



**MURANG'A SOUTH WATER
AND SANITATION CO. LTD**

**STRATEGIC PLAN
2021-2026**



Quality water through quality services



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LIST OF ABBREVIATIONS AND ACRONYMS	
BOD	Board of Directors
CBA	Collective Bargaining Agreement
CDF	Constituency Development Fund
CRO	Customer Relations Officer
COK	Constitution of Kenya
HIV/AIDS	Human Immune Virus/Acquired Immune deficiency Syndrome
COVID-19	Corona Virus Disease of 2019
TSM	Technical Services Manager
CSM	Commercial Services Manager
FM	Finance Manager
IAM	Internal Audit Manager
ALM	Administration and Logistics Manager
PRM	Public Relations Manager
HRO	Human Resources Officer
ICT	Information Communication Technology
MD	Managing Director
IT	Information Technology
KEBS	Kenya Bureau of Standards
MDG	Millennium Development Goals
MIS	Management Information System
MOU	Memorandum of Understanding
NEMA	National Environment Management Authority
NGO	Non-Governmental Organization
NRW	Non- Revenue Water
MUSWASCO	Murang'a South Water and Sanitation Company Ltd
PMS	Performance Management System
PO	Procurement Officer
PPP	Public Private Partnership
SPA	Service Provision Agreement
SWOC	Strengths, Weaknesses, Opportunities and Challenges
AWWDA	Athi Water Works Development Agency
TWWDA	Tana Water Works Development Agency
WB	World Bank
MCIDP	Murang'a County Integrated Development Plan
WASREB	Water services Regulatory Board
WSTF	Water Sector Trust Forward
NaWASSIP	National Water Supply and Sanitation Program
MOW	Ministry of Water and Irrigation
v Page	County Government of Murang'a

WRA	Water Resources Authority
WSS	Water Supply and Sanitation
WSPs	Water Services Providers
EMCA	Environmental Management and Coordination Act, 1999
PA	Personal Assistant to the MD
CBO	Commercial Business Officer
FO	Finance Officer
ICTS	Information & Communication Technology Supervisor
BS	Billing Supervisor
BO	Billing Officer
PO	Procurement Officer
PrA	Procurement Assistant
HRA	Human Resource Assistant
TO	Transport Officer
IAO/AA	Internal Audit Officer/Audit Assistant
CCA	Customer Care Assistant
RCPT	Receptionist
WPS	Water Production Supervisor
ADO	Asset Development Officer
O&MS	Operations and Maintenance Supervisor
WQO	Water Quality Officer
AD	Asset Development
DAO	Data Analyst Officer
OMO	Operations & Maintenance Officer
NRWT	Non-Revenue Water Technician
LT	Lab Technologist
WST	Water Supply Technicians
DCA	Data Collection Assistant
OMT	Operations & Maintenance Technicians
RO	Rationing Officer
ZO	Zonal Officer
PRA	Public Relations Assistant
PRO	Public Relations Officer

FOREWARD

The Third strategic plan for Muranga South Water and Sanitation Company(MUSWASCO) comes at the peak of major changes in our environment of operation. The company and the country have had to adapt to the emergence of the Corona Virus (COVID-19), which culminated in the upheaval of our normal operations. Climate change and environmental conservation have become key, with the devolution of the Climate change initiative into the County Integrated Development plans, it is important to align the company towards these new challenges and improvements into the overall performance and mandate of the Company to protect and improve the delivery of our most precious natural resource.

This strategic plan forms the roadmap to achieving our vision, mission, and core values and has been developed with the country's development Agenda in mind as envisioned in various policy documents which include; the Water Act 2016, the United Nation's Sustainable Development Goals (SDGs); the Constitution of Kenya 2010; Kenya Vision 2030; the Medium-Term Plan III (2018-2022); Kenya's Big Four (4) National Development Agenda; the Ministry of Water and Sanitation Strategic Plan; the Water Services Providers Association(WASPA) Strategic Plan; Operating license between the company and the licensee and the Murang'a County Integrated Development Plan(CIDP). We have considered a variety of factors, including current and upcoming national and county mandates, financial plans, institutional knowledge, technological trends, workforce demographics, customer service responsibilities, and the economic impact of water service delivery on our customers. Through the analysis of our previous achievements, gaps and lessons learned, the board is committed to the achievement of the set 8 strategies in achieving our mandate to the community, the government, and to our dedicated employees.

The board acknowledges the challenges the company has faced after the enactment of the Water Act 2016. The shift of ownership of assets to the county, the shift from water service boards to waterworks development agencies has had its teething problems, but through contextual analysis and realignment of our outlook into the water service industry, this strategic plan 2021-2026 seeks to integrate the overall input of all our stakeholders in the achievement of our common goals.

This strategic plan is a blueprint that reflects our priorities for shaping the future. The Board commits to evolving the plan over the years to reflect emerging and changing trends while continuing to hold to the visionary goals that are vital to creating a sustainable future for all the people within our coverage area. We understand this vision can only be achieved through community-wide partnerships with residents, businesses, county, national, and international stakeholders.

The strategic plan reaffirms our commitment to our stakeholders. It lays out our corporate strategic focus.

These include;

1. Water Coverage within the MUSWASCO's area of jurisdiction
2. Sanitation Coverage
3. Investment resources for water and sanitation infrastructure development
4. Research and Development
5. Leadership and Governance
6. Institutional Sustainability

By advancing our part in the vision, mission, and core values of the company, we can collaboratively reduce water loss; prioritize sustainable resource management; facilitate a greener approach and more efficient water conveyance; invest in and maintain our aging utility infrastructure, and partner to benefit traditionally underserved communities.

This document has provided a plan that sets clear goals and describes a number of strategies and action plans that will further lead towards attainment of the company vision. The Board commits to work tirelessly to deliver essential utility services that match staff and consumer values and exceed their expectations. There will be creation of strong relations inside and outside our organization. This will encourage continuous learning and improvement.

Through continuously pursuing best practices, monitoring and evaluation, dynamic review of strategies, and constant stakeholder engagement, I have no doubt that this plan is achievable and will exceed our expectations in service delivery.

I wish to thank the entire team involved in the culmination of this Strategic Plan, the Board of Directors, the Management Team, and all Stakeholders for lending their imagination, voice, and actions in preparing this document. With overall commitment, i wish to express my confidence that this strategic Plan will steer the company to greater heights as we aspire to achieve and exceed the set goals.



Julius Manyeki

Chairman, Board of Directors (BOD)

Muranga South water and Sanitation Company Ltd

Acknowledgement

I am humbled to present to you the third strategic plan of MUSWASCO. This plan is in alignment with our strategic goals, government development plans, county CIDP, and the United Nation's SGD 6; whose goals are to improve service delivery in matters of water and sanitation. This plan will run from 2021 to 2026.

Our strategic objectives are key to the success of the company in the attainment of sustainable provision of clean and safe water and sanitation services to the residents of Murang'a South, Kandara, and Kigumo sub-counties.

I am fulfilled to note that the previous strategic objectives set out by the company five years ago have been achieved. With the completion of several water supply projects, we have realized an increase in water coverage to 56% by the close of 2020/21. The company's accountability, customer focus, and transparency have greatly improved, enhancing the vision of excellence and becoming a model water service provider.

The fact remains that we are living in unprecedented times. We are facing a crisis that affects us all, everywhere in the world as long as water is concerned. It is a moment that calls for solidarity and that requires each one of us to take responsibility and play our part. Muswasco company with a great role in water and sanitation supply service, is aware of its responsibilities. We are committed to securing the supply of our products to meet needs around the areas of jurisdiction, while safeguarding and prioritizing the safety and health of all our employees, customers, partners and communities, while working to maintain business continuity through the crisis by decisive, timely and effective action, and finally by preparing for the opportunities that we know will emerge once recovery is underway.

We are currently going through an unprecedented crisis. At a time when we are facing not only health but also economic consequences, Muswasco is also looking to the future – a future that is surely even more complex and above all more ambiguous than ever.

We therefore have an obligation and a responsibility, not only to take part in the current urgent societal response, but also to remain level-headed and to continue to shape and build a more sustainable future, in the broadest sense, for all.

This Strategic Plan shall provide a road map toward the achievement of universal access to water and sanitation services within the company's area of jurisdiction. The strategic objectives spelled out in this plan are key to the success of the company in the attainment of this strategic plan. This

will be achieved by embracing the principles and practices of good governance that can withstand the test of time, ensuring that the company is financially sustainable, embracing innovation and adopting new technology for enhanced service delivery, remain customer focused through the provision of quality water and sanitation services for the delight of our customers.

Our main focus during the next five years will be: enhanced financial sustainability, enhanced efficiency in infrastructure and operations, formulation and implementation of a robust risk management framework, increased automation of our operations and services, maintaining and attracting a competent, skilled, and adequate human capital and also the uplifting of the company's corporate image and publicity.

With this in mind, I would like to express my admiration and to sincerely thank all our employees and our partners for their commitment and willingness to mobilize towards this course. Above all, I would like to thank those who are on the front line of our response to this strategic plan.

Your courage and determination, in these complex times, are exemplary.

I am now happy that after working collaboratively in a process that has involved all key stakeholder players; the Company has been able to develop Strategic plan which is aligned to both County development goals and National commitments. It is therefore critical at this stage for all partners to own the plan and we use it for effective decision-making.

I sincerely thank and appreciate the Board of Directors, stakeholders, the management team, and our staff for their noble dutiful drive towards optimal utilization of skill and resources in the achievement of our main goal which is customer service.



Mary G. Nyaga
Managing Director
Muranga South water and Sanitation Company

EXECUTIVE SUMMARY

MUSWASCO strategic plan 2021/22-2025/26 takes a robust approach to enable the people within our coverage to receive the highest-level standards of service, as outlined in the responsibilities of water and sanitation companies under the Water Act 2016. This plan outlines our efforts towards achieving the Kenya Vision 2030 and the global Sustainable Development.

The strategic plan is guided by the National Water Services Strategy; the Water Act 2016; the United Nation's Sustainable Development Goals (SDGs); the Constitution of Kenya 2010; Kenya Vision 2030; the Medium-Term Plan III (2018-2022); Kenya's Big Four (4) National Development Agenda; the Ministry of Water and Sanitation Strategic Plan; the Water Services Providers Association(WASPA) Strategic Plan; and the Murang'a County Integrated Development Plan(MICDP);

The strategic plan is organized in six chapters where chapter one gives an introduction and background to the strategic plan within which an overview of the Company registration status and coverage, engagement with National and County Government, the strategic planning methodology and process, and the organization of the plan are included.

Chapter one; Introduces the Company, details its background from its formation as a Limited Liability company in 2008 to the transition up to date. It also outlines the changes in the water sector: PPP contracts; County Government; transition to development agencies.

Chapter two; gives an institutional review detailing the fundamental statements covering the vision, mission, mandate, core functions, core values, philosophy, current organizational structure, current funding, achievements /gains, and lessons learned from the previous strategic plan.

Chapter three presents the formative analysis covering SITUATION, PESTEL, SWOC, and STAKEHOLDER analyses. This chapter houses the analysis of factors that may derail or accelerate the proposals made in this plan.

Chapter four details the strategic issues, the strategic goals, and strategic objectives as well as strategies and activities to be pursued during the plan period.

Chapter five addresses structural reforms and resource mobilization wherein the proposed organizational structure and resource mobilization procedures are detailed. It discusses the financial requirements necessary to implement the plan and carry out functions of the board in the next five

years. Emphasis has also been put on the organization structure that will sufficiently deliver on the plan.

Chapter six concludes the plan with the implementation matrix, monitoring, review, and evaluation processes.

