

# Sustainably expanding sanitation services to the urban poor

Demand for Sanitation in Kenyan Urban Slums (DSKUS) IE



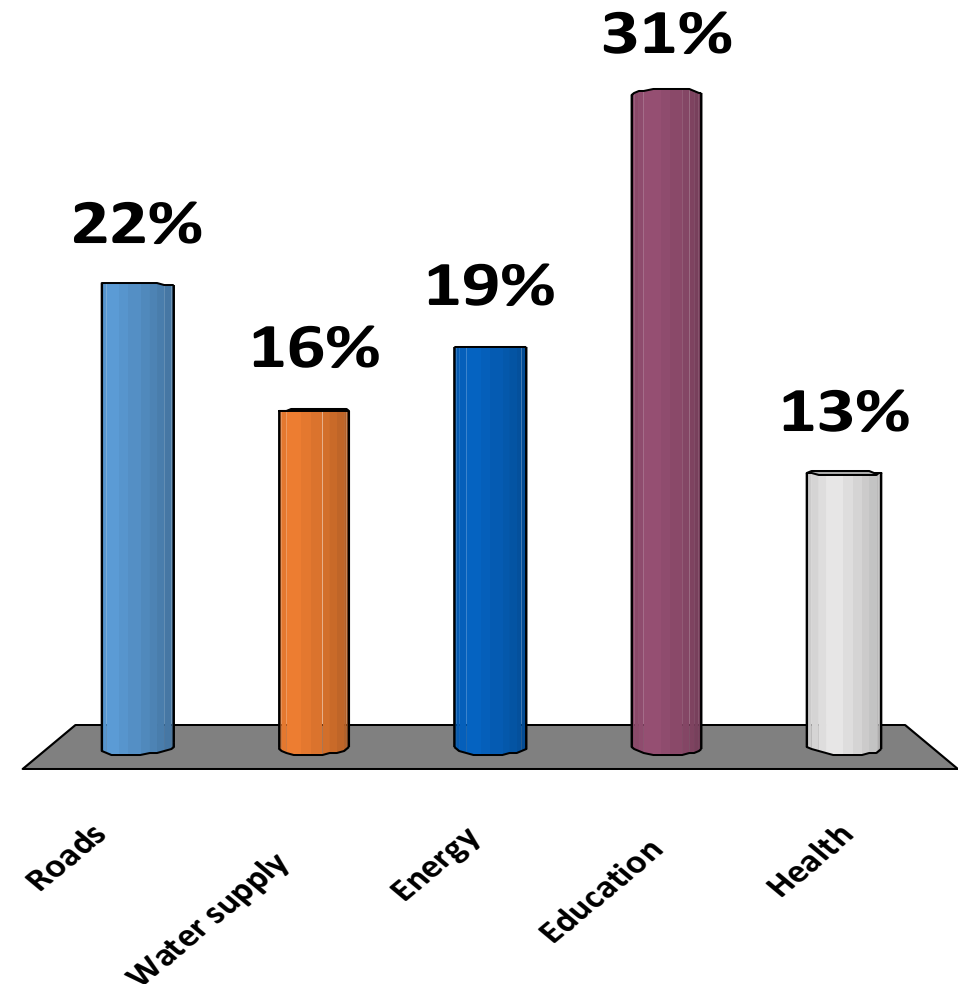
Kenya Evidence Forum - June 14, 2016

Using Evidence to Improve Policy and Program Designs



What is the most important sector to invest in to generate the biggest impact for the Kenyan economy?

