MACHAKOS WATER AND SEWERAGE COMPANY LIMITED

Maji Safi ni Uhai

STRATEGIC PLAN 2021/22 – 2025/26



JULY 2021

VISION

To be the leading water service provider of choice in the region that exceeds the expectation of the customer and stakeholders

MISSION

To provide quality, affordable and reliable water and sewerage through effective, efficient and sustainable utilization of resources".

CORE VALUES

i. Equity Integrity

ii. Teamwork

iii. Accountability

iv. Customer Focus

v. Commitment and Professionalism

vi. Creativity and Innovativeness

FOREWORD



It gives me such a great pleasure to present to you the second strategicplan for Machakos Water and Sewerage Company. It is my belief that the objectives and goals that we have set will help the company to achieve excellence in its core mandate of providing water and sewerage services.

This strategic plan succeeds the 2015-2020 plan which guided the company to great heights. It has been prepared in line with the aspirations of the Country's long term development agenda.

Further, it takes into account tenets of Vision 2030, Medium Term III ofVision 2030, the Water Act 2016, provisions of the Sustainable Development Goals and County Integrated Development Plan. This was informed by the fact that water and sewerage services are enablers towards achieving the Big Four agenda.

I wish to acknowledge the commitment and dedication of the management team in ensuring the company has continued to add value to our customers and stakeholders. This has seen the company grow over the years since its establishment in 2005. Tremendous achievements have been made in key areas including water infrastructure, production capacity and efficiency in service delivery. This has propelled the company to a strategic position towards realization of its vision and mission. In my opinion, the company has grown stronger and gained the momentum to grow than any other time in its existence.

In order to realize our vision, there is need to continuously review all areas of operations. This will ensure that the company is well aligned to cope with any existing and emerging challenges posed by the dynamic environment as well as seize any potential opportunities.

This strategic plan thus reaffirms our commitment to our stakeholders by providing a framework that has enabled the company devise clear goals and describes the strategic themes and action plans that will further propel us towards realizing our vision and mission. It refocuses the company to take advantage of any opportunities in the next five years through identified and prioritized four key results areas, which dictate the areas to which the organization's efforts and resources will be directed.

The strategic plan has been prepared through an extensive collaboration and comprehensive feedback involving the management, various units of the company, valuable input and contribution by the Board and stakeholders. To ensure realization of the full gains of this strategic plan, the implementation must be pursued relentlessly not only by the Company alone but also by our stakeholders and partners. Hence, there is need for commitment, dedication, professionalism and teamwork from all levels of staff. We shall all need to steer

Majì Safi ni Uhai

together in one common direction. The Board is unequivocally committed to creating an enabling environment and providing leadership and direction expected torealize this plan. I also expect closer collaboration and communication from our stakeholders.

I wish to thank the Management and all the staff of MACHWASCO, the Board of Directors for their dedication and commitment in coming up with this plan. I express my sincere gratitude to the County Government for their support and guidance in formulation of this plan. Great appreciation goes to all partners who have walked with us during this journey.

I look forward to the years ahead and express my confidence that this second strategic plan 2021- 2026 will steer the company to greater heights.

I beseech all members of staff, stakeholders and partners to join us in ensuring actualization of this plan.

Eng. Joel Kiilu
Chairman- Board of Directors
MACHAKOS WATER & SEWERAGE COMPANY LIMITED

Maji Safi ni Uhai

PREFACE



I am delighted to present to you the second strategic plan of Machakos Water and Sewerage Company Limited. This plan will run through the Financial Year 2021/2022 – 2025/2026. It sets out a coherent and systematic road map to guide the company towards excellence and realization of our vision of becoming the water service provider of choice that exceeds the expectations of the stakeholders. It acknowledges that the company operates in a dynamic environment hence the need to continuously adapt in order to respond appropriately to the needs, challenges and opportunities, while focusing on our core mandate.

The development of the strategic plan comes at a critical time when the world is recovering from the adverse effects of the Global Covid–19 Pandemic. This, coupled with the need to focus on attainment of the Sustainable Development Goals, Vision 2030, County Integrated Development Plan, and the 'Big Four' Agenda, makes the need for a deliberate effort and focus to shape the future of the company and increase its public goodwill. The previous strategic plan set out various strategic objectives that were substantially achieved. The evaluation of the plan was necessary to determine what needed to be done in the coming years. Further, critical evaluation of the environment was conducted so as to ascertain the opportunities available as well as challenges that are likely to be faced for the company to align itself.

The Strategic Plan 2021/2022 – 2025/2026 provides a framework towards achieving universal access to water and sewerage services within the company's area of jurisdiction. To actualize this, our vision and focus for the next five years will be on four strategic themes which are well spelt out in this plan. These thematic areas are key to the success of the company and will help in intervening in the issues affecting our ability to deliver on our mandate satisfactorily.

The four thematic areas are broadly anchored on four strategic themes including Capacity Strategy; embracing governance and improving organizational capacity, Infrastructure strategy; enhancing efficiency in infrastructure and operations, Marketing strategy; building on corporate image and ensure customer satisfaction through provision of services in an efficient, effective, affordable and sustainable manner and growth and sustainability strategy through enhanced financial growth and sustainability.

Bold steps and changes are critical for this plan to become a reality. As such, Board of Directors ought to create an enabling environment, provide leadership and direction. The management must embrace stewardship and ensure optimal utilization of resources in an effective and efficient manner. The staff must serve

to the best interest of the company, and the sector players and development partners must join hands and contribute positively to the plan.

