

QUICK WINS IN SERVICE PROVISION IN ISIOLO TOWN, NORTHERN KENYA

CHALLENGE

Authors:
Country: Kenya
Sector: Basic Services, Water

Isiolo town is the administrative headquarters and commercial centre of Isiolo district. Located in the Central Division, the town has one of the most developed infrastructure and basic services within the district. In addition, Isiolo town is a transit centre for the far-flung northern Kenya districts of Marsabit, Moyale and Wajir. Indeed, due to its strategic position, Isiolo town has been identified and earmarked for elevation to a resort city status. As a result of pull factors, particularly the relatively better access to basic needs and services such as food, education, water, healthcare and employment, Isiolo town is experiencing one of the most rapidly-growing populations in the region.

The enactment and implementation of the Water Act 2002 in Kenya was meant to usher in an era of comprehensive changes in water resource management and service provision. The act clearly separates policy formulation, co-ordination and supervision, resource management, and service provision. The act establishes a number of institutions with specific roles and responsibilities in water resource management and service provision. Under the act, the Water Services Board is instituted with a mandate to license private companies to provide services within certain areas of jurisdiction. The local authorities, hitherto the providers of water and sanitation services in urban centres, are mandated to create private companies to take over their roles. It is in line with this requirement that Isiolo Water and Sewerage Company (IWASCO) was established in February 2006 by Isiolo County Council and licensed by the Northern Water Services Board to provide water and sanitation services to the 63,549 residents of Isiolo.

Situation before Intervention

At the start of its operations, IWASCO inherited a reticulation system designed in 1983 to serve a population of 15,000 people. The original plan was to up-grade the system every 10 years. However, due to lack of commitment and effective implementation by the relevant government authorities, the then-existing infrastructure became dilapidated over a period of 24 years. The situation had led to frequent water rationing as illustrated by the long intervals between water supply i.e. customers getting water once every seven days by the time IWASCO became operational. The problem was compounded by the limited source of extraction from Isiolo River, which was under great pressure from a rapidly growing demand from up-stream commercial farmers, small-scale farmers in the mid-stream and domestic users, mainly in town.

The facility used by IWASCO has a daily production of 2.8 million litres of water while the daily consumption requirement stands at 12 million litres of water. However, the company is working around the clock to produce five million litres per day to meet the current demand of existing customers.

Despite the huge demand and inadequate production, unaccounted for water (UFW) continued to hinder appropriate supply: by the time IWASCO became functional, 2.1 million litres of water was categorised under UFW. The company has about 3,000 connections serving a population of 63,549 people. In order to perform its core business and achieve set objectives, IWASCO established a set of dedicated service-oriented and administrative departments.

IWASCO's customers include urban households, business premises, schools, health centres and military camps, among others. The company has a growing network of collaborators including government departments, the Northern Water Service Board, the Arid Lands Resource Management Project, the local community and SNV.

The SNV Intervention

The partnership between IWASCO and SNV was initiated in the first quarter of 2007 with the signing of the first contract in March 2007. An initial assessment was carried out which revealed that:

- The company inherited, from the previous service provider (Isiolo County Council and the Ministry of Water and Irrigation), structures, systems and procedures that were neither efficient nor effective in achieving the desired results.
- Transition from the previous to the desired state required a comprehensive change in management strategy.
- IWASCO required capacity strengthening in technical areas, financial and information systems and customer relations/service.
- The required interventions included internal and external processes.
- The internal process plan needed to include strategies in change management, performance management, policies in HR and HIV/AIDS, and financial and procurement procedures.
- The external processes should include consultative processes involving IWASCO and key partners in the sector, including institutionalisation of customer satisfaction survey mechanisms.

METHOD

The goals of the assignment are to strengthen the capacity of IWASCO to:

1. become efficient and effective in service delivery to ensure that semi-urban and poor communities in Isiolo town have access to clean water and sanitation through environmentally sustainable services;
2. to participate, coordinate, harmonise and influence development initiatives in Isiolo district and thus contribute to MDGs¹ 1 and 7. Overall, this is a mainly OD and Change Management Assignment

IMPACT

After a critical assessment, the capacity development services were tailor-made to suit the real needs of the company.

- In implementing the change management strategy, some processes which are critical in attaining efficiency and effectiveness in delivering services to customers were identified:
- The processes included, identification of problems that impede service delivery to customers and solutions to each with management and support teams providing the necessary leadership and resources respectively, to implement the suggested solutions.
- Workplace policies (Human Resources and HIV/AIDS) development: section heads and management team were taken through a one day workshop to come up with guidelines for developing the policies; the management team was trained how to adopt and implement related policies in the work place.
- Exposure trip to Meru Water and Sanitation Company: The trip was intended to assist the company to assess the Meru system and come up with an appropriate billing system, among other things. Similar trips were organised to Nyeri and Thika Water Companies.
- IWASCO facilitated a community sensitisation workshop on the water sector reforms for its customers and key sector stakeholders
- Customer Satisfaction Survey: In conjunction with SNV, IWASCO conducted a customer satisfaction survey to explore the level of customer satisfaction with regard to the quality of services provided by IWASCO. Other objectives of the customer satisfaction survey included: analysis of the water and sewerage situation in Isiolo; assessment of equity in the distribution of water and sewerage services; understanding the needs, concerns and interests of the community and integrating them into a planning process; establishing a platform for dialogue and facilitating participation of customers in finding options for better services and increased coverage.
- SNV facilitated mini-trainings for IWASCO section heads and management on change management strategy.