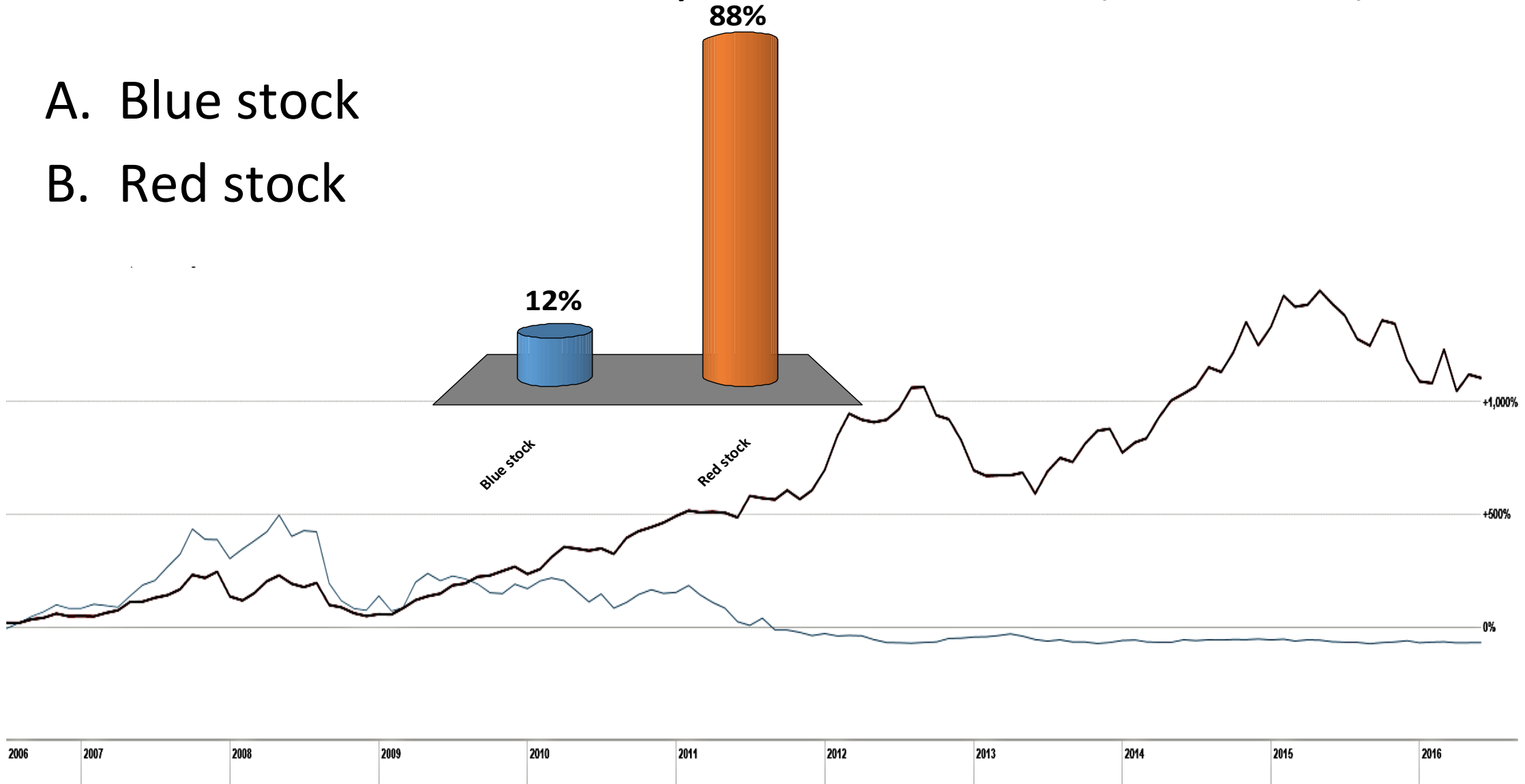
- A. Roads
- B. Water supply
- C. Energy
- D. Education
- E. Health