CHAPTER 1

INTRODUCTION AND BACKGROUND

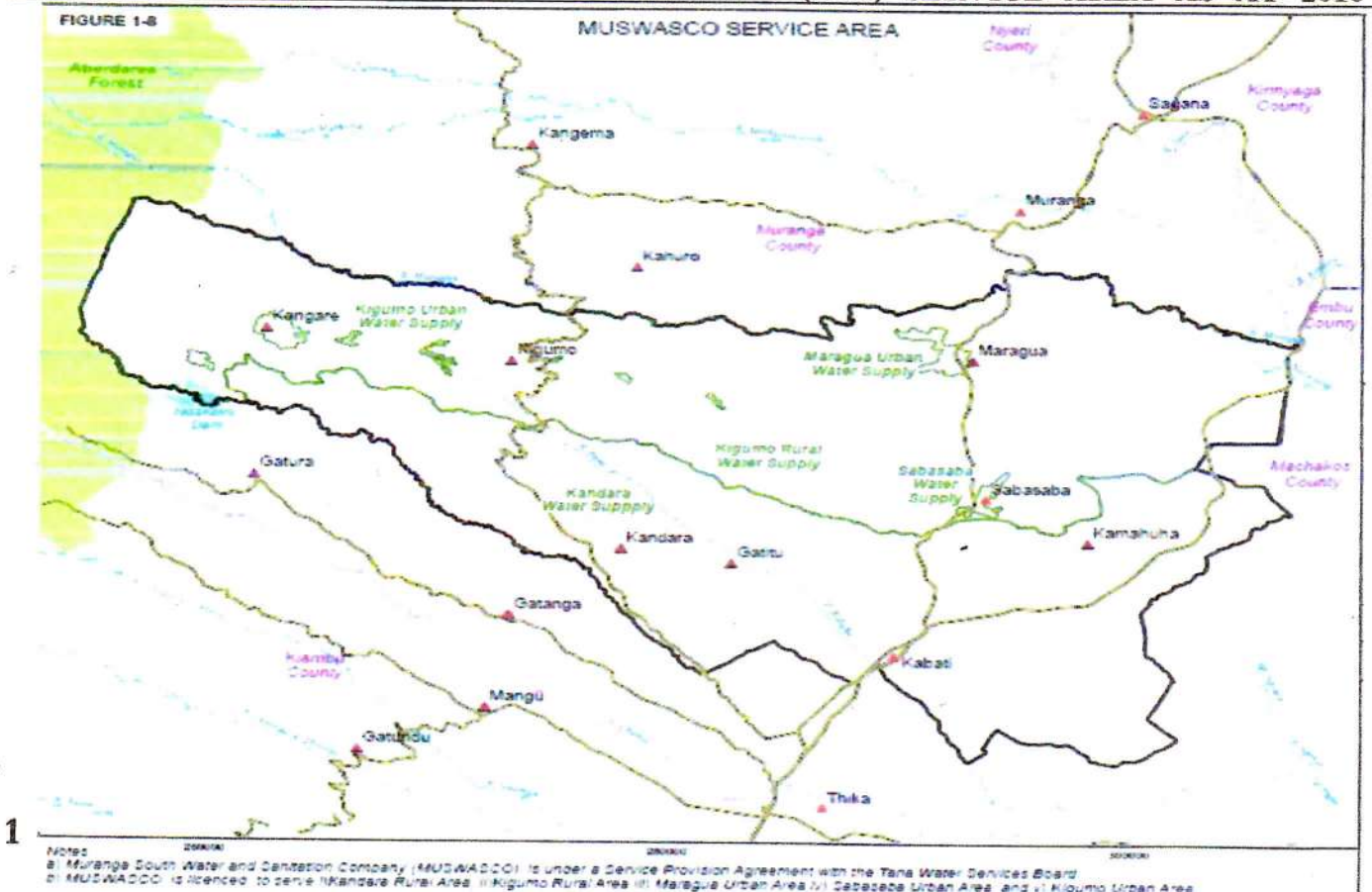
Introduction

The Murang'a South Water and Sanitation Company Ltd (MUSWASCO), was incorporated on 23rd May 2008 under the Companies Act, Cap 486, and became operational immediately. The company is mandated via a Service Provision Agreement (SPA) of November 2011, to provide water and sanitation services to the three sub-counties of Murang'a County namely: Kandara Sub-County, Kigumo Sub-County, and Murang'a south sub-County. MUSWASCO is wholly owned by the Murang'a County Government under the Constitution of Kenya 2010. MUSWASCO is the current holder for the National and County Governments assets on behalf of the public, while the national regulator is the licenser of the WSPs as per Water Act 2016.

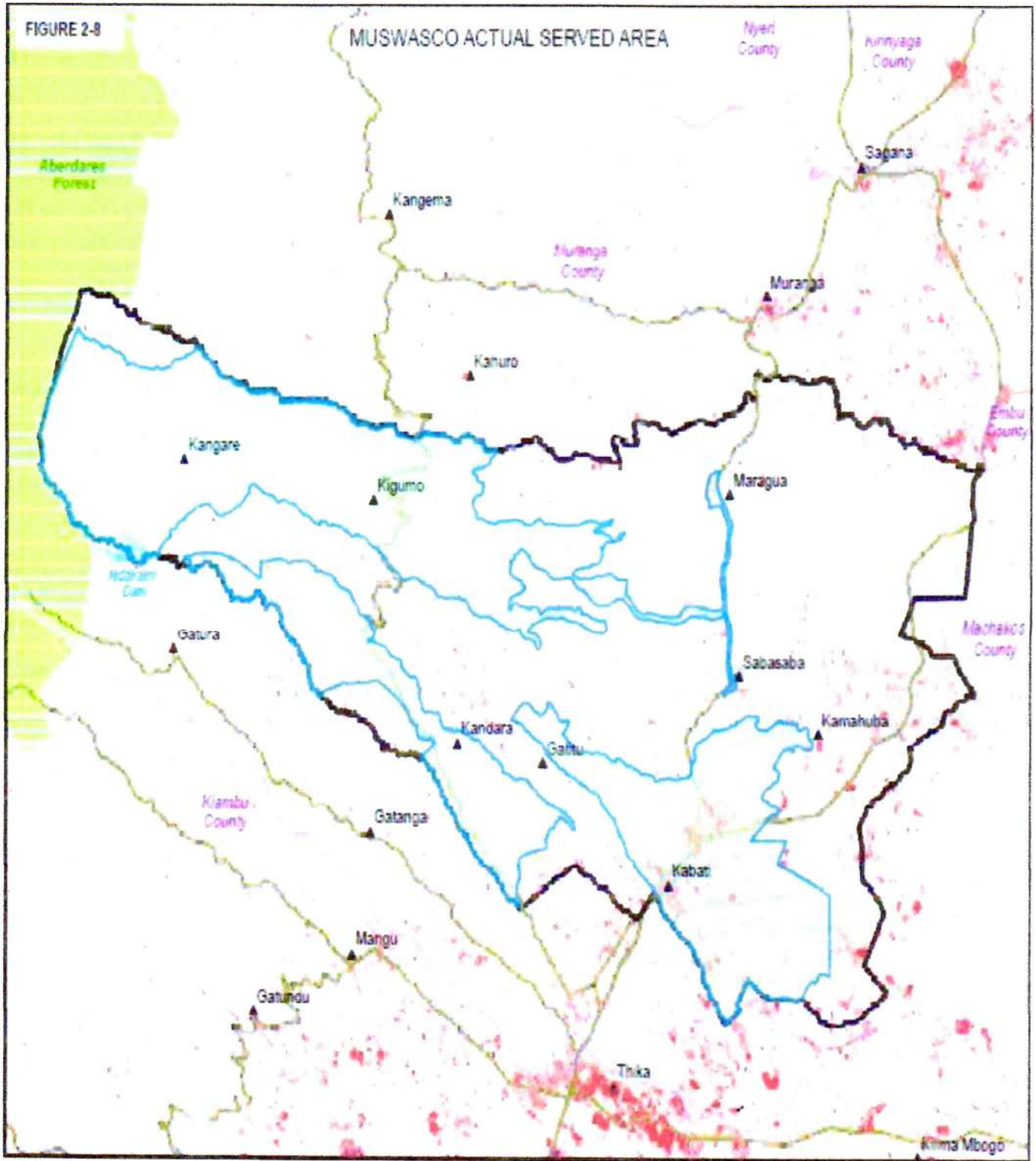
The total area covered is 934 Km², with a population of 485,288 (2019 census). The estimated population figure for 2021/22 is 497,103 while for 2025/26 is 527,914 projected from the 2019 population census, with a growth rate of 1.21%. The corresponding water coverage for 2021/22 is 56% while for 2025/26 the coverage is estimated at 75%. The area under high potential agro-ecological zones is 70% of the total area, while the rest is in the semi-arid ecological zones.

MUSWASCO area covers 3 administrative sub-counties in Murang'a County, which include; Kandara, Kigumo and Murang'a South (Maragua) and the geographical coverage including served areas is as shown in the following locational maps.

MUSWASCO SERVICE PROVISION AGREEMENT (SPA) SERVICE AREA AS AT 2016



MUSWASCO ACTUAL SERVED AREA



The Kenya Water Sector Overview

To achieve Vision 2030, the proper implementation system and planning of water resources management are essential to be able to cope with the increasing water demands of domestic, irrigation, industries, etc. while conserving the catchments' sustainability. The Constitution of Kenya (CoK 2010) in **Article 43(article 1,b,d)** has enshrined the principle that *“every person in Kenya has the right to clean and safe water in adequate quantities and to reasonable standards of sanitation.*

The National Water Plan (1999) and the Water Act 2016 define the Country's water sector strategy and legislation. The general objective of these policy and legal frameworks has been to decentralize the decision-making process. The responsibility of managing water resources and service delivery is split into separate bodies, as are policy and regulation.

The National Water Services Strategy (NWSS) is based on the identification of sustainable access to safe water and basic sanitation as a human right and economic good. Among the core commitments are cost-recovery by Water Service Providers (WSPs) to ensure sustainable water and sanitation for all and the formalization of service provision. The National Water Master Plan (NWMP) 2030 provides for a conceptual approach to the management of water resources in Kenya. The objectives of the Plan are to improve water and sanitation availability and accessibility to all by 2030; increase area under irrigation to 1.2 million hectares; a nation that has a clean, secure, and sustainable environment by 2030, and increases efficiency in the energy sector.

A divergent strategy from the traditional approach where the focus was on addressing the key interactive water elements; surface water and groundwater for water use, water quantity, and water quality, the Master Plan seeks to promote a holistic approach that captures the three-key element of Integrated Water Resources Management (IWRM)

Institutions under the water Act 2016 and their responsibilities

In 2002 the Water Sector Reforms momentum in Kenya culminated in the enactment of the Water Act 2002 which has now been repealed with a new Water Act 2016 which has already been gazetted awaiting the Cabinet Secretary gazette notice on the day of commencement.

The Water Act 2016 has introduced new water management players to govern water and sanitation issues in Kenya. The institutions include:

MOWI - (Cabinet Secretary)

Formulate and publish national water resource and water services policies and strategies

Ensure the effective exercise and performance by any authorities or persons of powers and duties granted or imposed under this Act.

- i. Inform and advise the National Land Commission (NLC) on all matters of water resource management
 - ii. Coordinate all water sector institutions whose activities have an impact on the development of water resources
 - iii. Undertake national water sector planning
 - iv. Establish a national water sector database and information system which shall be provided by the sector institutions and all relevant other institutions
 - v. Publish definition on coverage for water services based on criteria for the right to water
 - vi. Publish the report on the achievement of the right to water
 - vii. Management of all matters related to transboundary waters
 - viii. *Ensure that the use and sustainable management of water resources stored in multi-purpose dams conform with the rules developed by the Water Resources Regulatory Authority*
 - ix. Provision of technical assistance to the County Government in the provision of water services in consultation with the County Government
 - x. In performing its duties, the Cabinet Secretary shall be assisted by the Principal Secretary.
- a. Water Resources Authority (WRA)**
- i. *Formulate and implement standards, procedures, and rules for the management and use of water resources and flood mitigation.*
 - ii. Regulate the management and use of water resources in consultation with the National Land Commission established under Article 67 of the Constitution of Kenya.
 - iii. Issue rules on water resources allocation including the issuance of permits.
 - iv. Monitor compliance by water users with the conditions of permits and the requirements of the Act.
 - v. Delegate regulatory functions to the Basin Water Resources Board (BWRB) established by the Cabinet Secretary.
 - vi. Determine and set permit and water use fees for water resources.
 - vii. Collect and provide information for formulation by the Cabinet Secretary of the national water resource management, water storage, and flood control strategies.
 - viii. Collect, analyze and disseminate information on water resources.
 - ix. Report to the public annually on water issues and performance of water resource institutions.
 - x. Ensure access to information on water resources.
 - xi. Liaise with other regional, national and international bodies for the better regulation of the management and use of water resources.
 - xii. Issue permits for inter-basin water transfer; and

- xiii. Advise the Cabinet Secretary on management and use of water resources.
- xiv. Ensure that there is in place a national monitoring and information system on water resources.

- b. Water Resource Users Association (WRUAs)**
 - i. Community-based associations for collaborative management of water resources and resolution of conflicts concerning the use of water resources
- c. National Water Harvesting and Storage Authority (NWHSA)**
 - i. Undertake on behalf of the national government the development of national public waterworks for water resources storage
 - ii. Maintain and manage national public waterworks infrastructure for water resources storage
 - iii. Collect and provide information for the formulation by the Cabinet Secretary of the national water resources storage and flood control strategies
 - iv. Make rules and enforce water harvesting strategies
 - v. Advise the Cabinet Secretary on any matter concerning national public waterworks for storage.
- d. Water Works Development Agencies**
 - i. Develop national public waterworks for water services.
 - ii. Formulate development and investment plans for rural and urban areas aggregated from the county development plans and established by the county water service providers and through the County Government water services institutional structure for their designated areas.
 - iii. Provide input to the national development and financing plan established by the Cabinet Secretary.
 - iv. Provide technical assistance to the water services providers as County Government agents for County asset development in consultation with the respective County Governments.
 - v. Hand over-developed public assets to the licensed county water services providers, cross-county water services providers, or the county water department according to the rules of the Cabinet Secretary.
 - vi. Facilitate the establishment of cross-country water service providers.
 - vii. Employ staff to carry out its functions and activities as per the rules and regulations set by the regulator and public service commission.

e. Water Services Regulatory Board (WASREB)

- i. The principal object of the Commission shall be to protect the interests and rights of consumers in the provision of water services.
- ii. Determine and prescribe national standards for the provision of water services and asset development for water service providers.
- iii. Validate the water and sewerage tariffs proposed by the county water service providers and approve their imposition in line with consumer protection.
- iv. Issue licenses for the provision of water services.
- v. Monitor and regulate licensees and enforce license conditions.
- vi. Develop a model Memorandum and Article of Association to be used by all water companies applying to be licensed by the Water Services Regulatory Commissions to operate as water service providers.
- vii. Monitor compliance with standards including for the design, construction, operation, and maintenance of facilities for the provision of water services.
- viii. Propose to the Cabinet Secretary the nature, extent, and conditions of financial support to be accorded to water service providers for providing water services.
- ix. Monitor progress in the implementation of the national water services strategy and make appropriate recommendations.
- x. Maintain a national database and information system on water services.
- xi. Establish a mechanism for handling complaints from consumers regarding the quality or nature of water services.
- xii. Develop guidelines on the establishment of consumer groups and facilitate their establishment.
- xiii. Carry out inspections at water service providers.
- xiv. Report annually to the public on issues of water supply and sewerage services and performance of relevant sector institutions.
- xv. Issue rules on water services and asset development which shall include business, investment, and financing plans; to ensure efficient and effective water services and progressive realization of the right to water services; and
- xvi. Advise the Cabinet Secretary on any matter in connection with water services.

f. Water Action Groups (WAGs)

- i. Advocate for the interests of consumers and the non-served.
- ii. Assist water service providers and the Regulatory Board in resolving consumer complaints.

