



## Kenya Urban Water and Sanitation OBA Fund for Low Income Areas (P132979)

AFRICA EAST | Kenya | Water Global Practice |  
 Recipient Executed Activities | Investment Project Financing | FY 2015 | Seq No: 12 | ARCHIVED on 26-Nov-2020 | ISR44252 |

Implementing Agencies: Water Services Trust Fund, Republic of Kenya

## Key Dates

## Key Project Dates

Bank Approval Date: 13-Nov-2014

Effectiveness Date: 03-Dec-2014

Planned Mid Term Review Date: 31-Mar-2017

Actual Mid-Term Review Date: 02-Mar-2017

Original Closing Date: 30-Jun-2018

Revised Closing Date: 30-Nov-2020

## Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The project development objective is to increase the number of people in low income areas with access to improved water supply and sanitation services in Kenyan towns and cities. This objective will be realized by incentivizing urban Water Services Providers to invest in water supply and sanitation improvement subprojects to benefit households in low income areas by applying one-off Output-Based Aid subsidies to make water and sanitation access affordable.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

## Components Table

Name

Implementation Support for project management, subproject preparation and supervision, and to contract an independent verification agent:(Cost \$2.55 M)  
 Output-Based Aid subsidies for water and sanitation subprojects:(Cost \$8.56 M)

## Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	<input type="checkbox"/> Moderately Satisfactory	<input type="checkbox"/> Satisfactory
Overall Implementation Progress (IP)	<input type="checkbox"/> Moderately Satisfactory	<input type="checkbox"/> Satisfactory
Overall Risk Rating	<input type="checkbox"/> Substantial	<input type="checkbox"/> Moderate

## Implementation Status and Key Decisions

**A. Background.** The Kenya Water and Sanitation OBA Fund for Low-Income Areas incentivizes Kenyan water service providers (WSPs) to extend water and sanitation services to low-income areas using a blended financing model of commercial loans from domestic lenders on market terms and results-based grants from the World Bank. WSPs also receive technical assistance to support sub-project preparation and implementation, including development of bankable proposals to secure commercial loans.

**B. Status.** Under Component 1, the project has helped nine WSPs to prepare bankable proposals for financing, providing US\$2.5 million for technical assistance (TA) and project management activities, including the hiring of an independent verification agent. Under Component 2, eight WSPs signed loan agreements with three commercial banks to finance nine sub-projects, and US\$14.3 million of commercial loans were utilized by



the WSPs to implement the subprojects. The project is an important example of maximizing finance for development in the water sector. It has helped improve the enabling environment for private finance by blending output-based subsidies with commercial loan finance from domestic lenders, assisting the Government of Kenya in achieving its Vision 2030 goals.

The project has completed works across all subprojects and achieved total connections of 23,238 household water and sanitation connections and 40 public water connections. These represent 104 percent and 100 percent of end of project targets, respectively. These cumulative connections are providing 124,763 people with access to clean water and sanitation (104 percent of end of project target). The project is expected to reimburse the WSPs results-based grants of US\$8.6 million based on outputs achieved.

The implementing agencies were quick to respond to the COVID-19 crisis, putting in place enhanced health and safety measures including through the provision of appropriate personal protection equipment for workers and installation of handwashing stations on all subproject sites. Verification protocols were adopted to the COVID situation through the use of remote verification techniques, relying on project engineer site reports and contacting beneficiaries by telephone.

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	--	☐ Moderate	☐ Moderate
Macroeconomic	--	☐ Moderate	☐ Moderate
Sector Strategies and Policies	--	☐ Moderate	☐ Moderate
Technical Design of Project or Program	--	☐ Moderate	☐ Moderate
Institutional Capacity for Implementation and Sustainability	--	☐ Moderate	☐ Moderate
Fiduciary	--	☐ Substantial	☐ Moderate
Environment and Social	--	☐ Substantial	☐ Moderate
Stakeholders	--	☐ Substantial	☐ Substantial
Other	--	☐ High	☐ Moderate
Overall	--	☐ Substantial	☐ Moderate

Results

PDO Indicators by Objectives / Outcomes

Number of people in urban areas provided with access to Improved Water Sources under the project				
▶ People provided with access to improved water sources (Number, Corporate)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	54,573.00	84,408.00	81,000.00



Date	05-Sep-2014	02-Apr-2020	13-Nov-2020	30-Nov-2020
<input type="checkbox"/> People provided with access to improved water sources - Female (RMS requirement) (Number, Corporate Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	27,287.00	42,204.00	40,500.00
<input type="checkbox"/> People provided with access to improved water sources - urban (Number, Corporate Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	54,573.00	84,408.00	81,000.00

Number of people in urban areas provided with access to Improved Sanitation under the project				
<input checked="" type="checkbox"/> People provided with access to improved sanitation services (Number, Corporate)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	40,355.00	39,500.00
Date	05-Sep-2014	07-Dec-2018	13-Nov-2020	30-Nov-2020
<input type="checkbox"/> People provided with access to improved sanitation services - Female (RMS requirement) (Number, Corporate Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	20,178.00	19,750.00
<input type="checkbox"/> People provided with access to improved sanitation services - urban (Number, Corporate Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	40,355.00	39,500.00

**Overall Comments**

The project ended up surpassing its revised targets (revised due to dropped subprojects for which funds were cancelled). In total, the project achieved 23,238 household water / and or sewer connections and 40 public water connections (104 percent and 100 percent of end of project targets, respectively). These are providing 124,763 people with access to clean water and sanitation (104 percent of end of project target).