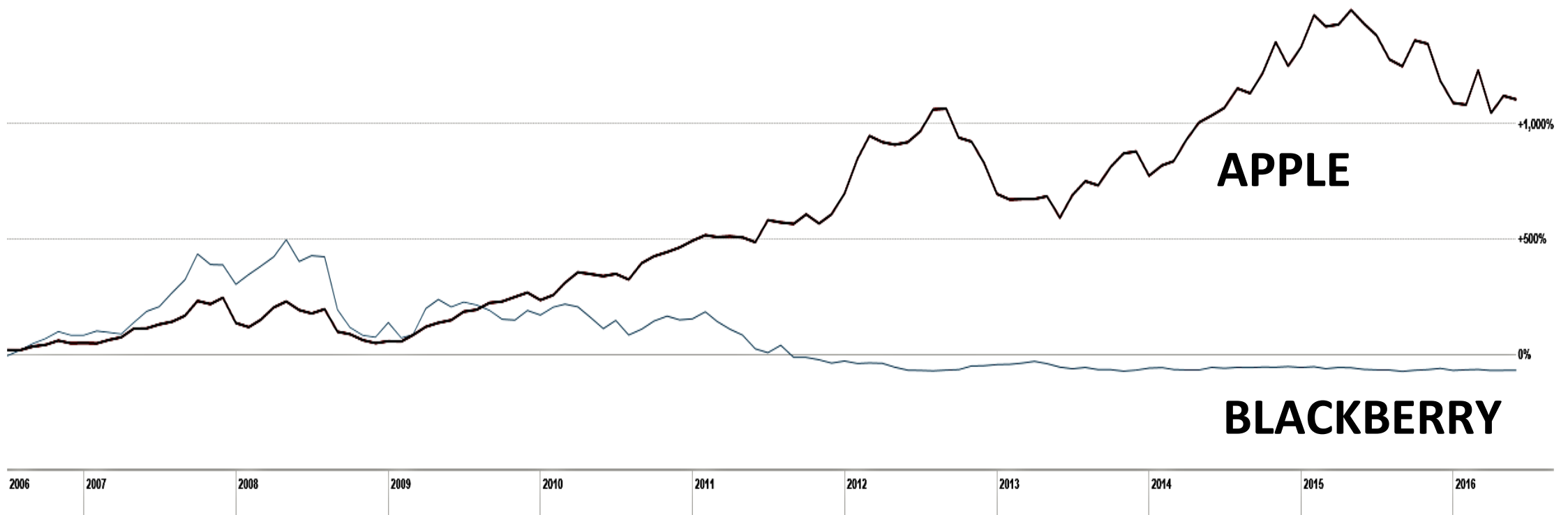
# Which stock would you invest in (in 2006)?