- iii. Sensitize consumers on consumers' rights and obligations regarding water services and facilities, including the protection of infrastructure, identification and reporting of illegal connections, and other pertinent issues which affect the provision of water services.

g. Water Service Providers (WSP)

- i. Provision of water services within the area specified in the license and
- ii. Development of county assets for water service provision.

h. Water Sector Trust Fund (WSTF)

- i. Manage the resources of the Fund
- ii. Mobilize additional resources for the Fund
- iii. *Formulate and implement principles, rules, and procedures for financing projects, including efficiency and effectiveness of funds*
- iv. Implement measures to ensure efficient and equitable sharing of the resources of the Fund giving priority in resource allocation to:
 - Areas in rural and urban which access to basic water services are below the national average.
 - Rural areas are vulnerable to the degradation or depletion of water resources.
- v. Provide support to local communities in the identification of projects and formulation of project proposals
- vi. Provide support to local communities to build capacity in project implementation and management
- vii. Payout of the Fund such grants as the trustees may authorize from time to time
- viii. Monitor the implementation of projects
- ix. Maintain and make publicly available information on the projects financed and project impact; and
- x. Elaborate national implementation concepts which ensure efficient use of water and sustainability of developed infrastructure
- xi. To receive grants for on-lending to water service providers, counties, and communities for the underserved areas and urban poor.
- xii. To manage loans, the Fund shall create a separate entity with its management, accounting, and supervision structure under the guidance of the cabinet secretary that ensures harmony with the functions of the Water Asset Development Boards.

i. Water Tribunal

- i. Hear and determine any dispute concerning water resources or water services if the parties so agree

Devolution of the Water Sector

The right to clean and safe water is now constitutional. The Constitution of Kenya (CoK), under the Economic and social rights Section 43 (1), stipulates that every individual has a right to accessible and adequate housing, reasonable standards of sanitation and access to clean and safe water in adequate quantities. The Government of Kenya therefore has the primary duty of ensuring that the right to water and sanitation is fulfilled for everyone.

The Company is functionally owned by the Murang'a County Government under the Constitution of Kenya 2010 and once the Water Act 2016 has been put into operation and MUSWASCO issued with a license by the Regulator, it shall be formally established by the Murang'a County Government.

Role of County Government

The CoK 2010, devolved water provision to the County Government. In this respect the County Government plays the following roles:

- a) Ensuring access to water and sanitation according to constitutional rights by ensuring there is a WSP for the provision of water
- b) Managing catchment and protection by implementing water catchment activities at the county level
- c) Ring-fencing of income in the water sector and autonomy of management of WSPs. Counties to increase mobilization and efficient use of funds in the county for water and sewerage.
- d) Providing financial management through fiscal and investment planning. This is done through the development of 5-year plans incorporating an investment and financing plan for the provision of water services.
- e) Cooperating and coordinating with other counties and national government to ensure smooth inter-county sharing of water resources.
- f) Protecting the interests of underserved consumers by the enactment of regulations ensuring progressive achievement of the right to water
- g) Safeguarding integrity, good governance, and performance in water supply service delivery by providing direction and oversight
- h) Ensuring and coordinating the participation of communities in governance.
- i) Contributing to research and development in the water sector

Governance

Governance is concerned with:

- a) Transparency and accountability in management.
- b) A system of checks and balances in the power relationship within the organization.
- c) Effective systems of internal control and risk management.
- d) Effective utilization of all institutional resources

Good governance is a cornerstone of the Board's Strategic Plan. It is expected to enhance: -

- a) Efficient resource acquisition
- b) Efficient resource utilization and allocation
- c) Accountability for the stewardship of these resources
- d) Sustainable human development

Major Challenges in MUSWASCO

The main challenges facing MUSWASCO are both internal and external deficiencies in resources and capabilities which would hinder her from achieving her strategic objectives and which therefore should be addressed. The main challenges that were identified include the following:

- Inadequate and unreliable data
- Inadequate transport system:
- High Non-Revenue Water (NRW) levels.
- Lack of sanitation and sewerage system infrastructure in our urban and peri-urban centres.
- Ageing and dilapidated infrastructural assets.
- Lack of sufficient funds to expand the water reticulation system-the company does not have capacity to finance expansion of major undertakings from internal funds.
- Unavailability of public land/resources for infrastructural development.
- Political dynamics due to new water sector reforms.
- Implementation of water supply projects by other water sector players without adhering to the company's set standards.
- Destruction of company pipe network by road contractors without due notice and funds for relocation. i.e KeNHA, KeRRA and County Government road works.
- Multiple statutory requirements that are difficult and costly to comply with.
- Natural disasters that may lead to disruption of our operations
- Lack of storage capacity for raw water like upstream dam leaving the company vulnerable to fluctuations of the river flow
- Emerging irrigation projects which are eventually used for domestic purposes.
- Business interference - Company experiencing threats of encroachment to its defined water service provision area.
- Inadequate Mechanism for coordination between the WSP and the county government such as Failure of the county government to approve WSP's tariff and the accrued debts from county government.
- Population increase leading to increased water demand
- Climate change-low quantities of water in rivers
- Lack of storage reservoir threatening water supply during dry periods

Company Policy Directions- Stakeholders and Board of Governors

The company is governed by a Board of Directors comprising of various stakeholders as in Appendix 1. The company's current organization structure is given in Figure 4 whereas Figure 5 indicates the reviewed structure once this strategic plan is approved.

Strategic Plan Methodology and Process

Rationale for strategic plan

With its 2016-2021 strategic plan nearing an end, there was need for MUSWASCO to develop a new strategic plan that not only took cognizance of demographic statistics, economic indicators, government policies, technological advances, milestones achieved but also dynamism of the occurrences in the internal and external operating environment.

The current strategic plan envisages reducing the gap between demand and supply of water and sanitation services in Muranga South area of jurisdiction. The preparation of this Strategic Plan is the result of a comprehensive discussion by the management and the Board of Directors participation process led by a dedicated team.

Planning/Environmental Assumptions

In developing the strategic plan, the following assumptions were made:

- (i) That there will be no adverse changes in National and County governments' policies.
- (ii) That the country's economic growth will remain on the upward trend for the next five years.
- (iii) The good relationship between the company and its stakeholders will continue

Process of developing the plan

This strategic plan was developed through a consultative process;

A number of retreats, local and internal meetings, and in-house specialist technical meetings and workshops were held to ensure adequate participation of all players. The process enabled a review of gains and successes of the company; taking note of existing and emerging challenges. For instance, review of policies, Constitution of Kenya 2010 provisions, re-alignment to the Water Act 2016, and other sector policies have been consulted.

This strategy is also informed by National best practices from water sector players surveys for inclusion in the plan. Regular consultations to guide the review process, was a strategic plan core team appointed to carry out analysis and were carried out with the team and progress reports communicated. Regular briefings were made to guide the generation of inputs as well as imparting the principles and concepts for effective planning.

A one day internal management retreat was held in the first quarter of the Financial Year 2021/22 at Kenol Town to discuss the draft. The Board discussed the first draft in November 2021 at Nanyuki during the Board retreat and capacity building, and recommended various improvements.

The recommendations of the Board from the review process were incorporated in the draft and the final document was tabled for final review and approval on 18th March 2022, hence this final strategic plan.

CHAPTER 2

INSTITUTIONAL REVIEW

2.1 Introduction

This chapter gives an institutional review detailing the fundamental statements covering the vision, mission, mandate, core functions, core values, philosophy, current organizational structure, current funding, achievements /gains, and lessons learned from the previous strategic plan.

2.2 Fundamental Statements of the Company

2.2.1 Vision statement

“To be a model Water and Sanitation Services Provider in Kenya”

2.2.2 Mission statement

To provide quality, affordable, reliable, and sustainable water and sanitation services by meeting and exceeding the customer's and stakeholders' expectations.

2.2.3 Mandate Statement and Core functions

Mandate statement

Murang'a South Water and Sanitation Company are mandated to provide efficient and economical water and sanitation services within the area as specified in the license issued by WASREB and maintenance of the developed National and County Governments assets for water and sanitation service provision as per the Water Act 2016.

Core business

Muranga South water and Sanitation Company is mandated to provide water and sanitation services within the Kigumo, Kandara and Maragua subcounty and its environs. In line with the pursuit of its mandate, the company's core business is:

Core functions

- 1) Sourcing and distribution of water within its area of operation;
- 2) Provide Sanitation services to the residents of Muswasco' area of operation;
- 3) Exercise overall control over the supply of water and sanitation services in the specified area in the license
- 4) Provide and distribute a reliable supply of water and sanitation services for commercial, industrial, and domestic purposes within our specified areas
- 5) To obtain water for distribution and supply from all appropriate sources.
- 6) To undertake laboratory analysis to ensure that acceptable water quality standards are maintained.
- 7) To levy to the consumer charges in respect of the services which the company provides.
- 8) Bill and collect revenue from the customers; and
- 9) *Maintain water and sanitation infrastructure*

2.2.4 Core values

- a) Quality service and Customer focus
- b) Transparency and Accountability
- c) Good governance
- d) Innovation
- e) Teamwork

1.2.5 Philosophy (Company Slogan)

“Quality Water through Quality Service”

2.3 Muswasco Funding Trend

Over the plan period of the previous strategic plan (FY16/17-20/21) MUSW.ASCO has implemented various projects funded through various development partners.

2.4.0 Achievements, Gains, and Lessons Learned from Strategic/Business Plan 2017-2021

During the previous plan, several achievements accrued in terms of gains, challenges, and lessons learned that greatly informs the current strategic plan include:

a) Gains

- Increased water coverage 47-56%.
- Gradual and sustained improvement of water service provision and coverage;
- Enhanced corporate governance in the company;
- The gradual adoption of ICT which has improved operational efficiency
- Enhanced revenues collection ensuring long-term financial sustainability.
- Attraction and retention of more professionals thereby improving overall performance.
- Increased investments due to growing partner's confidence.
- Procurement of billing and customer relation's module softwares.

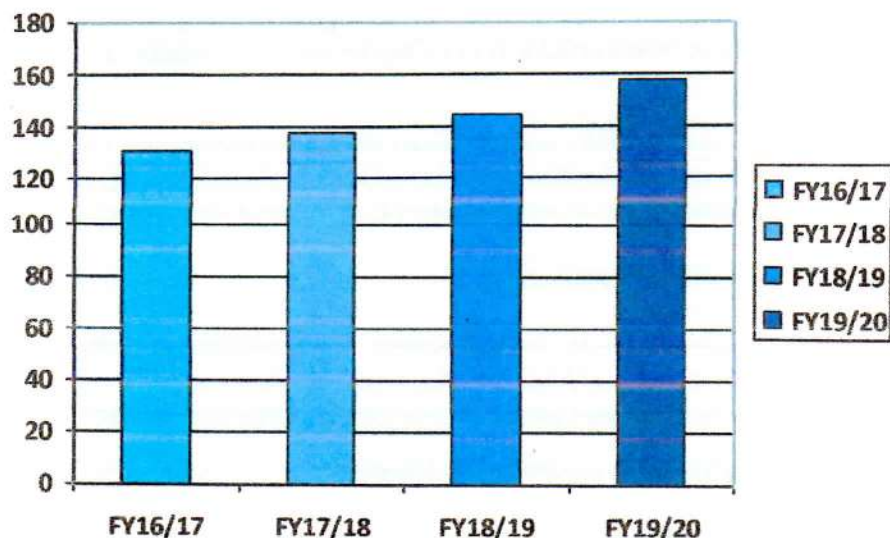
b) Challenges

- **Inadequate funding to achieve our mandate.** Investment and financing requirements for water and sewerage infrastructure have continued to outstrip available resources. Development of infrastructure for water and sewerage requires heavy capital investment. The funding from the government and development partners fall short of the requirements resulting in a backlog of investments in water and sewerage infrastructural development.
- **Population increase:** there is increasing demand for water due to rising population and expanding economic activities across various sectors against a slow pace in water and sewerage infrastructure development. Ever growing high water demand due to rapid urbanization within our service area.
- Inadequate disaster management and preparedness mechanism,
- **Non-Revenue Water (NRW):** The current levels of Non-Revenue Water stands at 47% with the largest water losses being through leaks due to dilapidated infrastructure and commercial losses (non-functional meters). NRW pose a challenge as it erodes gains made in water services provision.
- **Climate change:** Climate change pose additional constraint to development of water infrastructure. Degradation of catchment areas has not only reduced flows and quality of water in the rivers but also increased possibility of conflict between upstream and downstream users.
- **Dilapidated infrastructure,** which occasions high O+M costs and high NRW levels
- **Expired water tariff.** Operating under a non-cost recovery water tariff.
- **Political interference,** that revised our tariff downwards, pronouncements to our customers not to pay for water services rendered, county failing to pay for water bills to all county institutions and complicating dismantling of community water projects.
- **COVID-19 pandemic effects.** The pandemic greatly slowed down our operations, increased operational running costs, increased non-revenue water due government incentives and also increased free water demand.
- Inadequate transport facilities to cover the vast service area.
- Financial inability to provide water and sanitation services in a rural set ups where per capital cost is too high and unsustainable in the long run.

- Pipeline destruction through roadworks.