I wish to thank the staff and management for working tirelessly to deliver on the strategic plan. Their dedication and selfless drive towards this great document is a true replica of the great team of Machakos Water and Sewerage Company. I acknowledge the immense contribution and valuable input from the Board of Directors and our stakeholders during the review process.

Winfred Mbai
MANAGING DIRECTOR
MACHAKOS WATER & SEWERAGE COMPANY LIMITED

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ACRONYMS AND ABBREVIATIONS

ACA	Anti-Counterfeiting Agency
AU	African Union
AWSB	Athi Water Services Board
CIDP	County Integrated Development Plan
COK	Constitution of Kenya
CPSB	County Public Service Board
EPZA	Export Processing Zones Authority
ERS	Economic Recovery Strategy
KV2030	Kenya Vision 2030
SDGs	Sustainable Developmental Goals
SPA	Service Provision Agreement
SWOT	Strength Weakness Opportunities Threats
WRA	Water Resources Authority
NEMA	National Environmental Management Authority
MOA	Memorandum of Association
MOU	Memorandum of Understanding
MACHWASCO	Municipal Council of Machakos Water and Sewerage Company
PESTEL	Political, Environment, Social, Technical, Economic and Legal
PPP	Public Private Partnership
WAB	Water Appeal Board
WRUAs	Water Resource Users Associations NRW Non-Revenue Water
GDP	Gross domestic product
ICT	Information Communication Technology

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2.6 The National Water Policy

Kenya Government Policy on water and sanitation services is as per Sessional Paper No. 1 April 29, 1999. With regards to water services, the underlying principle was to remove water availability as a constraint to development by:- Developing and identifying adequate and appropriate water supply systems to meet present and future domestic demands for water in both urban and rural areas, developing and identifying adequate and appropriate water supply systems to meet present and future industrial demands for water The National water policy aims to promote progressive access to water and sanitation services by creating effective and efficient human, institutional, infrastructure and management capacities, as well as standards and safeguards to promote consumer protection.

2.7 The Company and 2030 Agenda for SDGs

The SDGs are comprised of 17 Sustainable Development Goals and 169 targets aiming to do nothing less than "transform the world". The 2030 agenda includes a dedicated goal on water and sanitation (SDG 6) that sets out to "Ensure availability and sustainable management of water and sanitation for all". SDG 6 contains eight targets: Six targets on outcomes with regard to water and sanitation to be achieved by 2030, these targets include: -

a) Achieve universal and equitable access to safe and affordable drinking water for all.
b) Achieve access to adequate and equitable sanitation and hygiene for all, and end open defecation, paying special attention to the needs of women and girls and those in vulnerablesituations.
c) Improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.
d) Substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity, and substantially reduce the number of people suffering from water scarcity.
e) Implement integrated water resources management at all levels,

including through trans boundary cooperation as appropriate.

f) Protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers,aquifers and lakes.

Two targets on means of implementation of the outcome targets;

a) By 2030, expand international cooperation and capacity-building support to developing countries in water and sanitation related activities and programs, including water harvesting, desalination, water efficiency, wastewater treatment, recycling and reuse technologies.
b) Support and strengthen the participation of local communities for improving water and sanitation management.

Other inter-related goals also include different water and sanitation targets:

SDG 3: Ensure healthy lives and promote well-being for all at all ages

i. 3.3 by 2030 end the epidemics of AIDS, tuberculosis, malaria, and neglected tropical diseasesand combat hepatitis, water-borne diseases, and other communicable diseases;
ii. 3.9 by 2030 substantially reduce the number of deaths and illnesses from hazardous chemicalsand air, water, and soil pollution and contamination.

SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable

iii. 11.5 by 2030 significantly reduce the number of deaths and the number of affected people and decrease the economic losses relative to GDP caused by disasters, including water-related disasters, with the focus on protecting the poor and people in vulnerable situations.

SDG 12: Ensure sustainable consumption and production patterns;

iv. 12.4 by 2020 achieve environmentally sound management of chemicals and all wastes throughout their life cycle in accordance with agreed international frameworks and significantly reduce their release to air, water and soil to minimize their adverse impacts on human health and the environment.

SDG 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss,

v. 15.1 by 2020 ensure conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and dry lands, in line with obligations under international agreements;

vi. 15.8 by 2020 introduce measures to prevent the introduction and significantly reduce the impact of invasive alien species on land and water ecosystems, and control or eradicate the priority species.

2.8 Company and the Africa's Union Agenda 2063

Agenda 2063 is the blueprint and master plan for transforming Africa into the global powerhouse ofthe future. It is the strategic framework for delivering on Africa's goal for inclusive and sustainable development and is a concrete manifestation of the Pan-African drive for unity, self-determination, freedom, progress and collective prosperity pursued under Pan-Africanism and African Renaissance. The Agenda is a collective vision and roadmap for social economic transformation of the continentover the next fifty years committed to acting together towards achieving the seven aspirations. Aspiration number one is a high standard of living, quality of life and well-being for all citizens.

In basic translation, Africa will by 2063 be a continent of shared prosperity, which finances its own development, and where:

i. African people have a high standard of living and quality of life and well-being.

ii. Well educated citizens and skills revolution underpinned by science, technology andinnovation for a knowledge society.

iii. Citizens are healthy, well-nourished and have long life spans.

iv. Cities and other settlements are modernized and people have access to all the basic necessitiesof life.

v. Economies are structurally transformed to create shared growth and

decent jobs for all.

vi. Modern agriculture for increased production, productivity and value addition contribute tofarmer and national prosperity.

vii. The continent while attaining prosperity maintains healthy ecosystems and preserves theAfrican and global environment.