A. Blue stock

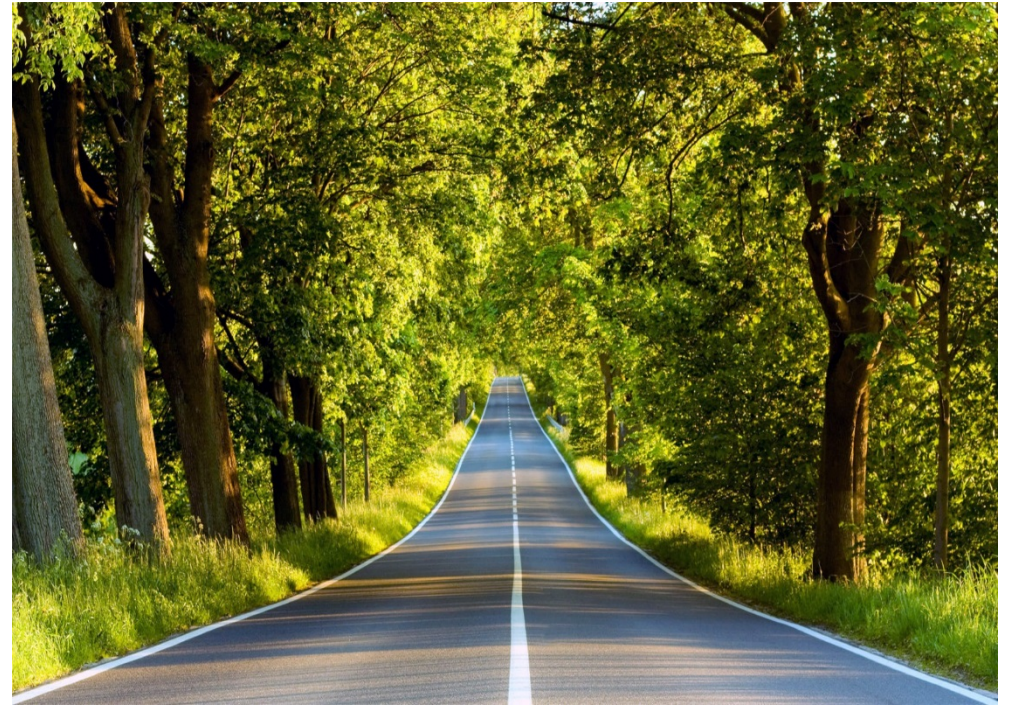
B. Red stock



# Which stock would you invest in (in 2006)?



# What are we building?



## It's not what we do but how we do it that counts

# Expanding services in urban informal settlements

## **The origin**

Global DIME workshop held in Naivasha in 2012

## **The partners**

Nairobi City Water and Sewerage Company

Athi Water Board

## **The project**

427 million USD investment to improve water supply in Kenya

## **The problem**

Households responsible for 'last mile' connections, but willingness to pay is often less than cost

# Research questions

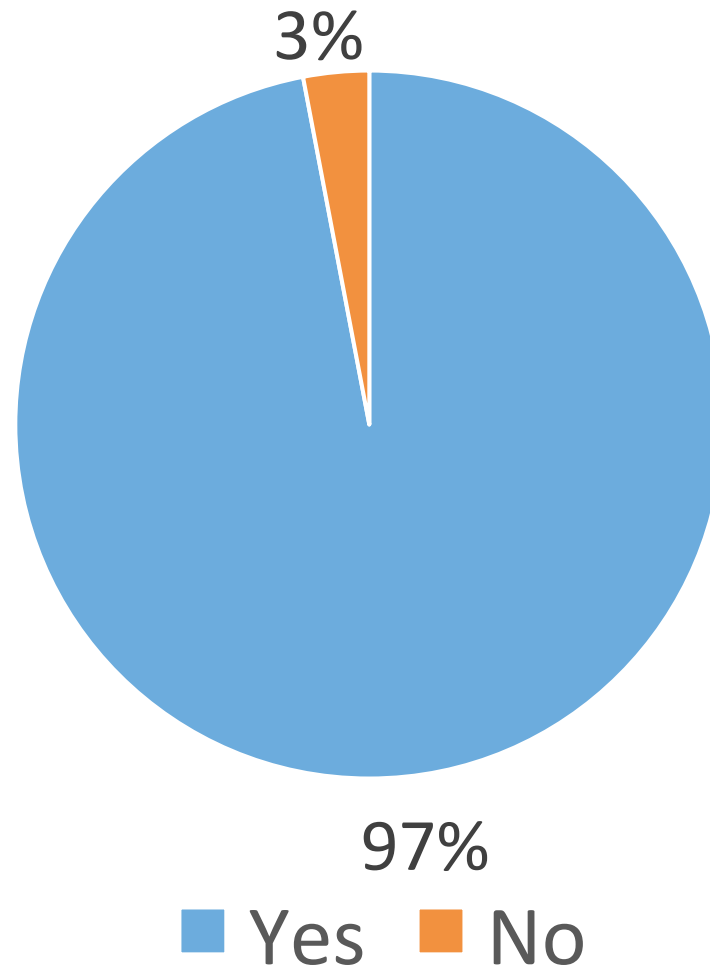
- Who connects and at what price?
  - Help optimize the targeting and amount of subsidies
- What are the impacts of providing sewerage connections to households?
  - How does it affect rent, migration, health, general satisfaction?

