

ASPECTS OF REVENUE GENERATION THAT INFLUENCE FINANCIAL SUSTAINABILITY OF PUBLIC-PRIVATE WATER UTILITIES: THE CASE OF LAKE VICTORIA SOUTH REGION, KENYA

Charles M. Rambo
University of Nairobi, KENYA

ABSTRACT

The study aimed at informing relevant policy discourses, management of water service delivery, and research in Kenya and other developing countries. Its design was founded on core tenets of positivist and constructivist schools of thought. It targeted 5 public-private water utilities, 184 water officers and water users. Data were collected in mid 2016 and the analysis techniques included cross-tabulation with Chi square statistic (χ^2), Spearman's Rank Correlation Coefficient, Relative Importance Index and Kendall's Coefficient of Concordance (W). The results show that non-revenue water was the most important aspect influencing financial sustainability of the utilities (relative weight = 0.837); followed by the type of billing system (relative weight = 0.803); formal payment methods (relative weight = 0.785); efficiency of the billing system (relative weight = 0.768); unaccounted-for water (relative weight = 0.758), as well as level of water tariff vis-à-vis cost recovery (relative weight = 0.744). The analysis revealed a strong and significant concordance of respondents' perceptions regarding the influence of each aspect on financial sustainability of the utilities (W= 0.892, $\chi^2 = 62.612$, df = 4 & ρ -value = 0.000); implying that all the aspects analyzed deserve appropriate response interventions in order to enhance potential of the utilities to achieve financial sustainability, thereby, improve access to quality water services.

Keywords: Revenue generation, financial sustainability, public-private water utilities, perceptions.