On the specific focus of Modern and Livable Habitats: African cities by 2063 will be well planned with modern mass transit systems, while all rural areaswill be similarly connected. Over sixty percent of the African population would be living in cities, which in turn would generate the lions' share of the GDP and the continents' economic activities. The Africa of 2063 while being a predominantly urban society, will have healthy, prosperous and livable rural areas that would come from breakthroughs in agricultural productivity which would allow rural populations to enjoy high income levels and similar social services and infrastructure as in urban areas The Africa of 2063 will be one where every citizen has affordable and sustainableaccess to quality basic services such as decent housing, access to adequate and clean water and sanitation, transport and other services. Access to high-speed broadband Internet connectivity will no longer be a luxury a few can afford but will be a right for all citizens.

2.9 Gender Mainstreaming in Water Management

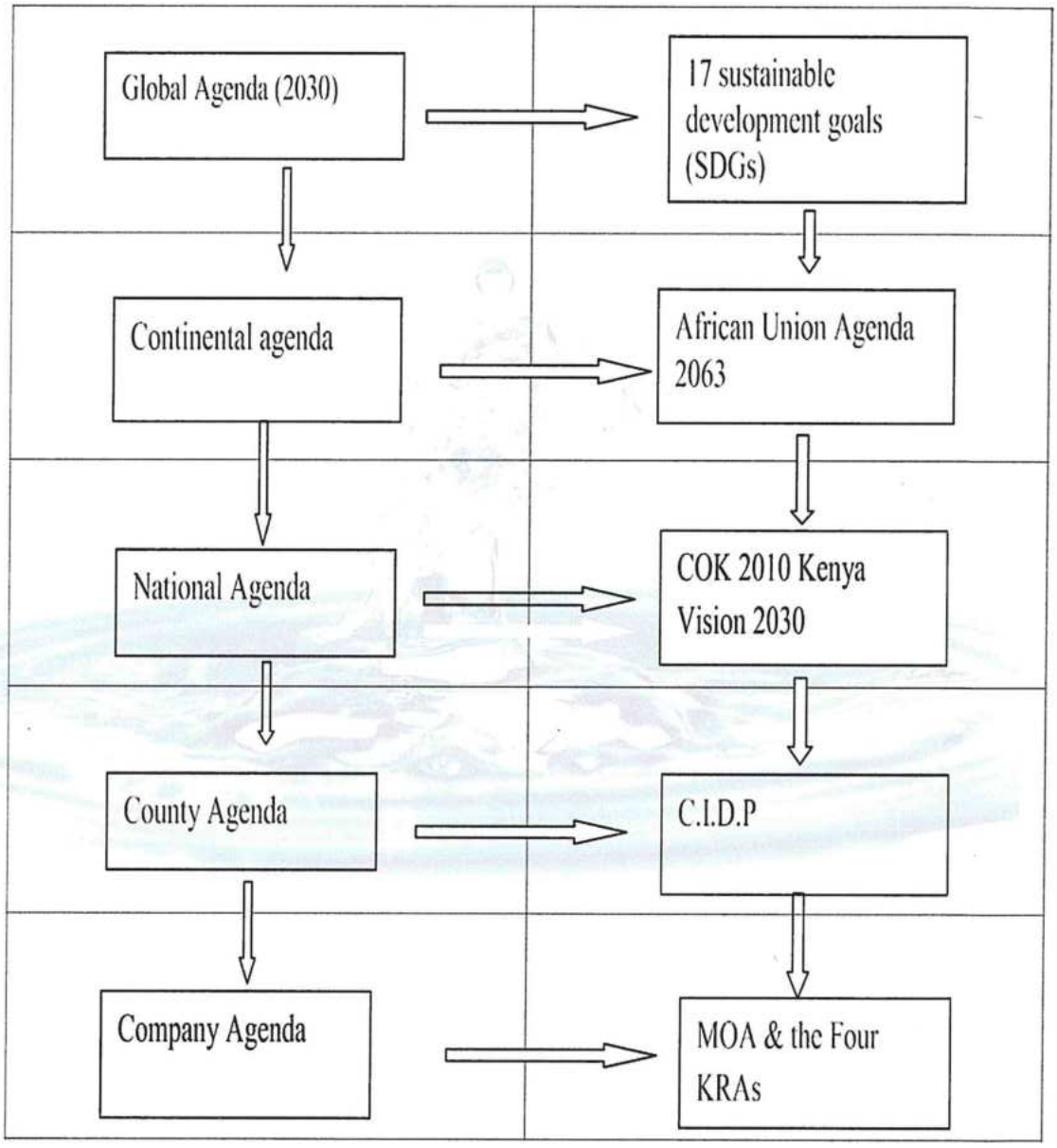
In being a good fit into the global thinking, the company subscribes to the already increasingly accepted believe that women should play an important role in water management and that this role could be enhanced through the strategy of gender mainstreaming. The importance of involving both women and men in the management of water and sanitation and access-related questions has been recognized at the global level, starting from the 1977 United Nations Water Conference at Mar del Plata, the International Drinking Water and Sanitation Decade (1981-90) and the International Conference on Water and the Environment in Dublin (January 1992), which explicitly recognizes the central role of women in the provision, management and safeguarding of water. Reference is made to the involvement of women in water management in Agenda 21 and the Johannesburg Plan of Implementation. Moreover, the resolution establishing the International

Decade for Action, 'Water for Life' (2005-2015), calls for women's participation and involvement in water-related development efforts.