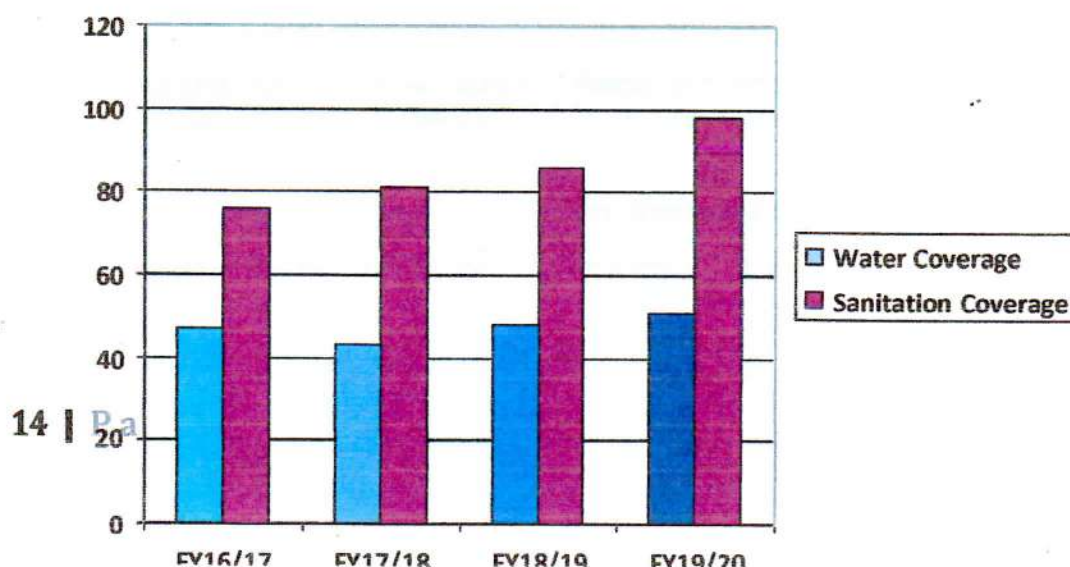
Table 2: Achievements as per the Key Result Areas

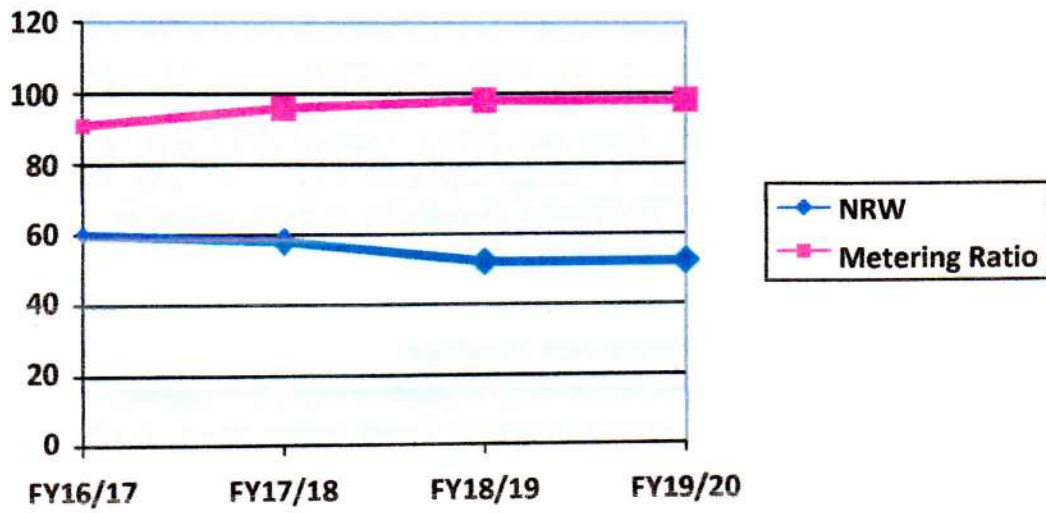
NO	INDICATOR	FY 2016/2017	FY 2017/2018	FY 2018/2019	FY 2019/2020
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2	Sanitation Coverage %	76	81	86	98
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4	Metering Ratio %	91	96	98	98
5	NRW %	60	58	52	52
6	Revenue Collection (Kshs Million)	131	138	145	158
7	Collection Efficiency %	100	90	75	93



Graph 2a: Revenue collection trend

Graph 2b: Increase in Coverage





Graph 2b: Increase in Coverage



Figure 3: Kinyona expanded t/works

2.4.1 Conclusion and recommendations on the gains and lessons learned

MUSWASCO has enormously contributed to economic productivity and improvement of livelihoods, both social and economic activities which rely heavily on the quality and quantity of fresh water supply. Nevertheless, the water demand is increasing rapidly and needs a high level of water infrastructure development. The alignment to COK 2010 and the Water Act 2016 is a unique opportunity to propel the Company to the next level of development by taking the lessons learned to avoid insufficient and polluted water resources, as well as adequate water services provision to become the limiting factors for sustainable development in the area of jurisdiction.

2.5 Human Resources in terms of Skills, Competences, and Numbers

The company recognizes the regulator's guidelines of maintaining an establishment of 5 members of staff per every 1000 connections. The company also takes pride in being a learning organization. To facilitate the implementation of the strategic plan, the company is adequately equipped in respect of the skills, competencies, and number of employees. Following training and development policy, staff training will be conducted where knowledge and skills gaps are identified through the training needs assessment process. It is noteworthy that as part of staff development the company is anticipating taking the employees through refresher courses to ensure that the right attitude in the workplace is upheld at all times.

2.6 Institutional structure

2.6.1 Board of directors

The Board of Directors (BOD)'s role is to provide policy guidelines in the management of the Company. The Board has the responsibility to establish and maintain full and effective control over the strategic, financial and operational direction of the Company as well as ensuring compliance to policies and procedures.

The Board discharges its role through committees.

Currently there are three committees which are:

- i. Technical committee;
- ii. Finance & Administration committee; and
- iii. Audit committee.

2.6.2 Office of the Managing Director

The Managing Director (MD) shall ensure proper and efficient management of the day-to-day operations of MUSWASCO under the policy guideline of the Board of Directors.

2.6.3 Departments and sections functions

In order to effectively implement the strategies and activities identified in this Strategic Plan, the following organisational arrangement is proposed:

a) Technical Service Department

The Technical department is comprised of Sanitation and Water supply sections and has following functions:

- 1) Production and distribution of quality water.
- 2) Collection, treatment and safe disposal of waste water.
- 3) Operation and maintenance of infrastructure i.e. assets, treatment plants pipeline and sewer network.
- 4) Carrying out technical audits and taking remedial action to optimize resource utilization.
- 5) Rehabilitation of water and sewerage and sanitation facilities.
- 6) Supervision of construction works.
- 7) Proposals writing and submission to potential donars
- 8) Preparation of development plans, action plans and budgets.
- 9) Monitoring and evaluation of companywide performance.

b) Finance Department

The Finance department is comprised of Accounting, Commercial and ICT sections.

The department has the following functions:

- 1) Managing financial systems which include revenue collection, debt collection, expenditure, cash flows, and inventories.
- 2) Management and preparation of annual financial statements.
- 3) Preparation of annual budgets and financial projections for investment programmes
- 4) Budget control.
- 5) Overseeing provision of ICT services within the Company;
- 6) Maintenance and coordination of funded or prposed project expenditures.

c) Commercial Services Department

1. Processing new customers accounts, updating the customers register/ accounts Oversee performancemanagement in the department
2. Prepare and submit monthly, quarterly and annual reports for the department
3. Prepare board management papers for approval
4. Ensure that all the data with regards to monthly meter readings and payments is entered and verified.
5. Ensuring timely billings of all services provided to customers

6. Maintain accurate records
7. Preparing accurate reports as required
8. Liaising with other sections in provision of quality service to customers
9. Attending promptly to complaints from customers
10. Identify training needs for the departmental staff
11. Develop department budget and work plan

d) Public relations Department

1. Brand development and advertising company's products
2. Developing brand strategy and statistics systems.
3. Strategic Consulting, including business plan & sales strategy development.
4. Drafting privacy policies and structuring commercial transactions.

e) Human resource section

The HR Section is responsible for the following:

- 1) Human Resources planning and deployment in liaison with Managing Director;
- 2) Recruitment and selection, training and development;
- 3) Employee welfare, compensations and industrial relations;

f) Administration Department

- 1) Registry operations, mailing and courier services;
- 2) Supervise Transport management and logistics;
- 3) Conduct AGM's/Stakeholders meetings and ensuring proper documentation of proceedings;
- 4) Continually review the performance of contracted security Provider ensuring all company facilities are adequately guarded;
- 5) Ensuring high standards of office cleanliness is maintained.

g) Procurement section

The Procurement section is responsible for the following:

- 1) Development, implementation and enforcement of procurement policies and regulations inline with procurement laws and regulations;
- 2) Preparation and implementation of the company's procurement plan in liaison with the Strategic plan
- 3) respective user departments, in order to realise the set objectives;
- 4) Managing and advising on asset disposal as and when required;

- 5) Facilitating implementation of the procurement and tender committees' decisions;
- 6) Managing and monitoring contracts to ensure timely execution;
- 7) Monitoring all risks related to procurement and ensuring that appropriate controls are implemented to mitigate the risks

h) Internal audit department

The Internal Audit department reports functionally to the Board and administratively to the MD.

The department is responsible for the following:

- 1) Developing, documenting, implementing, testing, and maintaining a comprehensive internal audit plan and system of internal audit controls to help provide assurance that MUSWASCO policies and procedures are complied with;
- 2) Examining financial transactions for accuracy and compliance with the policies of the Company;
- 3) Evaluating financial and operational procedures to assure adequate internal controls are present;
- 4) Identifying, assessing, and evaluating the Company's risk areas; make appropriate recommendations for improved internal controls and accounting procedures;
- 5) Identifying key business risks, assess those risks, and establish risk management procedures
- 6) Prepare necessary reports for the Audit Committee of the Board.

2.5.1 Organization Structure

The attached organizational structure (figure 4), represents the current situation. Figure 5 is the expected structure for implementation within the strategic plan period.

Figure 5 shall be implemented as vacancies arise which are demand-driven once such vacancies are approved by the Board, otherwise, the structure demonstrates maximum establishment within the period of the strategic plan.

Figure 4: Previous Organization structure

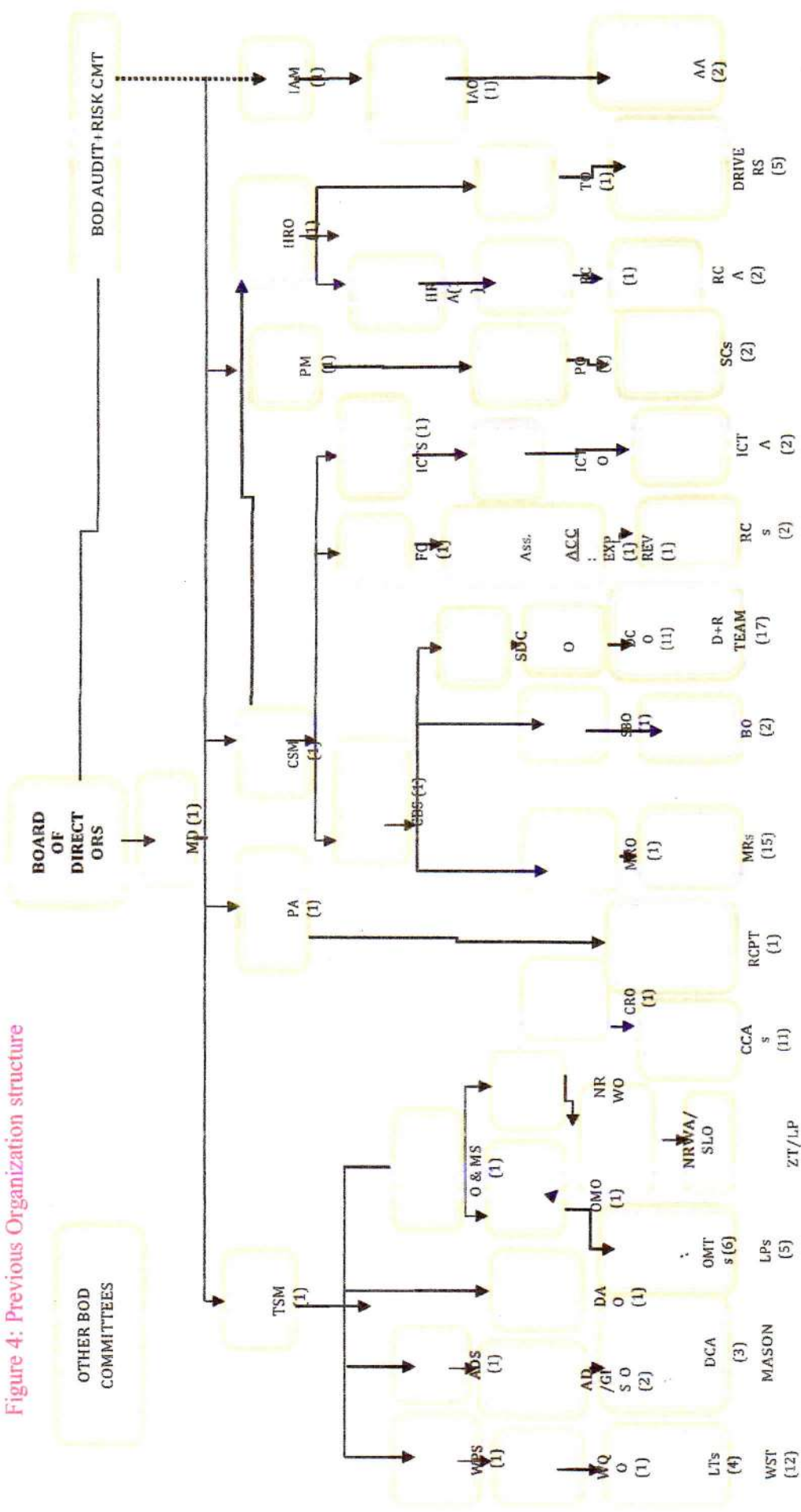
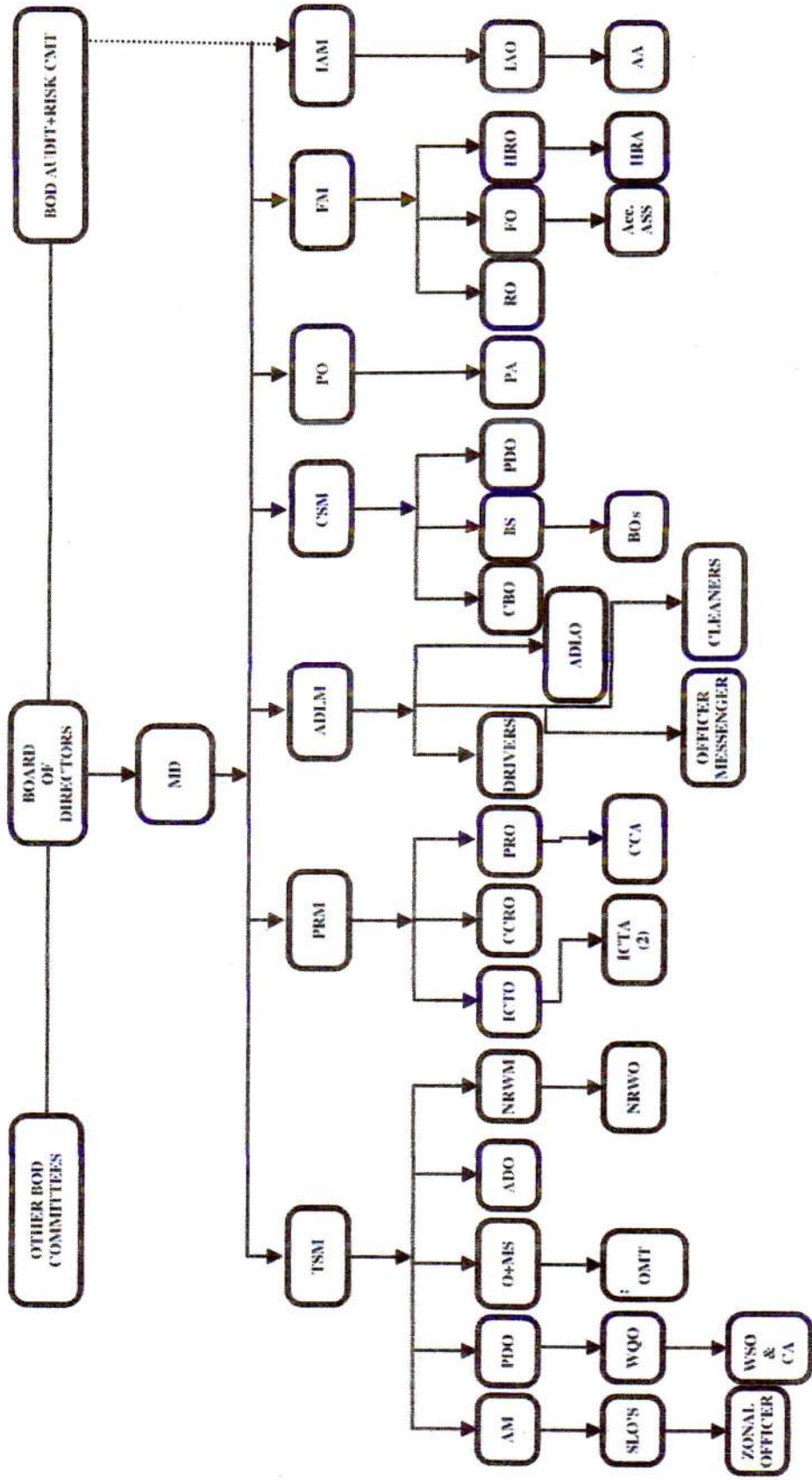


