

## **Evaluation of increasing block tariffs (IBTs) among urban water utilities in Nzoia River Basin, Kenya**

### **Abstract**

Increasing block tariffs (IBTs) are currently used to price urban domestic water supply in many Kenyan towns and a great number of cities around the world. This paper provides a systematic evaluation of IBTs as a system for pricing urban domestic water supply under the common constraints of scarce supply and cost recovery in Nzoia River Basin, Kenya. IBTs are justified based on the claims that they make piped water services more affordable for the poor households. The use of IBTs to charge for piped water services assumes that the correlation between household income and water use is high. This is rarely the case as this study established; implying that poorer households may be better off when they are provided with financial assistance using separate policy instruments. Our evaluation concludes that IBTs are neither fair nor efficient as pricing tools for urban domestic water supply