2.10 Conceptualization

As per the afore mentioned discussion this strategic plan has been informed by various factors from global level to company level as conceptualized below

Figure 2: Conceptual Framework on the Linkages



Source MACHWASCO (2021)

CHAPTER THREE

SITUATION ANALYSIS

3.0 Overview

This Chapter contains an analysis of the recent performance of the company after the implementation of the last strategic plan 2015-2020. It assesses the capabilities of the company that serves to create efficiency and effectiveness in service delivery, these capabilities are in the form ofresources both financial and human, its processes, services offered and the channels used and the values that guide the company. To examine these, **SWOT analysis** (strengths, weaknesses, opportunities and threats) was employed.

To analyze the macro environment (Ecosystem) within which the company and her clients operates in,a **PESTEL analysis** (Political, Environment, and Social as well as the Technical, Economic and Legal factors) has been employed. It briefly reviews various factors that have the potential of affecting the successful implementation of this Strategic Plan. Other tools employed include **GAP analysis** to identify various gaps; and **stakeholder analysis** to identify needs and expectations of the interested parties.

3.1 Formulation of the Strategic Plan

As the company continues to advance with changing times, the demand for the water services increasing by every passing day, empowerment of customers and other stakeholders changing the manner in which business coexist with in the market place, the need for strategic approach to business has never been more important. The objective is to create an organization that is highly adoptive and agile to be able to respond to the needs of an ever-changing environment in a sustainable manner.

3.2 Lessons Learnt from the Previous Strategic Plan (2015-2020)

From the implementation of the previous strategic plan the following lessons were learnt: -

i. There is a need for an implementation champion. This is supported by empirical evidence that has shown the correlation between ownership at the leadership level and successful rate of implementation.

ii. Given the current organizational structure the CEC, CO, Chairman and MDshould be the lead persons. There is need to align the strategic plan

with the National, County and other development partner's agenda. This ensures maximum support from these organs which is a precursor to successful implementation.

iii. Service delivery is affected by lack of effective coordination within departments and between the two levels of Government especially in cases of shared responsibilities.

iv. Need to align individual behaviors with the expectation of the strategic plan. For an organization to perform what it has not done in the past, the people must change and adopt new behaviours consistent with the demands of the strategy.

v. Need to build capacity of the company to meet demands of execution.

vi. Ensure resources areavailed in time and sufficient as well as training is done on all the staff of the company.

vii. Effective monitoring and evaluation of the programs being implemented contributes to effective execution and timely corrective measures. Technical and staff meetings formed a critical component of the Monitoring and Evaluation (M&E). This practice will be enhanced inthis current plan.

viii. Need to engage stakeholder early during the planning and implementation. This will supportalignment of their programs with our implementation plans

ix. The need for partnership and collaboration between National and County governments, regional and international agencies/governments on natural resources management concerns is critical in ensuring improvement in conservation of the water catchment areas.

x. Effective capacity building, education and awareness strategies are critical to successful water ecosystem conservation.

3.3 Key Achievements from the Previous Plan

3.3.1 Formulation of Various Legislations and Policies

The Company had several initiatives intended to improve the governance and administration of the Company affairs. This include formulation and implementation of key policieslike the human resource policy and procedure manual, audit policy, ICT policy, procurement policyand procedure manual among others.

3.3.2 Company Institutional Capacity

The company embarked on various activities meant to improve capacity on its members of staff both in HQ and field as per the 2015- 2020 strategic plan.

Table 2. Capacity Building Activities

staff Establishment	Period					Remarks
	2015	2016	2018	2019	2020	
HQ	6	8	12	15	12	Internal and external trainings
Field	6	6	14	28	6	
Total	12	14	26	34	18	

3.3.3 Company Performance on Various Parameters

The table below indicates the trend of the Company on various fronts that are indicative of its performance. The main parameters put into consideration include revenue turn overs, number of institutional, individual and commercial customers and volume of water produced.

Table 4. Company Performance

Items	2016	2017	2018	2019	2020
Revenues Turn Over	86,791,564.00	99,322,146.00	106,572,323.00	124,910,388.00	124,492,583.00
Vol. of water (M3)	945,563	993,687	980,633	1,170,001	1,025,430
No. of institutions Customers		705	723	739	760
No. of individual Customers	2008	3521	611	3695	3799
No. of commercial Customers	566	2816	888	2956	3039

From the table, it is observed that the movement in volume of water is proportionate to the movement in revenue generated by the company. This observation is significant for strategy formulation. This is because a strategy to increase the volume is a predictor of how revenue will behave. The volume of water is a leading (Predictive) indicator while revenue is a lagging indicator. Any unit increase in the predictive indicator will create a significant positive change

in revenues.

