



PRESS RELEASE

Bridging the financial gap in Kenya's urban sanitation sector through Results-Based Financing

Nairobi, Kenya – July 26, 2024 - In a move to improve sanitation access in urban informal settlements, Fresh Life has launched a new Results-Based Financing (RBF) mechanism for urban non-sewered sanitation. This innovative approach aims to enhance the delivery of sanitation services in Nairobi, where over 60% of the population reside in informal settlements that are largely underserved with sewer systems.

The Water and Sanitation Sector in Kenya has long faced fundamental challenges, including inadequate infrastructure, limited financing, and strained and insufficient maintenance of existing facilities. Financing remains atop of the list, with the National Water and Sanitation Investment Plan (NAWASIP 2023-2030) indicating that the sector requires Kshs.1 trillion to achieve universal coverage and attain SDG 6 by the year 2030. The sector is however facing a Kshs.652 billion financing gap, with the deficit for provision of safe sanitation in urban areas estimated at Kshs. 365 billion.

To fund this gap, it is necessary to leverage public private partnerships and blended financing mechanisms to attract private and commercial investments. The introduction of Results-Based Financing (RBF) for urban non-sewered sanitation by Fresh Life marks a significant step towards bridging this gap. RBF is an innovative approach to financing that links financial support directly to the achievement of measurable results. It is a mechanism that will boost investors' confidence on project funding and delivery and incentivize service providers to deliver tangible, impactful results.

Fresh Life is a leading provider of urban non-sewered sanitation in fast growing cities. Over the years, they have established one of the largest networks of container-based sanitation in Nairobi, Kisumu, Eldoret, Kenya and Lusaka Zambia, serving over 260,000 people with daily access to safely managed sanitation services. The WASREB Impact Report Issue No. 16, estimates safe sanitation coverage in Kenya at only 29%. With 7 years remaining until the conclusion of the 2030 Agenda for Sustainable Development Goals, Kenya has its work cut out to alter the current trajectory and attain universal coverage by achieving the targeted 40% sewer and 60% non-sewered coverage by 2030.

Fresh Life has a proven track record of delivering over 7,500 container-based toilets and waste management services as a not-for-profit enterprise reliant on grant funding. RBF will set the



precedent for future paid service contracts between the government and Fresh Life for further scale and sustainability. The predefined results for Fresh Life's RBF model will include - the number of container-based toilets added to the Nairobi network, the total number of operational toilets and the number of barrels of pit latrine waste received at Fresh Life's Mtaa Fresh stations. These 3 metrics cover the work of Fresh Life in Nairobi to ensure service is provided and sustained, while safely removing waste from low-income communities. The mechanism will be funded by Grand Challenges Canada (GCC) and Osprey Foundation.

Speaking during the launch, Lindsay Stradley, Co-Founder and Executive Director of Fresh Life noted: "The launch of the Results-Based Financing initiative marks a new era for the urban sanitation sector in Kenya. This mechanism represents a significant step towards achieving universal access to improved sanitation. By focusing on results, we can ensure that every shilling spent translates into real, measurable improvements in public health and quality of life."

"The government's role is to create an enabling environment for the private sector and implementing partners. The Ministry has been at work, strengthening coordination at the national and county level and with non-state actors to enhance urban sanitation." noted Festus Mutuku, Superintendent Senior Water Engineering, Ministry of Water, Sanitation and Irrigation.

About Fresh Life

Fresh Life is a founding member of the Sanergy Collaborative and works with municipalities and urban residents to plan, build and scale safe, citywide inclusive sanitation solutions in fast growing cities starting with Nairobi, Kisumu and Eldoret in Kenya. Our innovative solutions are designed to suit the realities of today's cities, which are densely populated and heavily built up, particularly in low-income areas. Learn more <https://fresh-life.org/>