# Operational Question

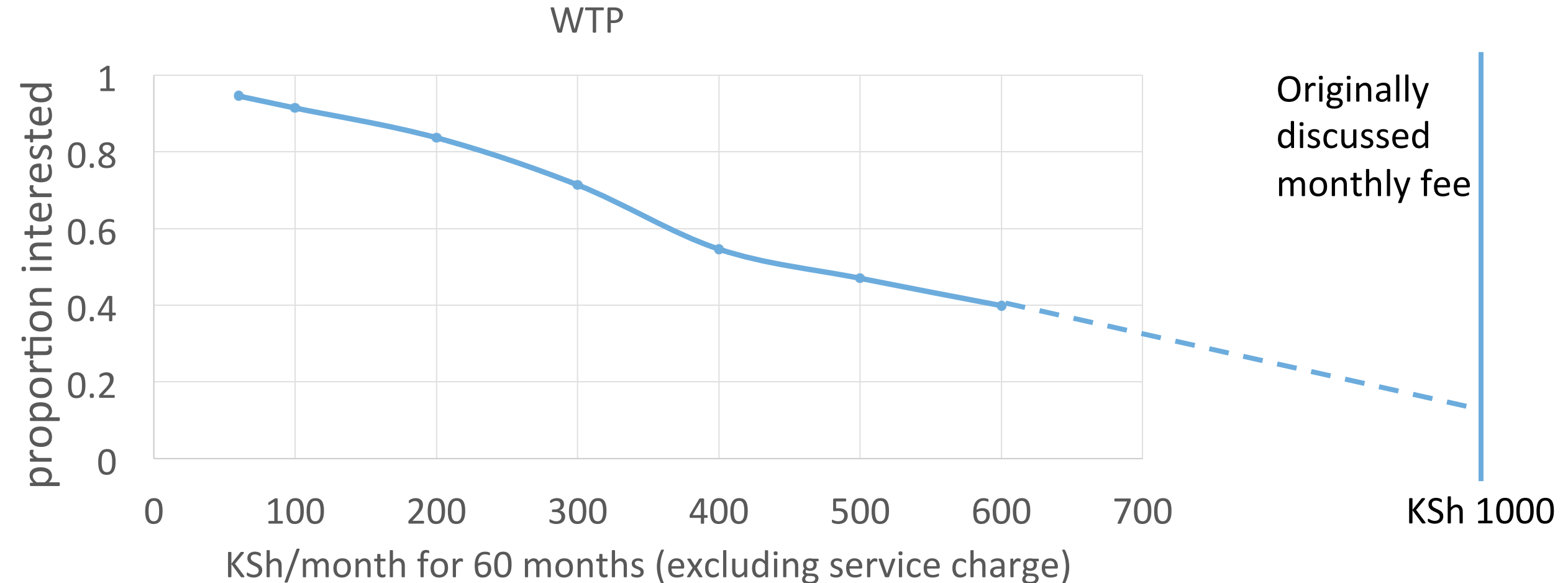
- What should NCWSC set their base subsidy level at?
  - At what price will people connect?
  - Will those that connect actually pay back monthly fees?

What price will landlords connect at?