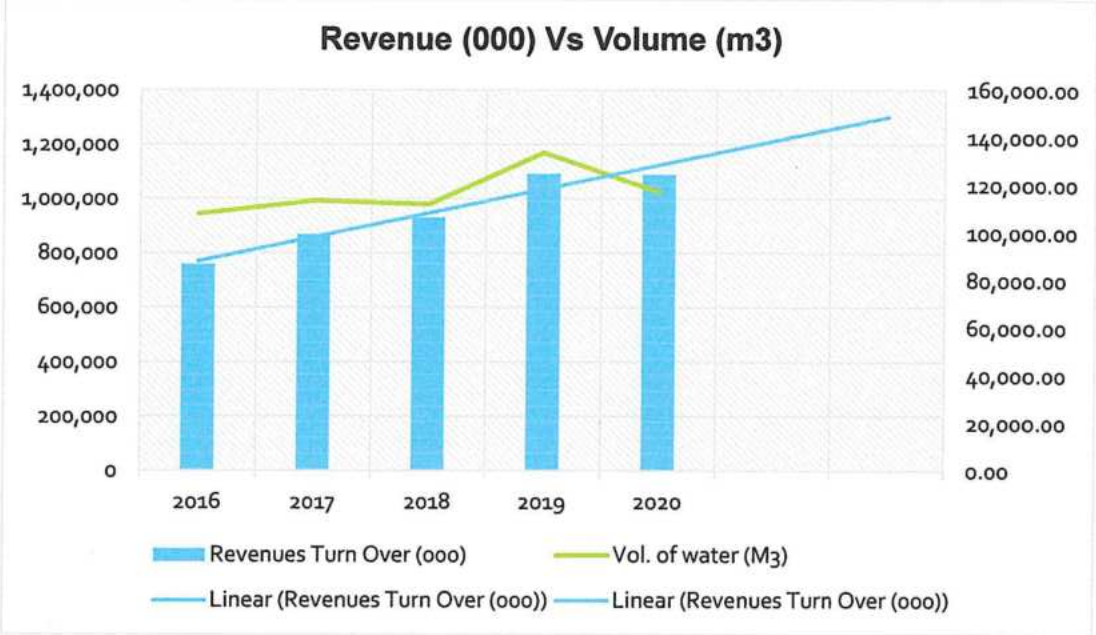


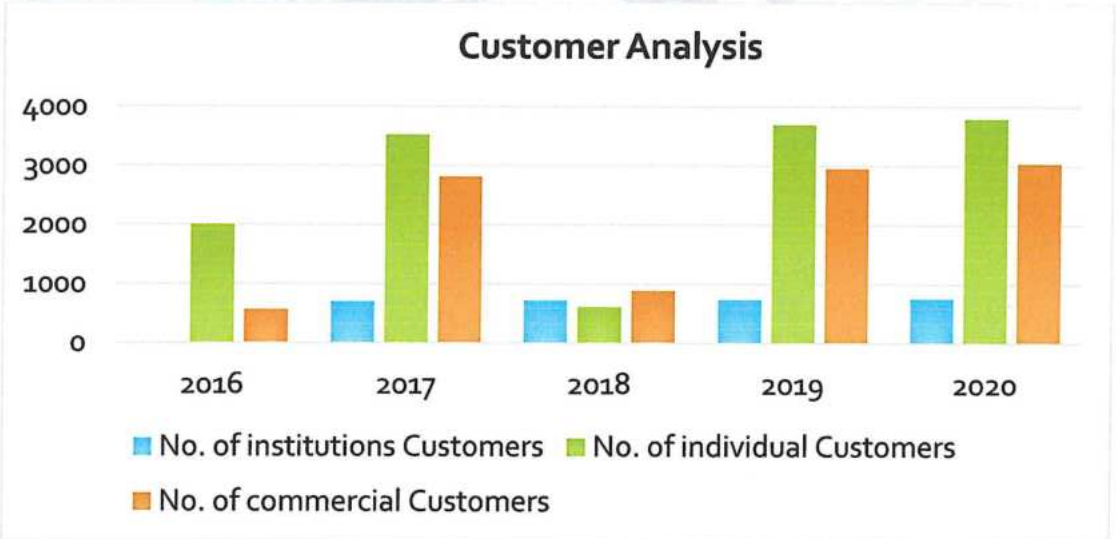
Figure 3. Performance on Revenue and Volume

Source: MACHWASCO (2022)

3.3.4 Customer Profile Analysis

The company served various categories of customers as indicated in figure 4 below.

Figure 4: Customer Analysis



Source: MACHWASCO (2022)

From figure 4, it is notable that the number of customers has growing marginally across the three categories of institutions, individuals and commercials. Though

the growth has been very marginal, the company intends to have an accelerated growth rate in the next five years.

3.4 Challenges of the Company and the Water Sector

Though the sector has experienced growth over the last couple of years, it still faces global, regional and local challenges warranting policy makers' attention. Some of this areas are as tabulated in table 4.

Table 4. Company Challenges

S/No	Challenges of the Company	Possible Interventions
1	Aged Infrastructure	Capital investment for overhaul
2	Obsolete chemical dosers	Procuring of technologically advanced chemical dosers
3	Unreliable electrical supply (black outs, blown outs and surges)	Adoption of alternative energy sources
4	Unavailability of records on installation of infrastructure for creation of maintenance schedule	Continuous mapping and creation of infrastructure data base
5	Infrastructure Vandalism ie (GI) Galvanized iron and steel pipes and waste water treatment	Enhance community policing, replace metal infrastructure with high density polythene pipe materials
6	Inefficient pump house motors resulting to high energy consumption	Replacement of existing pumps with high efficiency rated motors to cut down on energy cost
7	Low adoption of new technologies in water section.	Develop research section, benchmark and develop members of staff.
8	Climate changes with drought causing water shortage and floods damaging existing infrastructure	Develop climate resilience plans and nature based solutions

3.5 Environmental Scan

To conduct a comprehensive view of the internal and external environment within which the company operates in, a SWOT and PESTEL analysis tools were employed.