**Intermediate Results Indicators by Components**

Output-Based Aid subsidies for water and sanitation subprojects
<input checked="" type="checkbox"/> New household sewer connections constructed under the project (Number, Custom)



	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	8,071.00	7,906.00
Date	15-Jul-2013	07-Dec-2018	13-Nov-2020	30-Nov-2020
<b>► New piped household water connections that are resulting from the project intervention (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	9,200.00	15,167.00	14,500.00
Date	15-May-2014	02-Apr-2020	13-Nov-2020	30-Nov-2020
<b>► Improved community water points constructed or rehabilitated under the project (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	40.00	40.00	40.00
Date	15-May-2014	07-Dec-2018	07-Dec-2018	30-Nov-2020

Implementation Support for project management, subproject preparation and supervision, and to contract an independent verification agent				
<b>► Number of water utilities that the project is supporting (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	10.00	10.00	8.00
Date	15-Jul-2013	07-Dec-2018	07-Dec-2018	31-May-2020
<b>► Local private capital mobilized (Amount(USD), Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	12.50	12.50	12.50
Date	15-Jul-2013	02-May-2019	02-May-2019	31-May-2020
<b>► Number of utilities accessing commercial loans (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	8.00	8.00	9.00
Date	15-Jul-2013	02-Apr-2020	02-Apr-2020	31-May-2020

**Performance-Based Conditions**



**Data on Financial Performance**

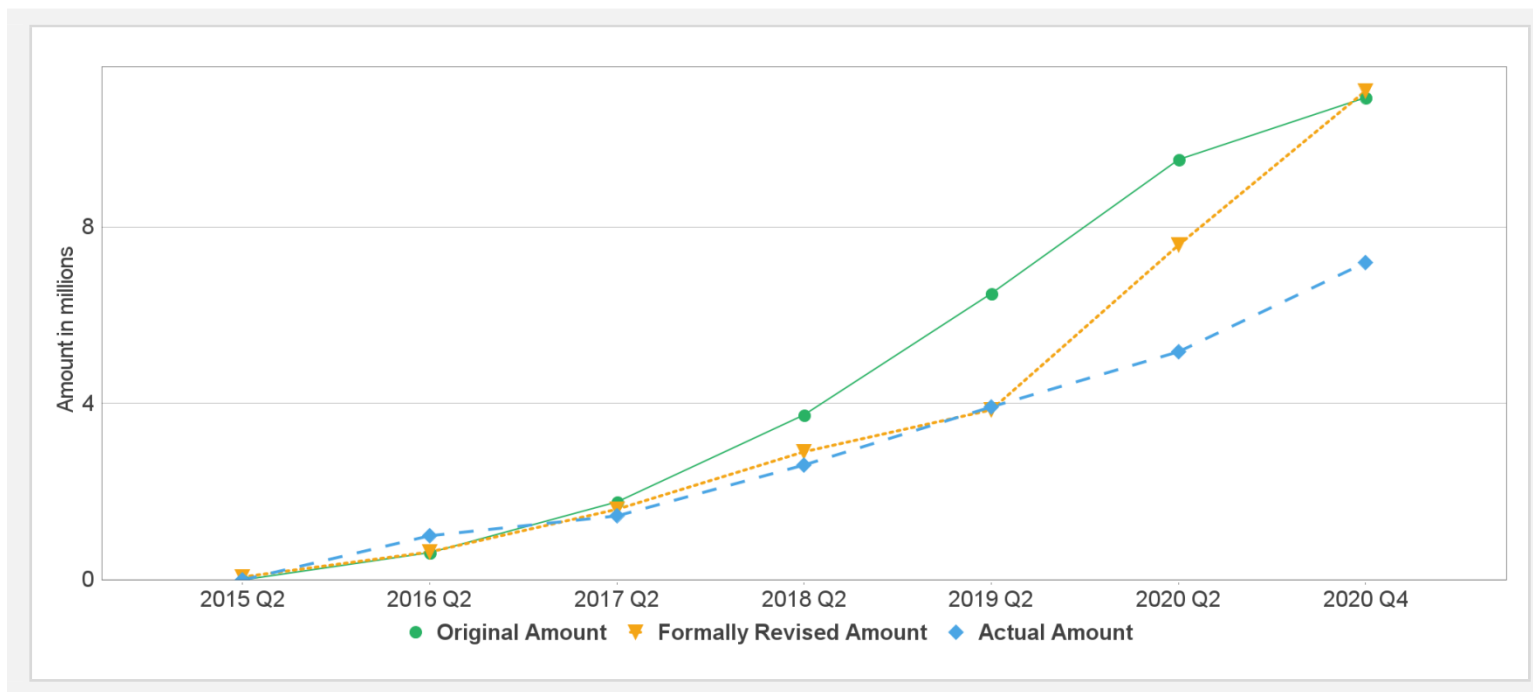
**Disbursements (by loan)**

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P132979	TF-16395	Effective	USD	11.84	11.11	0.73	8.39	2.71	76%

**Key Dates (by loan)**

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P132979	TF-16395	Effective	05-Sep-2014	05-Sep-2014	03-Dec-2014	30-Jun-2018	30-Nov-2020

**Cumulative Disbursements**



**PBC Disbursement**

PBC ID	PBC Type	Description	Coc	PBC Amount	Achievement Status	Disbursed amount in Coc	Disbursement % for PBC
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### Restructuring History

Level 2 Approved on 16-Feb-2018 ,Level 2 Approved on 29-Oct-2019 ,Level 2 Approved on 19-May-2020

### Related Project(s)

There are no related projects.

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