# Landlord plans to connect to sewerage



...but willingness to pay varies a lot



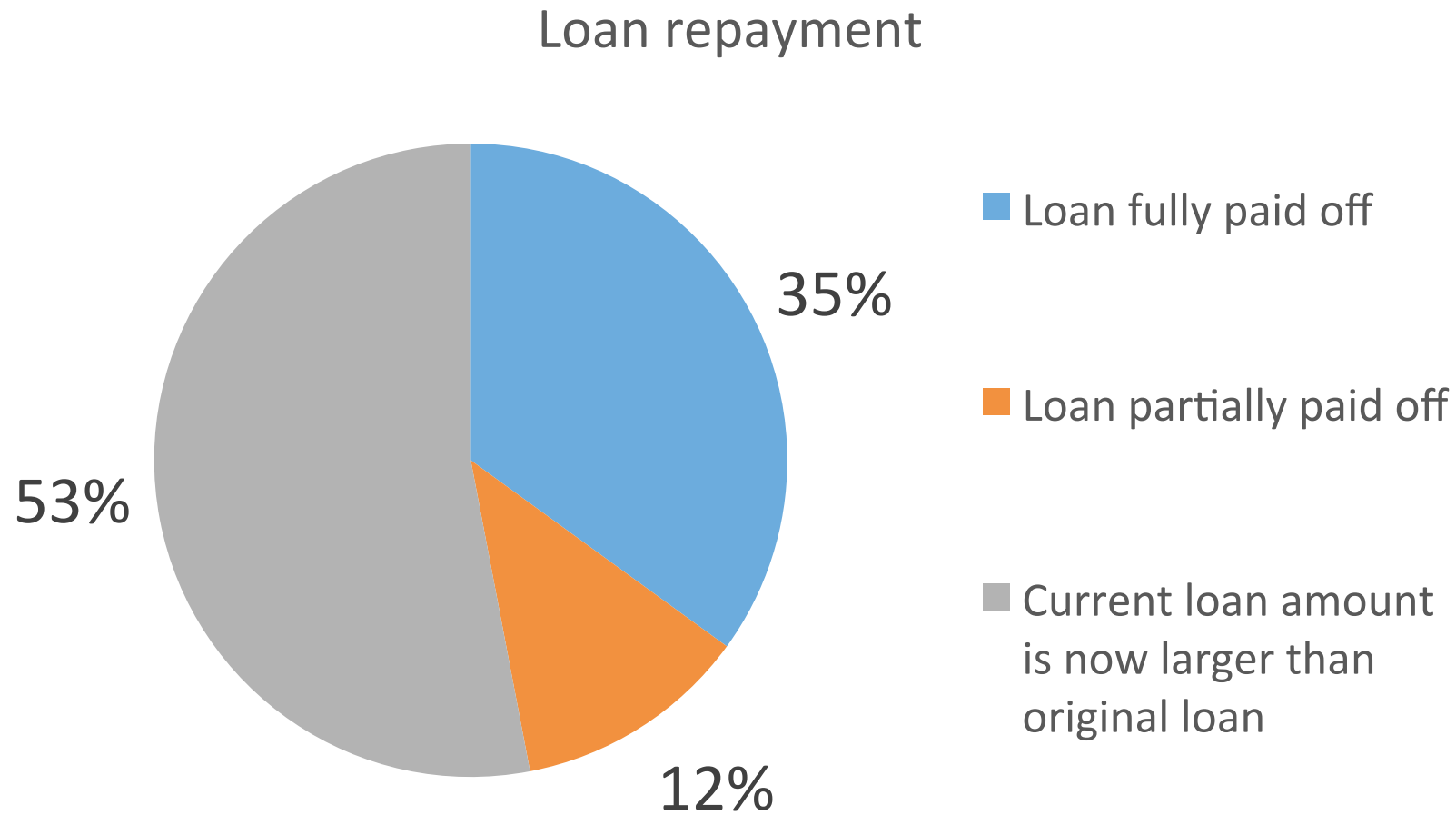
Who is going to pay and how often?