3.5.1 SWOT Analysis

SWOT analysis involved evaluating the company internal strengths and weaknesses and its external opportunities and threats. This model underscores the basic point that strategy must produce a good fit between an organization's internal capability and its external situation. The Figure 5 presents the Company`s SWOT analysis.

Figure 5: SWOT Analysis

MACHWASCO SWOT ANALYSIS 2015 - 2021	
STRENGTHS	**WEAKNESS**
• Elaborate organization structure • Embraced technology in billing, accountingfunctions • Availability of water • Good will from the stakeholders • Adequate staffing level • Regulated water tariff (Enabling regulatory framework) • Mapping of shareholders and management inpublic participation • Competent and qualified staff, • A youthful and dedicated staff base • Functional internal control system • NRW team • Dedicated hotline and communication media, • Customer Relationship Management system, • Customer complaint committee. • Established policies and service charter • Existence of a surveillance team	• Limited water resources • Lack of clear job description • Inadequate performance management tools • Inadequate polices and procedure manuals • Dilapidated infrastructure, faulty meters • Unavailable land for expansion • Encroachment of way leaves • Unstructured communication channels • Lack of harmonize salary structure • Weak revenue collection systems • Significant level of unpaid bills (Moving to bad debts) • A high operating cost • •

• •Only licensed water service provider • Donor confidence (Good credit rating)	
OPPORTUNITIES	**THREATS**
• High demand for water services • County and National Government support • Integration with the financial sector • Availability of development partners • Partnerships with small service providers • Expanded revenue mix i.e. commercializing water laboratory and bottling of water • Acquisition of land for expansion • Attraction site for tourism and benchmarking	• Bad debts • Natural catastrophes like COVID 19 • Political instability • Depressed economy • Systems Vandalism • Degradation of water catchment areas • Climatic changes • County free water policy • Competition

3.5.2 PESTEL Analysis

The ability of any organization to fit in its external environment or the macro environment is a source ofcompetitive advantage. The company in order to increase adaptability has analyzed the macroenvironment using various tools available for strategy development like the 5 Forces Model developedby Michael Porter, the Strength, Weakness and Trends Model by Verne. The PESTEL analysis was conducted and presented asbelow;

Table 7. PESTEL Analysis

Figure 6 : PESTEL Analysis

MACHWASCO PESTEL ANALYSIS				
Political Factors	**Positive Factors**	**Impact**	**Negative Factors**	**Impact**
	Devolved Government Political stability Political good will	Increase in Increase in revenue collection New business opening leading to increase consumption of water hence increase in revenue collection Attraction of investors and donors hence potential improved infrastructure	Instability in appointment of board members Political instability (As a result of general elections) Change in County Government	Delay in implementation of strategic plan Investors and donors shy away leading to loss of potential investment The manifesto of the incumbent government may not be in line with the company's medium and long term plans hence derailing achievement of the set targets
Economic factors	**Positive Factors**	**Impact**	**Negative Factors**	**Impact**
	Government funded infrastructural projects Lowered and capped interest rates	Improvement in the company's infrastructure Increase in coverage Attraction of investors hence increase in water consumption	Non cost recovery water tariffs High inflation Competition by un licensed water providers and water bowsers	Inability to meet company obligations and sustain operation Inability of the consumers to pay hence increase in defaulters Loss of revenue
	Positive Factors	**Impact**	**Negative Factors**	**Impact**

Social Factors	Qualified and youth full staff Urbanization increase in population Good infrastructure	Improved company performance Increase in water consumption Increased revenue Ease of access to locations within the company's area of jurisdiction	Significant level of illiteracy Natural disasters e.g. COVID 19 Pandemic Poor public perception In effective physical planning Urbanization	Low uptake of usage of E bills Disruption of normal business activities Increase in debtors and customers opting for other sources of water hence loss of revenue Delay to address bursts and leakages hence increase in NRW Delay to address sewer leakage hence environmental pollution Encroachment in catchment areas and human activities hence increased siltation
	Positive Factors	**Impact**	**Negative Factors**	**Impact**

Technological Factors	Use of Mpesa and RTGS to receive payments Automation of billing and customer care services Increase in internet accessibility	Improved ease in revenue collection Increase in customer satisfaction Improved turnaround time in customer complaints resolution	High cost of adoption Slow adoption of ICT system Cyber crime Rapid changes in technology	Inability to adopt appropriate technology Customer dissatisfaction Loss of funds through forgery Adoption of incompatible technologies e.g. Transition from GI, uPVC,PPR, HDPE
	Positive Factors	**Impact**	**Negative Factors**	**Impact**
Environmental Factors	Geographical location (Proximity to the capital city)	Increased Population hence increased consumption of water	Hot and dry weather conditions Poor rainfall pattern Unfavorable geological factors Global warming	Increase evaporation hence loss of water in reservoirs Low volumes of water in dams and boreholes Poor quality of raw water hence how cost of treatment
Legal Factors	International treaties, conventions, protocols and agreements Operationalization of water act Water regulation	Increase of revenue collection Bolster infrastructure development Promotes establishment of the company Streamlines issues on corporate governance hence smoothing running of the company	Multiple regulations which are burdening. Devolution of water services by COK 2010 and the subsequent enactment the Water Act 2016,	Impediment to growth and development of the company Led to conflicts between national and county governments hence affecting the health of the company

3.6 Stakeholders Analysis

Stakeholder analysis was conducted to identify the interests and expectations of the company and itsstakeholders. The private sector plays a critical role in the development and promotion of water development. It bears the risks of investment as well as the responsibility of satisfying the needs of thewater sector. The sector is well placed to promote the involvement of local communities in water ventures by, inter alia, establishing the appropriate partnerships. To enhance partnerships and stakeholder involvement, the company in collaboration with stakeholders will endeavor to:

i. Provide an enabling environment and appropriate incentives to enhance public privatepartnerships (PPP).

ii. Provide an opportunity for private sector and communities to participate actively in developmental planning and implementation of sustainable water development programs.

