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“Development on the margin”

Options for Improving the Design and Enforcement of Water Institutions in Lake Naivasha Basin, Kenya

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Abstract

Three broad categories of policy prescriptions have been advocated for towards management of water resources: regulative instruments, economic/market based instruments and cooperative/suasive strategies, forming a “tripod”. These broad categories of instruments have been implemented in different forms such as water permits and water pricing as institutions for creating incentives for sustainable and efficient water abstraction and use. However, despite these instruments having been implemented in the Lake Naivasha basin illegal water abstraction is ubiquitous, compromising efficiency and sustainability. By assessing the existence and strength of the above “tripod” in the Lake Naivasha basin, the current paper seeks to answer two key questions: a) what institutional improvements would be feasible in the Lake Naivasha basin, and what effectiveness regarding sustainable water use can be expected from these feasible improvements, and b) given the volatile natural conditions regarding water supply in the Lake Naivasha Basin, what limits do institutional solutions face? Results indicate that the current dismal institutional performance has been caused by a number of conditions relating to weak public administration, ineffectiveness of the current water rights and water pricing system and weak water resource users associations. These, coupled with high transaction costs, lack of incentives and capacity of the state body to implement the rules creates an environment that is not conducive for monitoring and enforcement of institutions. The paper draws imperative policy implications for enhancing water resources management through filling the existing gaps on each of the elements of the tripod. These point towards water rights reform, responsibility sharing between the state and Water Resources Users Associations (WRUAs) and review on the design of the existing water institutions.

Keywords: Enforcement, institutions, lake basin, water rights