¹ Millennium Development Goal 1: Eradicate extreme poverty and hunger.
Millennium Development Goal 7: Ensure environmental sustainability

Result 1:

- Output: Performance Management Guidelines
- Explanation: The participatory process of involving all staff in the development of performance management guidelines as adopted through the SNV facilitation is what made the difference. The IWASCO staffs were able, not only to understand, but own the performance management tool from the outset.
- Outcome: Increased performance of IWASCO staff as a result of clear job descriptions, roles and responsibilities as outlined in the performance management guideline.
- Outcome Indicator: Reduced customer complaints resulting from the timely response to their concerns by IWASCO staff as expressed by customers during the feedback session for the customer satisfaction survey.
- Impact: Increased number of connections and thus increased access to water and sewerage services as a result of increased staff performance.

Result 2:

- Output: An appropriate billing system
- Explanation: The systematic facilitation by SNV in planning and implementation of the exposure trip to Meru Water and Sanitation Company made it easier for IWASCO to learn and adapt an appropriate billing system.
- Outcome: Timely dispatch and increased accuracy of bills to customers as a result of the use of an appropriate system to process the bills
- Outcome Indicator: Increased customer satisfaction and reduced customer complaints as a result of timely and accurate bills as expressed by customers during the water sector reform sensitisation meeting.
- Impact: Increased revenue collection from customers resulting from the timely payment of bills and, thus, increased potential of IWASCO to invest in increasing the coverage area and the number of customers accessing water and sewerage services.
- Impact Indicator: Between 2006 and 2007, IWASCO increased its meter connections by 1000 households. Since the average family size in Isiolo town is seven, IWASCO has increased access to clean and safe water for approximately 7,000 people.

Result 3

- Output: Baseline Survey Report
- Explanation: The involvement of a local youth group, IYAP (Isiolo Youth Against Poverty), to carry out the survey greatly contributed to the success of the survey since they understood the local context and responses easily, yet they maintained the necessary independence having been advised to avoid introducing themselves as employees of IWASCO.
- Outcome: An improved targeting of customers as a result of increased understanding of the baseline information.
- Outcome Indicator 1: Increased customer satisfaction resulting from the improved responsiveness of IWASCO staff to their concerns and issues. This improved relationship is reflected in customers' feelings of ownership. They started voluntarily reporting illegal connections to the IWASCO office.
- Outcome Indicator 2: Affirmative action or pro-poor targeting by IWASCO as a result of the increased understanding generated by the baseline survey information.
- Impact: An increased number of people accessing water as more customers report illegal connections, leaks and bursts due to the improved relationship with IWASCO.

CRITICAL SUCCESS MOMENTS

The reduction of unaccounted for water incidence from 65% to 59% within a period of less than four months through enhanced administration and infrastructural development.

- IWASCO increased access to clean and safe water to an estimated 7,000 people within a period of one year
- The majority of consumers (90.4%) sampled during the survey are willing to support the poor by making financial contributions. They are willing to pay certain percentages above their monthly bills to support their poor neighbours. The challenge is how to take advantage of such goodwill to enable the poor to access water and sewerage services.
- The recruitment of casuals at IWASCO informed the customer satisfaction survey conducted by IWASCO with advice and facilitation from SNV. Individuals from poorer areas received first priority as part of IWASCO's pro-poor approach.
- IWASCO's staff appreciates the management and change processes the company is undergoing. SNV's advice on change management is associated with remarkable improvement in the relationships between IWASCO management and staff in less than six months. In appreciation of the improved relationships and interaction in the work place, one of IWASCO's staff says, "The management has a human face and this has really improved relationships and interaction at work place."
- IWASCO customers confess, during the customer satisfaction survey feedback workshop, that there is a reduced incidence of corruption and mismanagement since IWASCO took over the role of water and sewerage service provision.
- IWASCO attributes customer satisfaction level rated at 85% to SNV's CDS.

LESSONS LEARNED

- Committed and effective leadership is essential in steering teams toward the desired results. IWASCO's effective and highly-committed leadership has enabled the company to achieve significant outcomes and impacts within a relatively shorter period of time.
- The reforms in the WaSH sector are caught between the challenges of pursuing commercialisation of services within an environment of abject poverty, with the resultant widening gap between the rich and the poor. However, this situation has inspired IWASCO to innovatively institute pro-poor approaches (i.e., making agreements with the very poor to pay in smaller instalments, bulk water sold at subsidised prices within poorer areas, giving poorer people priority in casual employment, among other things) in order to remain relevant to the majority of their customers.
- With a clear focus on results, impacts can be achieved within relatively shorter periods. It has taken IWASCO one year to institutionalise important work place policies, which in turn, have enhanced its efficiency and effectiveness.
- During the public service sector week, IWASCO was awarded a certificate of recognition as the second best public institution in Isiolo district. The company attributes this achievement to their collaboration with SNV which has enabled them to streamline their management and operations and, hence, to improve service delivery

Recommendations for Learning and Follow-Up

- The experience of IWASCO can provide learning points for similar clients within NKP and across other portfolios at SNV Kenya.
- Documentation of the case and periodic outcome assessment of the IWASCO experience would enhance further learning.
- A proper case study on the IWASCO experience can provide useful lessons which can be used to inform policies on the commercialisation of basic services at the national and international levels.