Figure 7: Stakeholder Analysis

Institution	Role and Responsibilities	Our expectation	Stakeholder expectation
Water Services Regulatory Board (WASREB)	The regulator sets, monitors and reviews rules and regulations to ensure water services provision is affordable, efficient, effective, and equitable.	Review tariff to enhance cost recovery and sustainability of Operations	Set rules and regulations in provision of water services are adhered to
	Issue license for the provision of water Services	Provide license for water and sewer service provision.	License Company and ensure license conditions are observed.
	Determine water provision standards;	Offer guidelines on service provision; water quality standards, staffing level and qualifications e.t.c	The company follows the set standards
	Develop guidelines for the fixing of tariffs for the provision of water services;	Develop guidelines that are practical and those that will enhance efficiency	Monitor water vendors and rural water supply schemes.
	Develop guidelines for and provide advice on the cost-effective and efficient management and operation of water services; develop model performance agreements for use between licensees and WSPs;	Create sector benchmark for Key Performance Indicators. e.g 25%NRW	Timely payment of regulatory fee

Water Resources Authority (WRA)	Regulates, manages and protects water resources	Protect and develop catchment areas to avoid degradation.	Effective utilization of available water resources
	Monitor and reassess the national water resources management strategy;	Monitor and control raw water quality.	Continuously share information on water quality.
	Receive and determine applications for permits for water use;	Issue permits for abstraction and monitor set conditions.	To pay abstraction fee on time
	Monitor and enforce conditions attached to permits for water use;	Educate community on riparian protection.	Monitor and control raw water pollution.
National Environmental Management Authority (NEMA)	Formulates and implements policies on water resource use and conservation,	Control and monitor effluent discharge to water resources.	Information on water quality obtained from quality assurance checks
	Environment monitoring	Conduct and approve Environmental Impact Assessment for developments affecting water resources and infrastructure.	Monitor and report environment Impact Mitigations on water resources and infrastructure.
	Conduct water analysis and provide possible solutions for treatment.	Conduct water analysis and provide possible solutions for treatment.	Treat water as advised
Ministry of Water & Irrigation (-	Provide water policy	Develop water and sewer infrastructure.	Increase water and sanitation coverage within area of utility jurisdiction.

Table 9: Key Result Area

KRA 1: Governance and Institutional Capacity for Service Delivery	
Strategic issues	• Develop legal, policy and institutional framework for enhanced corporate governance (Policies, standard operating frameworks) • International Organization for Standardization (ISO) certification • Enhance the Company governance structure and succession management • Conduct a comprehensive capacity gap analysis for the company • Ensure sufficient funding to meet the needs of the company • Align the structure of the company with the functions and strategy • Enhance coordination of functions with other departments and establish an engagement framework with stakeholders • Enhance adoption of ICT for improved service delivery • Improved level of staffing for excellent service delivery • Provide modern office and facilities including Gym and lactation facilities and others. • Improve mobility of the field staff • Training of staff on promotion courses and capacity building courses • Data base for water services and statistical information • Invest in e-water • Improved work environment for high level of motivation

	• Improved terms and condition of service
Strategic Objective;	**To Improved Service Delivery Through Provision and Optimization of Human and Physical Resources**
Strategy 1.1	Enhance the ability of the company to meet its mandate.
Activities	• Establish adequate and suitable working space for employees • Ensure mobility for field officers (Make it more activity) • Conduct legal and policy audit to identify policy gaps • Leverage on technology for improved governance • Improve hygiene in the work place • Enhance security and safety at work places • Invest in ICT tools for service delivery • Modern offices with improved amenities
Strategy 1.2	To strengthen human resource capacity for quality service delivery.
Activities	• Review organization structure • Carry out Work load analysis • Job analysis and descriptions • Staff recruitment to support expansions • Staff training and development for new skills • Invest in board training and development • Review scheme of services for a harmonized remuneration and career progression • Develop a communication strategy for improved communication • Consultative forums with County Public Service Board (CPSB) • Inculcate performance management system

	• Strengthen implementation and advancement of Work plans (Ensure priorities are financed) • Align company meetings for monitoring performance • Strengthen staff welfare scheme and graduate to a Sacco • Explore flex working program
KRA 2: Water and Sewer Infrastructure	
Strategic issues	• Embrace modern Water technologies; from grid supply to solar supply and other innovations (Green technology, smart meters) • Enhanced water coverage • Increased water and sewer connectivity network • Grow the water sources • Increased treated water capacity and reservoirs • Manage NRW • Increased hours of supply • Increased pumping units • Water quality assurance • Increase sewer and sanitation coverage & capacity
Strategic Objective 2.1	**Increase Water Coverage from 56%-70% by 2026**
Strategy 2.1	Invest in water infrastructure
Activities	• Increase water storage from 2.45Mm^3 to 3.45Mm^3 • Increase ground water obstruction from 14m/hr. to 150m/hr. • Increase drinking water treatment capacity from3,500m^3/day to 19,300m^3/ day • Lay water distribution network from 36km to 96km • Increase treated water reservoirs from 7950m^3 to 11,950m^3 • Invest more in rehabilitation of existing infrastructure

