



WATER RESOURCES MANAGEMENT AUTHORITY



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Africa's first Water Fund to Combat Rising Threats to Food Security, Water and Energy Supplies

US\$21.5m in long-term benefits for Kenyan Citizens, Farmers and Businesses

NAIROBI, KENYA (20 March 2015) – The Kenya government, businesses, conservation groups and utilities launched Africa's first Water Fund today. The Fund is designed to provide a sustained water supply to a system that delivers water to over 9.3 million people and to generate US\$21.5 million in long term benefits to Kenyan citizens including farmers and businesses. This landmark initiative will cut costs for hydropower and clean water while addressing water flow and soil erosion issues in the Upper Tana River basin. The Nairobi Water Fund will expand on a successful, global Water Fund model – bringing public-private partnership and innovative financing for watershed conservation into Africa, where water is one of the most valuable and scarce resources. This is especially timely as people across the globe celebrate World Water Day and are looking for innovative solutions to meet our water needs.

Spearheaded by a private-public Steering Committee comprising [The Nature Conservancy](#), Nairobi City Water and Sewerage Company, Kenya Electricity Generating Company, [International Center for Tropical Agriculture](#), Tana and Athi Rivers Development Authority, [Water Resources Management Agency](#), as well as the water technology company [Pentair](#), East Africa Breweries, Coca-Cola and Frigoken Horticulture, the Nairobi Water Fund is a practical, scientific financial mechanism to ensure water security for all.

"The Nairobi Water Fund arrives at a critical time for millions of farmers, businesses and communities whose livelihoods are directly tied to the health of Kenya's largest river and its lifeblood," said Fred Kihara, The Nature Conservancy's Nairobi Water Fund Lead. "Secure, clean water is critical for businesses and farmers to survive, and for the 60 percent of Nairobi residents that already lack adequate water supplies."

The focal point of the new Nairobi Water Fund is the upper reaches of Kenya's majestic but troubled Tana River. Soil erosion and low water supplies impact businesses, farmers and communities, increasing costs and limiting access to this essential resource. The Tana provides 95 percent of Nairobi's water and half of Kenya's hydropower-generated electricity. The Tana is also vital to Kenya's food security as it supplies water to a million farms in one of Kenya's most productive and economically important regions.

“Nairobi has seen growth in water demand grow tremendously over the past years. We are planning a major investment in expanding our water supply where we are working with neighboring counties. At least 30 percent more water is needed,” said Engineer Philip Gichuki, CEO of [Nairobi City Water & Sewerage Company](#) who also chairs Nairobi Water Fund.

The Water Fund will establish a revolving fund and a public-private partnership endowment, including stakeholders like Pentair, Coca-Cola, East African Breweries and utility companies like KenGen, to support land-conservation measures upstream. Key strategies include reducing sedimentation, improving dry season water flows, increasing the efficiency of water used in agriculture, reforestation and other economic and social benefits for communities, farmers and businesses.

Bolstering the business case with scientific evidence

The Nairobi Water Fund’s [Business Case](#), created by The Nature Conservancy and its scientific partners [Future Water](#) and [The Natural Capital Project](#), shows that investing at least US\$10 million in on-the-ground environmental management efforts for the Upper Tana River over a decade will:

- Reduce sediment concentration in rivers by over 50% (varying by watershed and time of year).
- Decrease annual sedimentation in the Masinga hydropower reservoir by 18%.
- Increase annual water yields across the priority watersheds by 4%, increasing to 15% during the dry season in some locations.

The business case also shows that over a 30-year period the improvements will return more than twice that much, providing US\$2 in benefits for every US\$1 invested.

Happier farmers and bigger bottom lines for business

Fund financial supporters have already funded a two-year pilot phase, which is enabling 5,000 farmers to adopt conservation measures. These projects have provided critical lessons as the Water Fund as it gets to full implementation. For example, Priscilla Ngacha, who belongs to the Green Belt Movement, founded by Kenyan Nobel Peace Prize Laureate, the late Wangari Maathai. Her team of “Green Rangers” consists of community farmers recruited to plant trees and adopt soil and watershed conservation practices.

“When I first came to this upper part of the catchment, I found very few trees,” said Ngacha. “That’s changing now, as our Green Rangers give farmers the financial and technical incentive to improve soil management.”

That translates into big benefits – not just for the health of the Tana River’s whole ecosystem but profits – the bottom line for investors.

“Investing in the Fund means weighing up trade-offs and making smart investment decisions,” said Matthews Murgor, Catchments Manager, [KenGen](#). The utility company expects savings of US\$6 million in avoided interruption and increased water yield. “Ultimately, that means better infrastructure and lower bills for consumers,” he added.

Encouraging investment

The success of the Fund will depend on expanding public and private financial support to capitalize a US\$15 million endowment that will enable soil and water saving interventions to continue in the long-term and over an expanded area. Carefully planned monitoring will ensure that Fund-sponsored activities deliver the benefits they promise. For example, researchers from the International Center for Tropical Agriculture, a member of the CGIAR Consortium, will work with Kenya’s Water and Resource Management Authority to provide evidence on the effectiveness of interventions in retaining soil as well as changes in sedimentation levels in the river.

“We’re using our research to guide management options tailored to specific areas of the watershed that can simultaneously protect the environment, boost agriculture productivity and lower the cost of delivering clean water,” said Fred Kizito, Senior Soil Scientist, International Center for Tropical Agriculture.

The goal is to put a stop to water security threats, while protecting the environment and generating community returns. That is within reach, but the business case shows the need for more support from major Nairobi water users and donors interested in an innovative approach to development, climate change and conservation.

Capitalizing on a Proven Model

In 2000, The Nature Conservancy helped develop a Water Fund in Quito, Ecuador, with an initial investment of only US\$21,000. Today the fund stands at more than US\$10 million. The Conservancy and its partners’ growing global portfolio of Water Funds now includes over 32 initiatives which provide a steady source of funding for the conservation of more than seven million acres of watersheds and secure water supplies for nearly 50 million people.

“This is a chance for Kenya to lead the way in Africa – to spearhead a program where benefits for ecosystem services bring major benefits for all,” Kihara said.

Resources - Nairobi Water Fund [Business Case](#), [Photos](#) & [Video](#)

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