The Government of Kenya is interested in supporting “secondary towns”—medium-sized towns generally located within 100 kilometers of larger metropolitan areas—in an effort to relieve some of the population pressures on the country’s largest cities. One of the most effective means of drawing people to these areas is to undertake infrastructure investments. Knowing of your expertise in water and sanitation planning in developing countries, the Minister of Natural Resources has asked you to review the water and sanitation situation in one such secondary town, Mityana, and to provide recommendations to him regarding the best strategy for improving service delivery there (and in similar communities throughout the country). There is only one constraint imposed by the Ministry: because central government subsidies are no longer available to the water & sanitation sector, any project you propose must be funded from other sources.

An information gathering study has been conducted in Mityana, and based on these findings several very different proposals for improving water supply and sanitation services there have been put forward. These include:

- Initiating a participatory project in which water user groups in different parts of town are organized. Supervised by a central water authority, these water user groups would be responsible for (1) mobilizing households in its neighborhood to contribute money and labor, and (2) taking care of staffing, maintenance, and billing responsibilities for any facilities that are installed. The types of technology suggested for this approach are public taps and public VIPs.

- Establishing a traditional water utility responsible for all aspects of water supply provision, including the selection of service levels (based on recommendations from analysts like you). The utility would be expected to be financially self-sufficient, which has important implications for technology choice and pricing of services.

- Given the Ministry’s insistence upon financial self-sufficiency, delaying the initiation of any water supply and sanitation improvement project until income levels in Mityana rise. Proponents of this approach suggest that households in towns like Mityana are too poor to be expected to pay the full costs of improved water supply and sanitation services. If subsidies cannot be provided, it is best to wait until users have more disposable income to devote to sustainable improvements in water supply and sanitation.

Your assignment is to review the sections of a consultant’s report on Mityana and to draft a policy memo in which you lay out recommendations for water supply and sanitation improvements in Mityana and other secondary towns like it in Kenya. You may adopt one of the above positions or you may suggest an entirely different approach. (Your preferred strategy for water supply may also differ from that for sanitation.) Regardless of the approach you recommend, you need to support your argument with information from the consultant’s report.
and/or other sources. You should also be sure to address (or at least show that you’ve considered) the following issues:

- The nature of the organization(s) that will oversee W&S service delivery;
- The process by which selection of W&S technologies will occur (if you are recommending that new technologies be implemented);
- The process by which households will pay for services and whether you recommend any sort of subsidies (e.g., among user categories);
- How the Ministry’s goal of financial self-sufficiency in W&S service delivery will be achieved;
- The impact that your approach will have on different stakeholders in Mityana (and how you have prioritized the needs of different groups); and
- Whether you recommend instigating any controls over water vending activities in Mityana.

Remember as well that the Minister hopes your recommendations can be applied to other secondary towns in Kenya. After presenting your recommendations for Mityana, include a brief section that discusses the “design points” most critical to your recommendations. That is, what factors might differ in other secondary towns that would limit your ability to generalize your findings there?

Two pieces of information not included in the reserve readings that may be useful to you are:

- Monthly interest rates in informal credit markets in Mityana are about 10 percent.
- Sufficient ground water is available near Mityana to supply virtually any water supply system you might imagine for the town at reasonable cost.

If you think you need other information that is not contained in the consultant’s report in order to lay out your recommendations, let me know what data you’re lacking in case they are something I can provide to the class. If I can’t, then your policy memo should simply (1) state what data you did not have and (2) explain how they might impact your preferred strategy for Mityana.

You are permitted to discuss this assignment with your classmates, but (1) each student must craft and submit his/her own policy memo, and (2) you should include a list of the colleagues with whom you’ve interacted either in the heading or at the end of your policy memo. Please note that all memos will be available for perusal by all class participants.

Your memo should not exceed five pages in length and should follow the format on the “Guide to Policy Memos” handout. Please note that memos that do not conform to this format will be returned unread.