Figure 5: Approved Organization Chart



CHAPTER 3

FORMATIVE ANALYSIS

3.1 Political, Economic, Social, Technological, Environmental and Legal analysis(PESTEL)

The PESTEL analysis was undertaken by scanning the company's macro environment to ascertain the current challenges and opportunities that are likely to impact the operations of the company during the plan period. This analysis revealed the following:

3.1.1 The Political

The following were identified as some of the political factors that are likely to impact us:

- The 2022 general elections- new leaders will come with new perspectives.
- There will be likely changes in the Board with the change in politics where we anticipate that the balance of skills of the Board shall be addressed.
- Water is placed under the county government under the new constitution (New Water Act 2016) and this might change the policies on the provision of the water services.
- County governance have/will create opportunities- new industries, new public institutions etc. thus create opportunities for water supply.
- Challenges of water demand in the uncovered urban and peri-urban areas that have inadequate water supply infrastructure.
- The likelihood of clustering weaker players with our water company for technical and financial management.
- Employment laws- people becoming more aware of their rights
- Business interference - Company experiencing threats of encroachment to its defined water service provision area.
- Bill of rights – threats of people demanding water services through litigation/political incitement and demand for free water services.

3.1.2 Economic

- The inflation might erode the company's ability to meet some costs due to tariff structure which is regulated by the Water Regulatory Services Board Besides affecting our cost base, inflation may also affect our consumers' ability to pay.
- Electricity (pumping) and other water production costs have been on the increase and are expected to affect the Company due to increased demand for water services.
- The rising poverty levels are also likely to affect our customers' consumption demand and ability to pay for water and other services consumed.
- Exchange rate is putting pressure on investments owing to high cost of imports and challenges of consistently meeting obligation of foreign currency denominated debts.
- Regarding current depreciation of shilling, the company is not exposed to foreign exchange risk as the loan, which is underwritten by the Government, is denominated in local currency and the interest rate is fixed. However, high exchange rates could put pressure on future investments.
- Multiple levies by various offices- NEMA, WASREB, KFS, WARMA, Tana Water Services Board, etc is likely to put pressure on the company's revenues.

- Tax policies- Inclusion of the company in the tax bracket.
- Inadequate subsidized funding opportunities for infrastructural development.
- Unavailability of public land for infrastructural development.
- Dilapidated and aged infrastructure leading to high operational costs and high non-revenue water levels.
- The Company has embraced commercial financing and Public Private Partnership (PPP)
- Susceptibility of soils and terrain to landslides which occasion disasters to human life and infrastructure leading to high operational costs and compensation claims.

3.1.3 Social- cultural Environment

- Belief that people along the treatment works and along the trunk mains should be given free water for the simple reason that pipe work traverses their locality.
- The changing lifestyle due to urbanization is likely to trigger demand for 24hour water supply.
- Malicious persons in the society could use propaganda e.g. water is unfit for consumption and this could affect the demand negatively.
- *Ignorance and misinformation by some people has led to operational problems, for example by declining to give easement rights for water lines and demanding compensation for the old pipe network and infrastructure.*
- Cases of diseases like AIDS, alcoholism, drug abuse and other communicable diseases cropping at high rate thus affecting customer's ability to pay for water services.
- Youth dependency syndrome- youth depending on old who are not in a position to pay for the water.
- Belief that water is God given and should be free contributes to consumer's sluggishness in payment of the bills and therefore temptation to engage in water theft which calls for sensitization.
- Provision of clean piped water has led to increased cleanliness and health, thus a better standard of living in the community.
- Growing urbanization and industrialization is likely to increase effluent hence the need for sewerage systems and improved sanitation levels.
- Need for staff and customers for corporate culture change in matters such as water theft, corruption and debt management.

3.1.4 Technological Environment

Use of ICT is widely recognized worldwide as a major vehicle to accelerate effective and efficient service delivery. Some of the factors likely to have an impact on MUSWASCO's operations include:-

- Automation of the operational systems e.g. Mobile meter reading and use of GIS shall lead to improved operational efficiency and sustainability in service delivery.
- Need for adequate skills and capacity.
- Electronic money transfer. The current generation is most likely to prefer to use modern methods of payment such as mobile phones money transfer to the traditional method of paying over the counter. This is would impact positively

on debt management while posing challenges on the company's readiness to embrace such a regime in terms of resources and skills.

- Use of the internet e.g. downloads bills, accessing terms of contracts and general company information.
- High rate of technological changes could become very expensive owing to frequent change of equipment, software and retraining of staff thus affecting their very purpose of increasing efficiency and attaining cost effectiveness.
- Monopoly of knowledge where one person can do a lot of work alone. There is a danger in such a situation in that an individual can hold the company at ransom.
- Cloud computing. No need to invest in more servers.
- Increase in threat of data loss through vices such as theft, damage, hacking and possible sabotage.
- Security of ICT is critical issue in any business that embraces computerization as mishandling could easily cripple the operations of an entire organization.
- Cost of research and development. In a situation where many needs are competing for scarce resources research and development are given a lesser weight in terms of priority.
- Possibility of staff resisting new technology. New technology interferes with the way of doing things' and a lot of the staff receive it with a degree of apprehension.
- Limited access to internet services due to the current location of the Company's main offices. This may call for relocation of the main offices to an urban setting with reliable internet coverage.

3.1.5 Environmental

- The formation of Water Resources Users Association (WRUA) for protection of water bodies has positively enhanced the protection of water sources within our area of jurisdiction.
- The enactment of EMCA enabled establishment of NEMA which helps MUSWASCO to attain the required regulatory permits and licenses to implement new projects.
- The global warming is affecting our water sources and has a future impact on the implementation of this strategic plan Encroachment of our Water Towers (Aberdare Ranges) has also a negative effect on the water sources feeding MUSWASCO.
- Human activities like cultivation of catchment areas resulting to high silt load in the water requires a lot of treatment before it can be use for drinking

3.1.6 Legal

- Government regulations e.g. on tariff control, performance indicators likely to affect our profitability.
- The Water Act 2016 changes in relation to water service provision especially at regulatory level. Changes at this level will invariably have ripple effect in the water industry especially at WSP level.
- Water has become a human rights issue. As the commodity gets more and more scarce the perspective is changing with consumers and rights groups agitating for equality in its usage.
- Employment through regionalism. Devolution and county government system envisaged in the constitution is bound to bring out regional and, if not carefully handled, ethnicity among the populace. We are already seeing communities agitating for more employment opportunities within the WSPs that operate within their localities.
- The 2010 Constitutional challenges e.g. Bill of rights, Gender mainstreaming etc.
- Challenges in acquiring road crossing approvals from relevant authorities e.g. KeNHA and KERRA causing delay in completion of projects.

3.2 SITUATION ANALYSIS

Overview

This chapter reviews the performance of the 2016-2021 Strategic Plan highlighting achievements, challenges and lessons learnt. The chapter further provides analysis of external and internal environment using the Strengths, Challenges, Opportunities and Threats (SWOT) and Political, Economic, Socio-cultural, Technological, Environmental and Legal (PESTEL) analytical tools. A stakeholder analysis has also been undertaken to establish the role of each stakeholder in the implementation of the strategy.

3.2.1 Stakeholder Analysis

Stakeholders refer to all those parties with an interest in the affairs of MUSWASCO. It is in the interest of the company to know who its stakeholders are in order to serve them adequately. An analysis of stakeholders is important because stakeholders influence activities of an organization either positively or negatively. Happy stakeholders imply goodwill to the company. Moreover, it is also important to analyze stakeholders in order to tie the objectives to their needs.

An analysis of the key stakeholders of MUSWASCO together with their expectations from the company is listed below: -

1. National Government
2. County Government
3. Major religious organizations
4. Educational institutions

5. Farmers organizations
6. Business community
7. Special groups representatives
8. Water resources users' association
9. NGOs
10. Women organizations
11. Health institutions
12. Professional bodies

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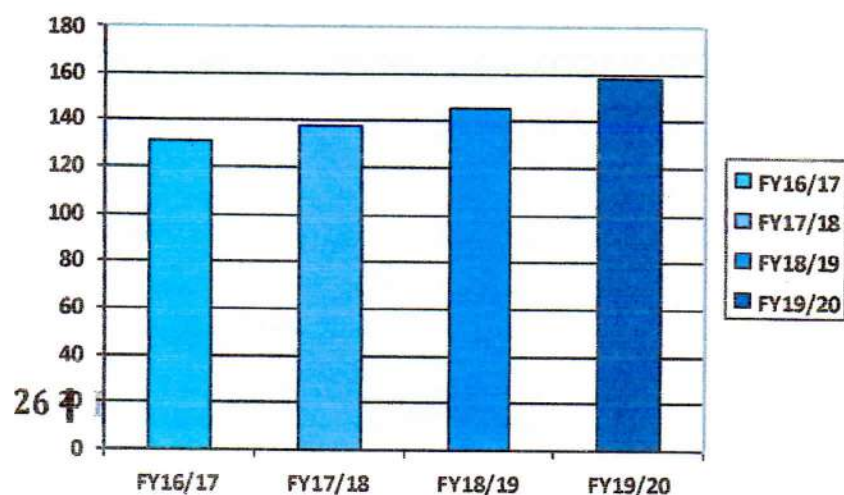
See the attached Annex 1 for details on the above.

3.2.2 Operational analysis

The achievements during the previous strategic plan period are analyzed in the following graphical representation and photos which indicates an improvement in service delivery and infrastructure development.