# Overall loan balance for water is reducing

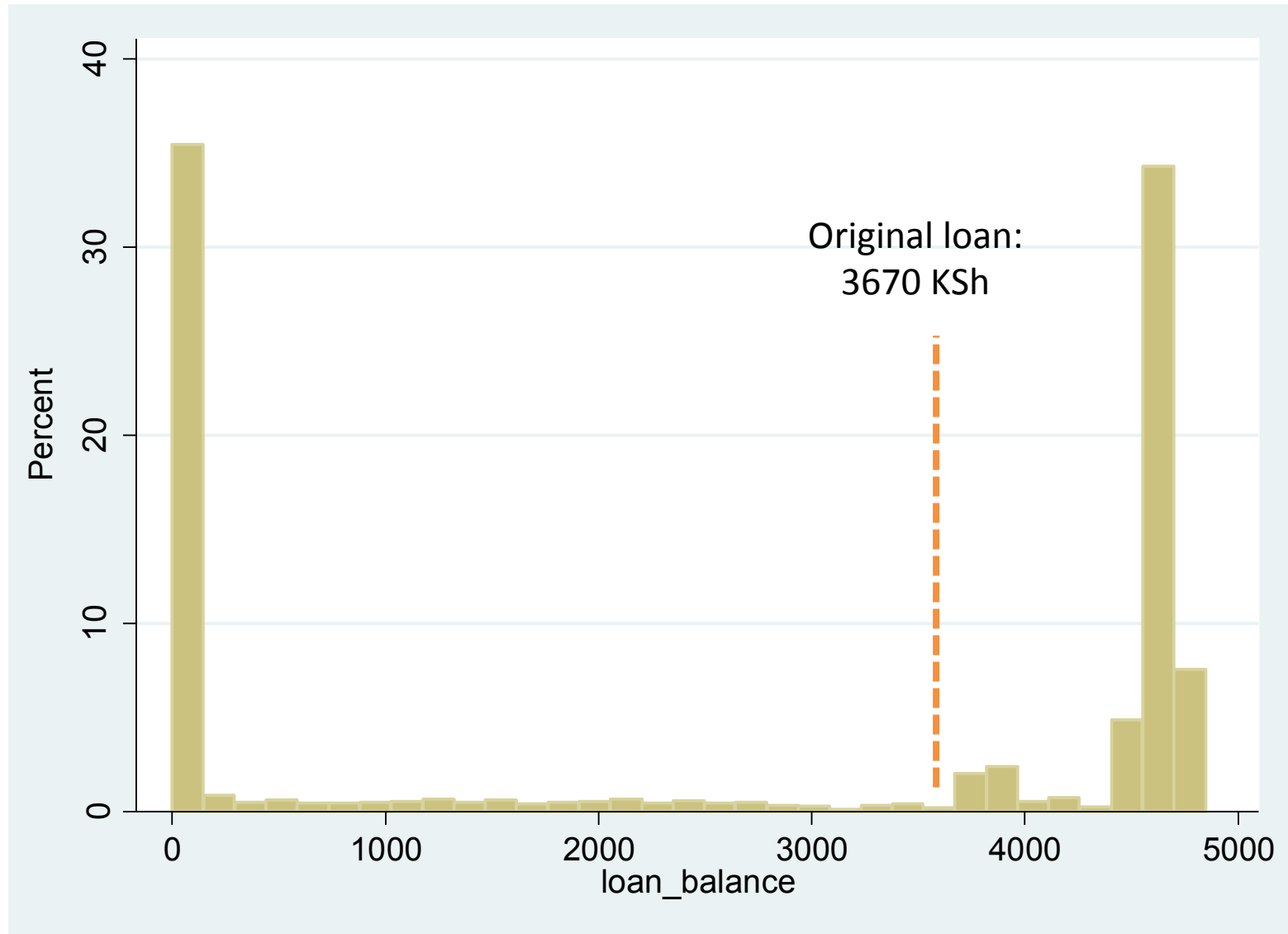
Loan amount: 3670 KSh

Current balance (average): 2623KSh

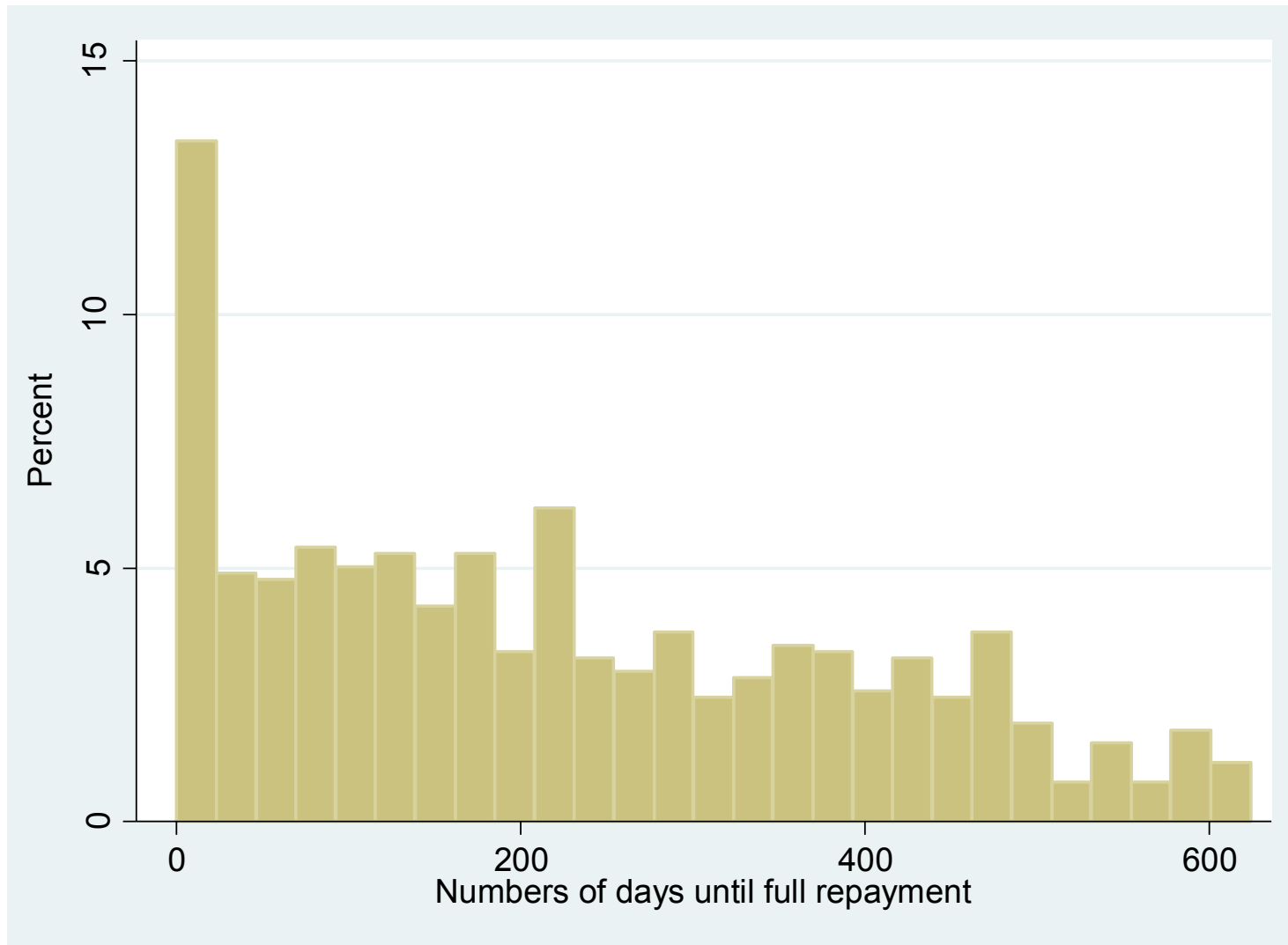
But...history of loan repayment for water shows  
many people paying off completely with others  
accumulating debt



# Distribution of current loan balances



# Repayment time (for those fully repaid)

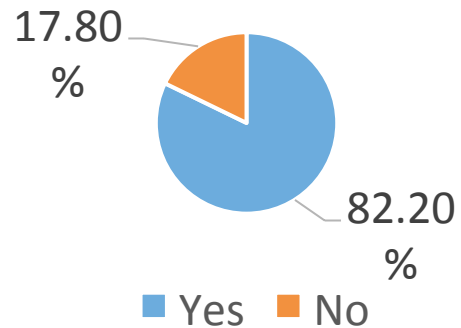


# Next steps

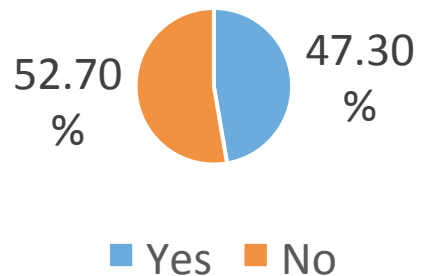
- Repayment model has been restructured
  - Lower monthly fees (KSh 450), but also include an upfront deposit
- Tenant survey ongoing
- Randomly offer landlords “medium” and “high” subsidies to connect
  - Measure the impact on connection rates and understand *who* is connecting
  - Follow up survey (end 2017) to measure impacts of connection on rental rates, migration, health, etc.

# The setting: Kayole Soweto, Nairobi

Compound has rental dwellings



Landlord is resident in the compound



Number of households per compound

