water Services Strategy
6. The Pro Poor Implementation Plan for Water and Sanitation
7. Nandi County Integrated Development plan
8. Nandi County Environment Sanitation and Hygiene Policy

9. Legal notices/Letters
10. Tariff policy
11. Customer Service Charter

3.3.2 Related Policies

This policy is related to other policies within the Commercial Policies and Procedures Manual (CPPM), as well as the company's technical services policies.

3.4 Responsibility / Accountability

The overall responsibility of implementing the pro-poor policy lies on the Head of Commercial Services/ Low Income area Manager. However, responsibility for the day-to-day implementation of this policy rests on the Pro-poor LIA manager.

3.5. Implementation framework

NO	OBJECTIVE	POLICY ACTION
1.	Improve safe water coverage in LIA's by 5% annually	1. The company shall ensure increased access and coverage to water in the LIAs
		2. The company shall adopt appropriate technologies for water service provision in the LIAs
		3. The company shall develop and adopt pro-poor specific policies and strategies aimed at improving water services within the LIAs.
2.	Increase improved sanitation coverage by 2% per annum in the LIA's	1. The company shall ensure increased coverage and access to sanitation within the LIAs
		2. The company shall demonstrate the use of advanced sanitation technologies
		3. The company shall develop appropriate sanitation service provision models in the LIAs
3.	Reduce NRW in low-income settlement	1. The company shall ensure enhanced capacities of service providers in the LIAs
		2. The company shall ensure mapping of all the LIAs within its service area.
		3. The company shall regulate water and sanitation service provision within the LIAs.
4.	Enhance primary and secondary stakeholder participation in WaSH	1. The company shall enhance community participation on projects implemented within the

	activities and project ownership by beneficiary communities	LIAs for sustainability purposes
		2. The company shall promote stakeholder engagement within the water and sanitation sphere.
5.	Improve corporate image and reputation of the company	1. The company shall capacity build and brand all DMMSPs engaged under the PPP in the LIAs
		2. The company shall have service provision agreements with all DMMSPs within the LIAs
6.	Develop a comprehensive baseline survey on WaSH to determine need and service provision	1. The company shall create a database of all the customers both in water and sanitation within the LIAs.

CHAPTER FOUR

4.1 Planning

The company shall prepare an annual work plan and budget for each strategic theme and develop internal progress reports to document and share progress towards objectives. Data and information collected from the M & E process will be used to make decisions on any changes in approach and methodology in implementation of the following year's action plan.

The pro-poor strategy will be reviewed periodically in line with the overall companys strategic plan review so as to ensure that necessary changes in the objectives, strategies, activities among others are informed by new information regarding the Company or the environment.

4.2 Human Resource & Capacity Development

KANAWASCO shall have a dedicated pro-poor section within the company's organization structure with dedicated staff. Where necessary, the section shall be supported by other skill sets such as finance, human resources and legal drawn internally from cross-cutting departments. the Pro-Poor Section will require facilities and equipment. The full extent of the requirements will be based on a detailed capacity needs assessment and or annual investment plan. However, priority facilities such as office space, pieces of furniture, computers and computer accessories, stationery as well as a means of transport shall be provided presently at the onset.

4.2 Financing Pro-poor function

The policy will be resourced from both internal and external sources. The range of financing options for pro-poor investment shall include sources set out in table 4.1.2. Before commencement of each financial year, the Pro-poor Section shall prepare annual investment plan that cover projections of Capital Expenditures (CAPEX) and Operation and Maintenance Expenditures (OPEX) as well as their sources of financing.

4.2.1 Sources of Financing

Sources of Funds	Type of Funding	Policy Actions
Internal	Internal Budget Allocation	Ensure that pro-poor initiatives are planned and allocated the requisite annual budget based on internally generated funds from sales realized on approved tariff structure
		Ring-Fencing of Funds

		Ensure funds collected for pro-poor initiatives are ring-fenced and re-invested to implement planned activities through establishment and maintenance of pro-poor customers account
External	Development Grants	Utilise grant financing as appropriate through the CGN and/or development partners.
		Debt/loans
		Utilise debt financing or concessional loans where justified based on business case
		Development Partners
		Source for funding from development partners, NGOs or private sector players with aligned interests towards the company's pro-poor strategies
		Water Sector Trust Fund (WSTF)
		Apply for funding to the WSTF in accordance with the Water Act, 2016
		Community Contributions
		Allow the community members to participate in water and sanitation connection activities through in-kind or cash contributions

4.3 Delivery Approach

The Company will continue to use multifaceted approach to fulfil the objectives of this Policy. The main service delivery approaches currently in operation and which will be adopted and adapted for the pro-poor service delivery are Direct Supply (DS), Delegated Management Approach (DMA) and Public-Private Partnerships (PPPs).

4.3.1 Main Service Delivery Approaches

Delivery Approach	**Policy Actions**
Direct Supply or Connection	Directly provide water and sanitation services to the pro-poor areas.
Public Private Partnerships (PPP)	Sign agreement contracts with alternative service providers along the water and sanitation value chain in accordance with the Water Act 2016 and other governing regulations to increase affordability, maintain standards, improve profitability, ensure effective operations and maintenance, and generate revenue for servicing debt.

CHAPTER FIVE

5.0 Performance Measurements

5.1 Reporting

Based on performance targets and contracts entered into with the Pro-poor Coordinator and other key staff with pro-poor responsibilities. The departmental head and the Pro-poor Coordinator will agree on performance targets for each year, which will become part of institutional performance appraisal system. The targets will be drawn from the implementation plan of this strategic plan. Whilst the Pro-poor Coordinator has the overall coordination function for the implementation of the policy. The pro-poor concept will be streamlined throughout the WSP. This implies that other activities that are assigned to other departments will be engrained in the performance targets of the relevant departments, appraised and reported on by their heads.

5.2 Monitoring

Monitoring of the Policy implementation will be undertaken continuously through internal inspections and spot audits to provide the management and other stakeholders with regular feedback on the progress and facilitate action learning. Policy implementation reporting will be undertaken quarterly, annually and upon evaluation and review. Quarterly reporting will be through progress reports while annual reporting will be through performance review reports as guided by regulator's performance indicators.

5.3 Programme Reviews and Evaluation

This policy shall be subjected to annual Programme reviews. Policy evaluation shall be undertaken every three (years) to coincide with the updating of the pro-poor mapping data. The objective evaluation of this Policy will be to assess relevance, effectiveness and impact.

Evaluation shall also have the objective of documenting lessons learned. Such an evaluation will be undertaken by an external professional knowledgeable in pro-poor matters. The results of the evaluation will be used to update or redesign the pro-poor interventions.

5.4 Validity of the Policy

This policy shall be valid from the date of inception but shall be reviewed after every 2 years.

APPROVAL OF THE POLICY

Approved on ....Day of.........................20.........

Name: ....

Signature: ....

Board Secretary / Managing Director

Approved on ....Day of.........................20.........

Name: ....

Signature: ....

KANAWASCO Board Chairperson