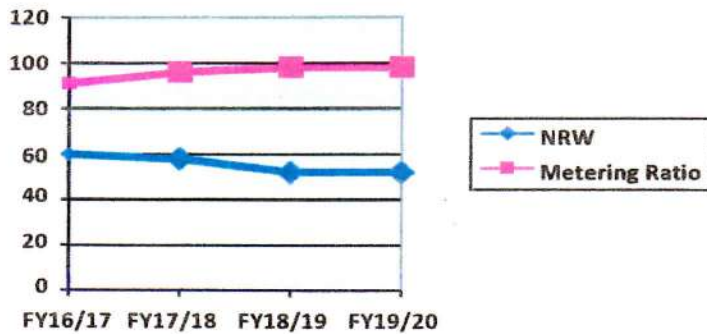
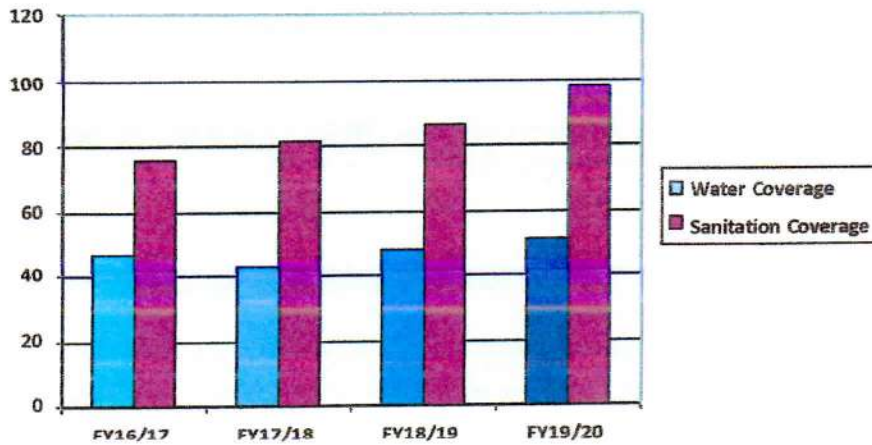
Table 2: Achievements as per the Key Result Areas

NO	INDICATOR	FY 2016/2017	FY 2017/2018	FY 2018/2019	FY 2019/2020
1	Water Coverage %	47	43	48	51
2	Sanitation Coverage %	76	81	86	98
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5	NRW %	60	58	52	52
6	Revenue Collection (Kshs Million)	131	138	145	158
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Graph 2a: Revenue collection trend

Graph 2b: Increase in Coverage



Graph 2c: Metering and NRW

3.3 Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis

The purpose of the strength, weakness, opportunity and threat (SWOT) analysis is to enable MUSWASCO to achieve a strategic fit between the organizational internal skills, capabilities and resources with the external opportunities, so as to minimize the threats to the organization as we maximize on the opportunities.

A focus on MUSWASCO's internal and external environments helps in understanding its capacity, weaknesses and opportunities that are important in its activities and actions for efficiency and sustainability. The SWOC model provides a tool for this analysis.

3.3.1 Strengths (Internal)

Strengths are those endowments, including resources and capabilities that enable an organization to accomplish and achieve the strategic objectives. For MUSWASCO, these include, among others, the following:

- Adequate raw water source-this is **key not only** to the current situation but also for future expansion.
- Supportive and strong Board leadership is very helpful in advancing company agendas and shielding the company from unnecessary political and social pressures.
- *Sound financial control and procedures* gives sense of discipline in financial management and reduces overreliance of the company on individuals.
- Over 90% billing efficiency
- Effective internal communication system
- Motivated and satisfied workforce: During the last employee satisfaction survey the index was above 60%.
- Effective and efficient IT system-fosters good communication and processing of information
- Financial Stability and sustainability
- Good Corporate governance and leadership
- Experienced and skilled staff
- Gravity flow water system
- Low staff turnover at 2%. There is sustainability and shorter learning curve.
- The only contracted water company in the three sub-counties
- Cordial relationship with stakeholders
- Policy guidelines available-ICT, Accounting, Billing

3.3.2 Weaknesses (External)

These are internal deficiencies in resources and capabilities which would hinder MUSWASCO from achieving its strategic objectives and which therefore should be addressed. The main weaknesses that were identified include the following:

- Inadequate and unreliable data inherited before company formation
- Inadequate transport system: this affects the entire operation of the organization especially the operations

- Low production capacity leading to inability to fight competition and hindering future expansion.
- Unmetered connections resulting to high Non-Revenue Water (NRW) levels.
- Strained relationship with suppliers due to financial constraints affecting supply chain management.
- Lack of sanitation and sewerage system infrastructure in our urban and peri-urban centres.
- Ageing and dilapidated infrastructural assets (inherited from GoK/NWCPC)- adversely affecting our capacity to provide services
- Lack of funds to expand the water reticulation system-the company does not have capacity to finance expansion of major undertakings from internal funds.
- Absence of off-site backup and data recovery measures
- Lack of clear succession plan-important in satisfaction among the staff and fosters continuity
- Lack of risk management plan- this could lead to crippling of the organization's operations in case of an occurrence of an adverse incident.
- Lack of detailed GIS System for mapping analysis
- High gearing ratio (high debt as a percentage to equity)-the company would find it difficult to get debt financiers until the current debt is substantially paid or the equity has grown to comfortable level
- Inadequate office facilities, equipment, furniture and fittings.
- Unavailability of public land/resources for infrastructural development such as office space
-

3.3.3 Opportunities (External)

Opportunities are those potentials and other external factors that MUSWASCO will advantage of in order to enhance the ability to achieve its goals and the stated objectives. These include:

- Political goodwill by the National/County Government - Political goodwill at local politics could be harnessed to in drumming up support at grass root level.
- Global Technological advancement will open new frontiers and alter the way we do our business
- Drive to achieve MDGs can be used as a platform to access support and funding.
- Opportunity to increase the coverage area to the areas not yet served.
- Available consultancy services from other institutions
- Possibility of getting involved in management of community water projects.
- High demand for water and sewerage services due to influx of learning institutions and other industries.
- Collaboration with funding agencies like WSTF funds, commercial financing, on justification, and the National through AWWDA/County Government grants thereby closing the financing gap.
- Rural urban migration increasing urban population which boosts demand for our services.

- High potential area of supply (available market and willingness to pay for the services)
- Customer goodwill
- Goodwill of external financiers
- Customers ability to pay

3.3.4 Threats/Challenges (External)

These are factors external to MUSWASCO that compound its vulnerability when they relate to the weaknesses, and which are likely to hamper the achievement of set objectives during the plan period. The major threats identified include:

- Destruction of catchment area.
- Unwillingness and inability to pay for the services thereby posing challenge to debt management.
- Emerging levies emanating from elaborate regulatory framework
- Political dynamics at county level might exert pressure on the company especially in the area of tariffs and staffing.
- *Vandalism of the infrastructure.*
- Alternative sources of water such as private boreholes and water vendors.
- High inflation eroding purchasing power of the company and consumers.
- Implementation of water supply projects by other water sector players without adhering to the company's set standards.
- Destruction of company pipe network by road/KPLC contractors without due notice and funds for relocation.
- Possibility of clustering of WSPs within the same county in pursuit of efficiency.
- The changes that may arise from general elections in the year 2022.
- Change in Technology that could render our systems and equipment such as data loggers obsolete
- High charges by service providers of single software applications and hardware. Isolated systems are very expensive to run.
- Multiple statutory requirements that is difficult and costly to comply with.
- Erratic/low power voltages affecting pumping of treated water contributing to high operational costs.
- Natural disasters that may lead to disruption of our operations
- Lack of storage capacity for raw water like upstream dam leaving the company vulnerable to fluctuations of the river flow
- Malicious damage and fraudulent claims of damages
- Unhealthy status of the community with increased cases of water related communicable diseases.
- Emerging irrigation projects which are eventually used for domestic purposes.
- Business interference - Company experiencing threats of encroachment to its defined water service provision area.
- Bill of rights – threats of people demanding water services through litigation/political incitement and demand for free water services.

- Tax policies- Inclusion of the company in the tax bracket.
- Malicious persons in the society could use propaganda e.g. water is unfit for consumption and this could affect the demand negatively.
- Increase in threat of data loss through vices such as theft, damage, hacking and possible sabotage.

CHAPTER 4:

STRATEGIC OBJECTIVES AND DIRECTION

4.0 Introduction

The strategic direction has been informed by lessons learnt, the realignment with the constitution and other emerging issues.

4.1 Strategic issues

The following key strategic issues are identified and prioritized for attention over the next 5 years;

1. Low access and coverage to safe water and sanitation services
2. High levels of Non-Revenue Water (NRW)
3. Inadequate ICT capacity-Inadequate management information system (MIS)
4. Inadequate financial sustainability
5. Inadequate institutional capacity
6. Inadequate mainstreaming of cross cutting issues
7. Lack of adequate and reliable data
8. Limited corporate image

4.2 Strategic Goals

In addressing the above issues, the following goals will be achieved;

- a. Increased urban, peri-urban and rural population accessing safe water and improved sanitation
- b. Reduced Non-Revenue Water levels
- c. Enhanced adequate management information systems.
- d. Enhanced financial sustainability
- e. Enhanced institutional capacity
- f. Cross cutting issues mainstreamed in all the MUSWASCO's operations
- g. Quality and reliable data.
- h. Enhanced quality corporate communication.

4.3 Strategic Objectives

Strategic Issue 1: Low access and coverage to safe water and sanitation services.

Strategic objective 1.1: To increase the proportion of the population accessing safe water from 56% to 75% over the planning period.

Activities:

- i. Rehabilitation of Chathanda Mainline by installation of the appropriate appurtenances and construction of a CFU
- ii. Construction of Sabasaba Water Supply Project from Kaihiti/ Sabasaba river

- iii. Construction of Gaichanjiru water project
- iv. Construction of Kenol -Kabati Bulk Water main supply pipeline from Maragua 4 dam at the confluence of Gikigie river and the Irati river
- v. Rerouting of Kinyona Old mainline to pass through Kangari-Ikumbi for a distance of 13Km.
- vi. Procurement of a Water Bowser (10 wheeler 6x4 -15Tonnes water capacity)
- vii. Construction of 315mm diameter mainline from Wanyaga intake to Kandara Tank.
- viii. Maragua Bulk water project (15m dam at the confluence of Irati and Maragua river)
- ix. Maragua Bulk water Pipeline extensions to Summary, Mbombo, etc.
- x. Mareira-Kagundu-ini- Kenol Pipeline of 250mm diameter HDPE.
- xi. Kangari-Githumu Water project of 160mm diameter to Gitaimbuka Tank.
- xii. Mareira-Karimamwaro-Makenji water project.
- xiii. Construction of 400 mm diameter main from Kinyona intake and extends to the New Mariira Tank for 27Km.
- xiv. Drilling of New boreholes in areas where there is no reticulation systems (Min 5No.) with adequate overhead tanks for water supply.
- xv. Construction of standard water Kiosks within areas of operations (Min 5No.)
- xvi. Construction of Makomboki-Gituru water project of 200mm Hdpe diameter for 13Km.
- xvii. Construction of KAMBITI WATER Project from Mugira dam of 200mm diame Hdpe for 9Km.

Strategic objective 1. 2: To enhance Sanitation services from 95% to 100% within the planned period

Activities:

- i. Mobilization of funds through proposals to development partners for Kangari, Sabasaba and Maragua Sewerage
- ii. Initiate acquisition of way leaves and land for the sewerage and waste water treatment plant for the above areas
- iii. Mobilize funds from WSTF and other development partners for Sanitation blocks (Minimum 5No.) and Upgrading of Toilets within Low income areas within Muswasco
- iv. Construction of Ubsup toilet blocks in Low income areas within Muswasco
- v. Construction of Ablution blocks in Low income areas within Muswasco
- vi. Construction of DTF for Kenol and Kabati
- vii. Construction and operation of the Kenol Kabati Sewerage infrastructure
- viii. Mobilize funds from development partners for construction of Sewerage treatment in Kangari, Sabasaba and Maragua
- ix. Ensure proper management of the facility.
- x. Procure an exhauster
- xi. Contract the sanitation blocks to a willing operator.

Strategy 1.3: To enhance and secure the water production and distribution System and infrastructure

Activities

- i. Purchase and installation of (ARI)Air valves for the Transmission mains and distribution Pipelines
- ii. Installation of Proper Washouts for flashing of the mainlines ad their chambers
- iii. Installation of Tank covers for all masonry and elevated tanks within the areas of operation
- iv. Installation, renewals of dillapidated pipelines, repairs and maintenance of pipeline appurtenances
- v. Rehabilitation of Kigumo-Kambi- Kaharati Pipeline
- vi. Upgrading the sections of Kenol and Kabati that have 110mm diameter pipeline to 160mm diameter pipeline to increase flow
- vii. Rehabilitation of Mutunguru Pipeline to the required standards
- viii. Rehabilitation of Kandara Bulk Water supply project

Strategy 1.4: To Improve the water Quality status and assurance during the planned period

Activities

- i. Refurbishment of all treatment facilities(6No.)-Ichichi, Kinyona, Kiriciungu,Irati, Chathanda and Maragua ridge
- ii. Construction of a Water bottling plant within the area of operation
- iii. Construction of a High -Technology treatment works for Maragua ridge water supply project
- iv. Purchase and installation of water quality Lab equipments in Kinyona,Ichichi and Gakoigo treatment works
- v. Provision for purchases of Chlorine
- vi. Provision for purchases of Alum
- vii. Provision for Conducting Physiochemical Tests in out-Labs as per WASREB Guidelines

STRATEGIC ISSUE 2: High levels of Non Revenue Water

Strategic Objective 2.1: Reduce the Non Revenue Water from 47% to 32% over the plan period

Strategy: Improved NRW Levels

Activities:

- i. Implementation of Pro-poor Policy - Social Connection Policy to 100%
- ii. Develop NRW policy and implement fully
- iii. Capacity build the NRW unit and equip it fully
- iv. Create reliable data base on NRW (Tariff Provisions)
- v. Initiate acquisition of community water projects that are consuming water from the company supply
- vi. Provide an independent transport facility for NRW
- vii. Installation of zonal meters which are accurate to all the zones
- viii. Installation of New connection Customer Meters
- ix. Customer Database
- x. *Active Leak Detection*
- xi. GIS - Procurement of the software and other accessories
- xii. GIS mapping (Capturing of main supply lines and distribution lines) and Purchase of base maps
- xiii. System input metering (Zonal/Master meters) and water balance
- xiv. Construction and equipping of Independent and resonating Meter Testing Water storage platform
- xv. Customer metering (Replacement)
- xvi. District Manageable Areas (DMAs)
- xvii. Installation of pressure gauges
- xviii. Hydraulic analysis of pressure
- xix. Water flow measurements

Strategic issue 3: Inadequate ICT capacity (Inadequate Management Information System (MIS))

Strategic Objective 3.1: To fully strengthen information management systems over the plan period.

Strategy 1: Improved communication

Activities:

Develop and operationalize:

- (i) A documentation management system (DMS),
- (ii) A Geographical Information System (GIS)
- (iii) An Enterprise Resource Planning (ERP) system
- (iv) A financial management information system (FMIS)
- (v) Upgrade ICT equipment and infrastructure
- (vi) A company website (LAN and WAN)
- (vii) A fleet management system
- (viii) Enhance Mobile Field Assistant system (MFA)
- (ix) Establish an efficient office intercom for HQ
- (x) An ICT Policy and Strategy

STRATEGIC ISSUE 4: Inadequate financial sustainability

Strategic Objective 4.1: To enhance MUSWASCO's financial sustainability from 95% to 120% over the plan period

Strategy 1: Financial capacity and management enhancement

Activities:

1. Ensure all customers are accurately billed and pay promptly
2. Identify and establish base line status for MUSWASCO financial performance indices.
3. Monitor and evaluate MUSWASCO's financial sustainability indicators
4. Maximize income from MUSWASO's water and sanitation services
5. Ensure approval of Tariff and its implementation

6. Continue mobilization of funds from development partners
7. Ensure prudent management of the company expenditure and value for money
8. Develop innovation through Research & Development such as reducing costs of O&M and increasing revenue streams hence increase efficiency to ensure optimum financial sustainability.

STRATEGIC ISSUE 5: Inadequate institutional capacity

Strategic Objective 5.1: To enhance staff capacity by 50% for MUSWASCO over the plan period.

Strategy 1: Skills and Competencies enhancement

Activities:

- i. Conduct job evaluation to establish staff capacity during the first financial year.
- ii. Conduct annual training needs assessment
- iii. Develop and execute a responsive training plan/calendar
- iv. Identify tailor made courses for the various cadres of staff
- v. Review and evaluate the training plan
- vi. conduct job evaluation to establish staff capacity during the first 6 months after the plan period

Strategic Objective 5.2: Equip staff fully with adequate transport, tools and equipment within the plan period

Strategy 2: Optimal transport, tools and equipment for the staff

Activities:

1. Procure adequate transport facilities, tools, and equipment for the staff while ensuring value for money
2. Ensure effective and efficient utilization of transport facilities, tools, and equipment while ensuring value for money
3. Ensure calibration of tools and equipment at regular intervals
4. Ensure adequate repairs and maintenance of transport facilities, tools, and equipment
5. Purchase of a solar system/ generator at H.Q
6. Procure of 24 No. Motorcycles per annum
7. Insurance (motor vehicles/cycles & other General Insurances)

Strategic Objective 5.3: To fully enhance MUSWASCO governance, management and administration over the plan period

Strategy 3: Adoption of good corporate governance concepts and practices

Activities:

1. Training in good governance and management skills for the departmental and section heads
2. Create and adopt a good corporate governance system
3. Train and practice good corporate governance for MUSWASCO BOD and stakeholders
4. Benchmarking with the best practices in management at the local and national level

Strategy 4: Adoption of best practices in the Company for better results

Activities

1. Identify the company's needs for benchmarking and the staff involvement
2. Identify the firms/organization's with the best practices at the local and international level
3. Formally apply and actualize the benchmarking
4. Adopt relevant benchmarked management practices in the company

Strategic Objective 5.4: Full Compliance with the MUSWASCO's strategic plan 2021 – 2026 period

Strategy 4: Achievement of our goals and objectives.

Activities:

1. Disseminate the MUSWASCO's strategic plan 2021– 2026 to all members of staff, the BoD, stakeholders etc.
2. Train the BoD and staff on strategic plan implementation
3. Develop and implement work-plans, policies and performance contracts
4. Cascade performance contracts to all the staff
5. Undertake monitoring, evaluation and review of the MUSWASCO's strategic plan at regular intervals

Strategic Objective 5.5: To reform and fully improve the MUSWASCO's organizational structure over the plan period

Strategy 5: MUSWASCO organizational structure alignment to the new strategic direction.

Activities

1. All departments to define functions and establish maximum staff requirements in their respective structures.
2. HRO to consolidate the departmental structures for further review by the management.
3. Review and approval by the BOD of the MUSWASCO re-organized structure.
4. Progressive implementation of the organogram within the strategic plan period.

Strategic Objective 5.6: To Maintain and attract a competent, skilled, adequate human capital plus staff welfare

1. Timely implementation of CBA
2. Introduce performance related pay schemes.
3. Review the training needs assessment plan
4. Medical cover
5. Employee Satisfaction survey
6. Purchase of staff uniforms
7. COVID-19 Mitigation
8. Insurance (Directors & staff covers)

STRATEGIC ISSUE 6: Inadequate mainstreaming of cross cutting issues

Strategic Objective 6.1: To develop and operationalize policies in addressing cross cutting issues in compliance with the relevant Acts during the plan period

Strategy 1: Compliance with relevant Acts and policies

Activities:

9. 1. Develop and implement a gender mainstreaming policy
10. 2. Develop and implement a workplace policy on drug and substance abuse
11. 3. Develop and implement a disability mainstreaming policy
12. 4. Develop and implement a workplace policy on HIV/AIDS Management
13. 5. Develop and implement an anti-corruption policy
14. 6. Disseminate and create awareness on all cross-cutting policies and related interventions
15. 7. Develop and implement a CSR policy
16. 8. Develop and implement occupational safety and health and environmental policy.

STRATEGIC ISSUE 7: Lack of adequate and reliable data on assets and operations

Strategic Objective 7.1: fully develop a database of reliable data to assist in planning and for

stakeholders information during the plan period

Strategy: Quality and reliable data

Activities:

17. 1. Establish an all-inclusive data center with requisite personnel
18. 2. Undertake a baseline survey of the existing data and include all omissions
19. 3. Validate all the baseline data and update the new databank

4.4 Output, Outcome and Impact

This Strategic Plan has a five year time frame during which period outputs will result from planned activities. These tangible and quantifiable variables will be on year-to-year timelines. The outputs will further results into outcomes which are tangible and quantifiable. Combinations of reinforcing outcomes will eventually deliver the desired impact. The MUSWASCO Strategic Plan 2021/22-2025/26 is indicative of the following outputs and outcomes:

4.4.1 Outputs

By undertaking the various activities as outlined in the strategic plan, MUSWASCO expect to achieve the following outputs;

- 1) Increased water abstraction capacity
- 2) Increased water and sanitation infrastructure
- 3) Improved institutional capacity of MUSWASCO
- 4) Improved operational efficiency of MUSWASCO
- 5) Reduced interruptions of water supply
- 6) Reduced NRW

4.4.2 Outcomes

From the foregoing outputs, it is expected that the following outcomes shall accrue.

- Improved per capita water production
- Improved quality of water and sanitation infrastructure
- Reduced customer complaints
- Improved health status of the people
- More customer connected
- Enhance billing to customers

4.4.3 Impact

The following impacts shall be realized in the next four years with the implementation of the proposed plan;

- Improved living conditions at household level
- Improved purchasing power of the people
- Improved customer satisfaction levels
- Improved health status of consumers



Public Sanitation facility at Kambiti

CHAPTER 5:

IMPLEMENTATION AND COORDINATION FRAMEWORK OF THE STRATEGIC PLAN

5.0. Introduction

The implementation of this strategic plan coupled with result based monitoring and evaluation will ensure that MUSWASCO achieve its goals and deliver services as mandated in the license. The successful implementation of the MUSWASCO 2021-2026 strategic plan will ride on its acknowledgement and adherence to the fundamental principles of sustainable access to water and sanitation services demand driven services, consideration of pro-poor settlements, affordable and adequate water and sanitation services.

5.1. Implementation

The 2021-2026 strategic plans provide a road map in form of strategic objectives to be achieved within the plan period in order to attain the intended outcomes. The implementation may also change due to the Water Act 2016 and requisite legislation which may be undertaken at National and County Government levels.

5.1.1 Approach

A year-to-year commitment to ensuring the successful implementation of the MUSWASCO Strategic Plan will be premised on annual work plans prepared by the HODs. Therein, it will cover the greater details of the tangible activities, tasks, targets, and specific periods of execution with the officer, upon whom the responsibility is allocated. A consolidation of these will constitute the MUSWASCO work plan prepared annually.

The Murang'a County Integrated Development Plan (MCIDP) or the Board of Directors appointment of the Management requires MUSWASCO to implement its activities based on performance contract signed with the County Government Water Minister or with the Board Chairman. The Strategic Plan will be the basis of setting performance targets for the Performance Contract and then cascaded to the HODs for implementation. The Strategic Plan will also be the base of developing budgets to guide yearly implementation. The implementation will not be traditionally based on outputs but impact oriented.

5.1.2 Process

The Strategic Plan will be implemented based on **key result areas** and following the impact expected. Performance contract targets will be drawn from the **key result areas**. The Performance Contract will be cascaded to the HODs for implementation.

The HODs will develop their annual work plans and budgets based on the Performance Contract. A new organizational structure has been proposed in the Strategic Plan to support the implementation of the plan.

It is envisaged in the Strategic Plan that a Project Monitoring Unit shall be established to facilitate implementation of all projects.

KEY RESULT AREAS

- Water Coverage, %
- Drinking Water Quality, %

- Hours of Supply, hrs/day
- Non-Revenue Water, %
- Metering Ratio, %
- Staff Productivity, Staffper1000 Connections
- Personnel expenditure as % of O+M Costs, %
- Revenue Collection Efficiency, %
- O+M Cost Coverage, %

5.1.2 Capacity building /Development of Skills to implement SP

For a successful implementation of the strategic plan during the next five years, the following activities are necessary for the implementation process:

- 1) Hold implementation workshop to discuss the approved strategic plan document, by the end June 2022.
- 2) Form various committees/teams instituted on areas of strength and competence of members.
- 3) The committees/teams agree dates of meetings to report on progress, deviations, etc, i.e. monthly.
- 4) Hold sensitization workshop of the staff on a need to know basis, in the entire organization to ensure understanding of the plan and smooth implementation.
- 5) Plan meetings to update on progress, i.e. on quarterly basis.

A detailed implementation Matrix is indicated in Appendix 2

CHAPTER 6

MONITORING, EVALUATION AND REVIEWS

6.1 OBJECTIVES OF MONITORING AND EVALUATION

To be able to attain the desired outcome from the identified strategies, the strategic plan must be carefully implemented. Successful implementation of the plan requires clarifying decision rights, improving information flow, establishing the right motivators (incentives and sanctions) and structuring the organization to suit the strategies put in place. Further, there is need for an adequate M & E framework to be in place.

6.2 MONITORING AND EVALUATION (M & E) FRAMEWORK

The following M & E framework will be put in place by MUSWASCO management in order to ensure implementation of the strategic plan:

- i. An Strategic Plan committee to be established comprising of the Managing Director and heads of departments to oversee the implementation of the strategic plan.
- ii. The M&E committee will hold Quarterly meetings to review the status of the strategic plan implementation as it relates to their respective areas.
- iii. The M & E committee will be reporting quarterly to the Board of Directors on the progress of the strategic plan implementation.
- iv. The Board and the Management will undertake annual reviews of the status of implementation of the strategic plan. During the annual reviews, any necessary changes will be identified and implemented.
- v. The strategic plan will be reviewed mid-term so as to ensure that necessary changes in the objectives, strategies, activities among others are effected informed by new information regarding the company or the environment.

Strategic Plan Committee

The implementation of the strategic plan will be closely monitored to ensure accomplishment. The company will form a **strategic plan steering committee** to oversee the implementation. And the committee members will be drawn from the management and the Board.

6.3. Monitoring

To ensure that the Board remains in pursuit of its objectives, the MUSWASCO Strategic Plan 2021-2026 will be monitored through regular and organized reporting of achievements against the set targets as formulated in the various **performance contracts**.

Monitoring will involve collection of data at activity level and reported on a continuous basis. The unit in charge of performance will be tasked to replicate these arrangements as an approach to monitoring the contribution of the various units towards effective implementation of this strategic plan.

An M&E instrument for tracking performance is shown in Appendix 2. However, an M&E unit (data analysis officer) is recommended and incorporated in the reviewed organization structure in this strategic plan to coordinate all related activities and ultimately come up with reports. The monitoring template from AWSB may form the basis to formulate an M&E system to track data and information for further analysis to enrich the M&E matrix in appendix 2.

The Strategic Plan will be implemented based on **key result areas** and following the impact expected. Performance contract targets will be drawn from the **key result areas**. The Performance Contract will be cascaded to the HODs for implementation. The HODs will develop their annual work plans and budgets based on the Performance Contract. A new organizational structure has been proposed in the Strategic Plan to support the implementation of the plan. It is envisaged in the Strategic Plan that a Project Monitoring Unit shall be established to facilitate implementation of all projects.

KEY RESULT AREAS

- Water Coverage, %
- Drinking Water Quality, %
- Hours of Supply, hrs/day
- Non-Revenue Water, %
- Metering Ratio, %
- Staff Productivity, Staff per 1000 Connections
- Personnel expenditure as % of O+M Costs, %
- Revenue Collection Efficiency, %
- O+M Cost Coverage, %

Therefore, during Monitoring, the above quoted documents and records shall be the basis for monitoring performance of the company towards achieving the strategic plan.

6.4 Evaluation

Evaluation of the performance of this plan will involve the periodic assessment of data against pre-set indicators to determine the extent to which achievements compares with set targets and reports produced. Once M&E reports are produced, necessary changes shall be made based on the evaluation.

The revised plan will take into consideration emergent strategies, and changes affecting the company's intended course. MUSWASCO shall measure current performance against previously set expectations, and consider any changes or events that may have impacted on the planned course of actions.

Some inputs required for the strategic plan evaluation process include: -

1. Strategic plan review reports
2. Strategic plan monitoring and evaluation instrument
3. Strategic plan evaluation guidelines.

6.5 Reviews

It is recommended that reviews of this Strategic Plan occur at frequent (yearly) or at specified intervals, most appropriately at mid-term and at the end of the plan period.

These reviews will assess whether timebound events, interventions or initiatives have realized targeted outputs. These plan reviews will help to determine whether the implementation of the Strategic Plan is on or off course. They will also help to identify the specific variances and reasons for the variances so that measures can be put in place to fill the gap before the end of the plan period. In this case therefore a participatory approach will be used during the plan reviews. Participatory sessions where reports will be submitted and validated will be conducted quarterly.

The reviews should be conducted by the team involved in the plan formulation and the implementers.

6.6 Responsibility at Management level

During the formulation of the strategic plan and the implementation of the plan the management was well represented to ensure that the developed indicators and projections are well discussed and were based on past experiences. These however may change in the course of implementation of the plan and thus a management control system will be necessary to ensure the plan stays on course.

In carrying out the management control, the following measures will be considered:

- (a) Performance standards and targets
- (b) Performance measurements or indicators
- (c) Performance evaluation (staff, mid-term internal and external)

The strategic control mechanism will include:

- (a) Work plans and Action plans
- (b) A check whether results produced by the implemented activity were those forecasted as outputs and whether they were achieved according to stated performances measurement.

6.6 Responsibility at Board Level

Annual review meetings will be held between the senior staff and the Board of Directors. During these meetings the board will receive and review progress reports from the MD indicating overall progress made on key strategic objectives. The nature and scope of reporting will include:

- (a) Progress made against plan
- (b) Causes of deviation from plan
- (c) Areas of difficulties and alternative solutions to problems that may adversely affect implementation.

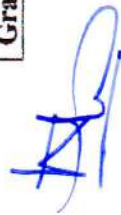
The input of these annual board meetings will be the output from quarterly executive management meetings.

Summary of the proposed interventions within the strategic plan period

STRATEGIC OBJECTIVE	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	TOTAL
No. 1 -To increase the proportion of the population accessing safe water and sanitation services						
No. 1.1: To increase the proportion of the population accessing safe water from 56%-75% during the period	1,430,000,000.00	1,805,500,000.00	1,480,000,000.00	1,080,000,000.00	1,065,000,000.00	6,860,500,000.00
No. 1.2 To enhance Sanitation services from 95% to 100% within the planned period by.	806.291,667.00	10,242,000.00	27,407,000.00	2,027,340,000.00	2,832,640,000	5,703,920,667.00
1.3 To enhance and secure the water production and distribution System and infrastructure	255,000,000	234,000,000	440,000,000.00	160,000,000.00	160,000,000	1,249,000,000.00
1.4: To Improve the water Quality status and assurance during the planned period	8,620,000	12,620,000.00	10,620,000	5,120,000.00	22,620,000.00	59,600,000.00
Sub-total	2,499,911,667.00	2,062,362,000.00	1,958,027,000.00	3,272,460,000.00	4,080,260,000.00	13,873,020,667.00
No. 2: To Reduce Non Revenue from 47% to 37%						
No. 2.1 : To Reduce Non Revenue from 47% to 37%	7,542,500	17,042,500	13,992,500	7,742,500	8,630,000	54,950,000.00
Sub-total	7,542,500.00	17,042,500	13,992,500	7,742,500	8,630,000	54,950,000.00
No. 3.0: To Strengthen Information Management System						
No. 3.1: To Strengthen Information Management System.	8,609,000.00	10,900,000.00	10,404,350	9,800,000	9,800,000	49,513,350
Sub-total	8,609,000.00	10,900,000.00	10,404,350	9,800,000	9,800,000	49,513,350

No. 4: To Enhance MUSWASCO's Financial Sustainability						
No. 4.1: To Enhance MUSWASCO's Financial Sustainability	94,320,000	69,320,000.00	68,320,000	68,320,000.00	68,320,000.00	368,800,000
Sub-total	94,320,000	69,320,000	68,320,000	68,320,000.00	68,320,000.00	368,800,000
No. 5: To enhance institutional capacity						
No. 5.1: To enhance staff capacity by 10% in the year	5,400,000.00	7,700,000	6,400,000.00	12,500,000	6,400,000	38,400,000
No. 5.2: To equip staffs with adequate transport, tools and equipment in the year	19,990,000.00	26,070,000	15,130,000	14,930,000	37,130,000	113,250,000
No. 5.3: To fully enhance MUSWASCO governance, management and administration in the year	2,000,000.00	3,500,000	4,000,000	5,000,000	4,000,000	18,500,000
No. 5.4: To comply with MUSWASCO'S strategic plan 2021-2026	2,220,000.00	720,000	2,320,000	720,000	720,000	6,700,000
No. 5.5: To reform and fully improve the MUSWASCO's Organizational structure in the year	1,900,000.00	2,200,000	2,900,000	2,200,000	2,200,000	11,400,000
No. 5.6: To Maintain and attract a competent, skilled, adequate human capital plus staff welfare	12,760,000	13,700,000.00	14,400,000	16,700,000	17,200,000	74,760,000
Sub-total	44,270,000.00	53,890,000	45,150,000	52,050,000	67,650,000	263,010,000
No. 6: To enhance mainstreaming of cross cutting issues						
No. 6.1: To enhance mainstreaming of cross cutting issues	1,250,000.00	1,300,000	1,400,000	800,000	1,150,000	5,900,000
Sub-total	1,250,000.00	1,300,000	1,400,000	800,000	1,150,000	5,900,000

No. 7 : Enhance quality of the Database to assist in planning									
No. 7.1: Develop Database of Quality and reliable data	4,820,000.00	1,345,000	1,162,000	1,162,000	1,162,000	1,162,000	1,162,000	1,162,000	9,651,000
Sub-total	4,820,000.00	1,345,000	1,162,000	1,162,000	1,162,000	1,162,000	1,162,000	1,162,000	9,651,000
No. 8 : Enhance quality Corporate Communication									
No. 8 : Enhance quality Corporate Communication	1,000,000.00	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
Sub-total	1,000,000.00	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
Grand Total	2,661,723,167.00	2,217,159,500.00	2,099,455,850.00	3,413,534,500.00	4,237,972,000.00	14,469,845,017.00			



Annexes:

Appendix 1: Stakeholders details

Key stakeholders expectations V/S Muswasco Expectations

S/No.	Stakeholder	Stakeholder Expectation	MUSWASCO Expectation
	Ministry of Water Irrigation and Sanitation (MOWIS)	<ul style="list-style-type: none"> Efficient use of resources Deliver on the mandate Compliance with the Water Act 2016 and other relevant regulations 	<ul style="list-style-type: none"> Existence of an enabling environment Provide sector policy direction Funding of water and sanitation projects
2	Water Services Regulatory Board (WASREB)	<ul style="list-style-type: none"> Compliance with the regulatory rules and guidelines Deliver on service level targets Provision of data and information 	<ul style="list-style-type: none"> Policy guidance and capacity building Equity in regulation Prompt approvals
3	County Government of MURANGA	<ul style="list-style-type: none"> Deliver on the mandate Collaborations in project planning and implementation 	<ul style="list-style-type: none"> Provide enabling environment Funding of water and sanitation projects
	Water Sector Trust Fund (WSTF)	<ul style="list-style-type: none"> Generation of feasible project proposals Efficient use of funds Effective and timely implementation of projects 	<ul style="list-style-type: none"> Fair distribution of resources Timely release of funds Grants and subsidies
5	Water Tribunal	<ul style="list-style-type: none"> Compliance to service standards and regulations Adherence to SPA 	<ul style="list-style-type: none"> Timely resolution of conflicts Objectivity and fairness in determination of appeals

6	Water Resources Authority (WRA)	<ul style="list-style-type: none"> • Compliance with water permits rules • Involvement in conservation effort 	<ul style="list-style-type: none"> • Effective regulation of water resources • Conservation of water resources • Enforcement of conservation regulations and standards
7	National Environment Management Authority	<ul style="list-style-type: none"> • Compliance with the Water Act 2016 and other relevant regulations 	<ul style="list-style-type: none"> • Conservation of the environment • Enforcement of environment management regulations and standards
8	Athi Water Works Development Agency	<ul style="list-style-type: none"> • Deliver on the mandate • Maintenance of infrastructure • Timely reporting as per SPA 	<ul style="list-style-type: none"> • Capacity building • Timely dissemination of information • Development of water and sewerage infrastructure
9	Development Partners	<ul style="list-style-type: none"> • Adherence to SPA provisions • Efficient use of resources • Accountability for funds provided • Provision of timely and accurate reports • Timely and accurate updates on the implementation status of projects 	<ul style="list-style-type: none"> • Prompt services provision • Financial and technical support • Adherence to MoUs and contract terms • Quality products and services • Capacity building
10	Financial Institutions	<ul style="list-style-type: none"> • Timely settlement of financial obligations • Provision of accurate information • Provision of adequate and quality water and waste water services 	<ul style="list-style-type: none"> • Competitive credit terms and conditions • Prompt services provision • Prompt payment of water and sanitation services
11	Water consumers/general public	<ul style="list-style-type: none"> • Affordable rates for water and sanitation services • Fair distribution of water and sewerage services 	<ul style="list-style-type: none"> • Report cases of vandalism of the water and sanitation infrastructure • Prompt payment of water and sanitation services
12	The Media	<ul style="list-style-type: none"> • Provision of accurate and timely information 	<ul style="list-style-type: none"> • Fair and accurate reporting

13	Service providers	<ul style="list-style-type: none"> • Timely payment of services • Fairness and equal opportunity • Prompt payment for goods and/or services rendered • Provision of adequate information 	<ul style="list-style-type: none"> • Support in public awareness campaigns. • Quality products and services • Prompt delivery of goods and services • Adherence to the terms of contract • Competitive prices/fees
14	Learning and Research Institutions	<ul style="list-style-type: none"> • Opportunity for student attachments and internships 	<ul style="list-style-type: none"> • Competent manpower • Support for relevant research/studies
15	Community Water Projects	<ul style="list-style-type: none"> • Capacity building • Prompt payment for water received 	<ul style="list-style-type: none"> • Adherence to MoUs • Collaboration in elimination of illegal water activities
16	Board of Directors	<ul style="list-style-type: none"> • Provision of adequate information • Implementation of policies • Achievement of the Company's objectives • Adherence to company procedures 	<ul style="list-style-type: none"> • Adherence to tariff set • Policy and strategic direction • Support in resource mobilization • Good corporate governance
17	MUSWASCO Staff	<ul style="list-style-type: none"> • Job security and sustainability of the Company • Professional development • Competitive and equitable remuneration • Healthy, safe and secure working environment 	<ul style="list-style-type: none"> • Provision of quality services to the company • Commitment to the Company's mandate • Adherence to company policy and procedures • Fairness to consumers

Appendix 2: Implementation Matrix

Strategic plan implementation matrix

S/n	Strategic objective and the strategic issues	Implementation status	Period implemented
0			
1	To increase the proportion of the population accessing safe water and sanitation services		
1	To increase the proportion of the population accessing safe water from 56%-75% during the period		
1	To enhance Sanitation services from 95% to 100% within the planned period by.		
1	To enhance and secure the water production and distribution System and infrastructure		
1	To Improve the water Quality status and assurance during the planned period		
2	To Reduce Non Revenue from 47% to 35%		
2	To Reduce Non Revenue from 47% to 37%		
3	To Strengthen Information Management System		
3	To Strengthen Information Management System.		
4	To Enhance MUSWASCO's Financial Sustainability		
4	To Enhance MUSWASCO's Financial Sustainability		
5	To enhance institutional capacity		
5	To enhance staff capacity by 10% in the year		

5	To equip staffs with adequate transport, tools and equipment in the year		
5	To fully enhance MUSWASCO governance, management and administration in the year		
5	To comply with MUSWASCO'S strategic plan 2021-2026		
6	To reform and fully improve the MUSWASCO's Organizational structure in the year		
6	To Maintain and attract a competent, skilled, adequate human capital plus staff welfare		
6	To enhance mainstreaming of cross cutting issues		
6	To enhance mainstreaming of cross cutting issues		
7	Enhance quality of the Database to assist in planning		
7	Develop Database of Quality and reliable data		
8	Enhance quality Corporate Communication		
8	Enhance quality Corporate Communication		

Appendix 3: Key Performance Indicators

	Indicator	2021-22	2022-23	2023-24	2024-25	2025-26
1	Production capacity	7,617,600	8,074,656	8,559,135	9,072,683	9,617,044
2	Water supplied	6,266,256	6,378,289	7,041,000	7,328,500	7,514,984
3	NRW%	0.47	0.44	0.41	0.39	0.37
4	Billing	3,294,563	3,581,301	4,123,955	4,466,907	4,754,875
5	Water coverage(%)	52	59	66	73	80
6	Sewer connections	0	0	1000	1300	1625
7	No. of active connections	37261	39497	43446	46053	48356
8	Metering ratio(%)	98	100	100	100	100
9	Operation & Maintenance Coverage	98	111	124	135	150
10	Employee Satisfaction	60	65	70	75	80
11	Customer satisfaction	58	67	73	78	83
12	No. of staff	172	189	201	220	240
13	No. of staff/1000 connections	5	5	5	5	5
14	Hours of supply	17	18	19	20	21
15	Drinking Water Quality	95	96	97	98	99
16	Revenue Collection efficiency	102%	123%	110%	111%	111%