	• Increase hours of supply from 10hrs-14hrs • Reduce NRW from 38%- 28% • Increase pumping units from 2 to 6 units • Grow the number of connections from 7000-15000 • Leverage on modern technology like smart metering and ICT to reduce NRW
Strategic objective 2.2	**Invest in Quality Water Systems for Enhanced Quality**
Strategy 2.2	Invest in water treatment, detection and protection
Activities	• Protect water catchment by afforestation and construction of check dams • Liaise with water resource authority to mark riparian and educate land owners on soil conservation • Installation of chemical dozers and automation • Construction of water lagoons to re-cycle and maintain turbidity • Establish a fully equipped lab for quality assurance checks • Capacity build operators, chemical attendants and water quality technicians
Strategic objective 2.3	**Increase Sewer and Sanitation Coverage from 27%- 50% by 2026**
Strategy	Invest in sewer and sanitation infrastructure
Activities	• Construction of 4 sanitations/ ablutions and improve on existing ones • Increase sewer network from 14-64 km • Grow sewer connection from 3,000 to 6,000 • Construct new sewer treatment plant of capacity 12,500m/day • Construction on-site sanitation DTF of capacity 50m/day. • Set up a waste water lab • Invest in 2 exhausters and 1 sewer flashing unit
KRA 3: Corporate Image and Customer Satisfaction	

Strategic Issues	• Increase customer productivity; deal with disruption of customers and enhance water reliability • Reduce customer pain points • Enhance bill accuracy and timeliness (Invest in a suitable Enterprise Resource Planning (ERP) system) • Increase time utility for access of water • Brand management; rebranding • Investments in customer satisfaction • Leverage on technology for improved service delivery; CRM/GIS, • Training and development on customer service • Develop policy guidelines on customer service charter • Conduct Corporate Social Responsibility (CSR) for visibility
Strategic Objective 3	**Increase Customer Productivity and Corporate Image to Grow the Customer Base from 7,000 to 15,000 by 2025.**
Strategy 3.1	Invest in customer satisfaction initiatives and brand management
Activities	• Enhance customer communication and engagement through the CRM • Intensify customer visits and problem detections • Enhance the efficacy of the complaint committee • Conduct focused trainings on excellent customer service • Initiate corporate rebranding exercises • Undertake focused stakeholders' forums • Train customers on new processes and technology for ease of migration
KRA 4: Financial Growth and Sustainability	
Strategic issues	• Expanded revenue streams (Lab for revenues, water bottling) • Efficient revenue collection; leverage on technology, use of smart meters

	• Innovative cost containment measures • Compliance with cost standards; cost to income ratio • Favorable tariff's (Cost recovery) • Reduction on NRW • Fund raising: Leverage on partnership and strategic alliances for growth • Leverage on more connections and more customers • Maintenance of reserve fund for improved liquidity • Leverage on water investments with a high Return On Investment (ROI) • Adopt energy saving techniques in water management (i.e. Solar energy)
Strategic Objective	**Increase the revenue base from ksh120 M to Ksh 263M by 2026**
Strategy 4.1	Leverage on all the lead measures for increased revenues
Activities	• Efficient revenue collection (95% collection) • Activation of dormant accounts • Developing bill payment strategies/ agreements • Cost management ,Budgeting , New revenue streams (Water bottling, lab services), Retention schemes (Financial & investment policy guidelines 10% of revenue)

Maji Safi ni Uhai

Figure 9: Implementation Matrix

STRATEGIES	KEY ACTIVITIES	EXPECTED OUTPUT	KEY PERFORMANCE INDICATORS	RESPONSIBILITY	ANNUAL (FINANCIAL YEARS)				
					2021-22	2022-23	2023-24	2024-25	2025-26
Strategy 1.1	Renovation of existing working spaces (Provide modern amenities in the offices)	Renovated office spaces, New and modern amenities, Increased working area	High staff morale, Improved service delivery Reduced leave days and sick offs,	MD/FCM	6,000,000	8,160,000	9,792,000	10,869,120	11,956,032
	Purchase office furniture and equipment	No. of furniture and equipment's	Improved and conducive working environment	MD/FCM	480,000	652,800	783,360	869,530	956,483
Enhance the ability of the company to meet its mandate	Procure vehicles and filed motor bikes	Field motorbikes Special purpose vehicles	Better responses to bursts and leaks Improved operational efficiency Increased customer visits	MD/FCM	2,400,000	3,264,000	3,916,800	4,347,648	4,782,413
	Purchase ICT Tools/ equipment and automation of company operations	No. equipment's No Smart meters No of operations automated	Improved service delivery to customers Ease in flow of information, Enhanced revenue collections	MD/FCM	1,200,000	1,632,000	1,958,400	2,173,824	2,391,206

			Enhanced revenue collections						
	Formulation of legal and policy documents	Water legislations No of Policy documents formulated	Improved legal framework Provide road map for day to day operations	Chairman /MD	600,000	816,000	979,200	1,086,912	1,195,603
Strategy 1.2 To strengthen human resource capacity for quality service delivery	Job analysis and work load analysis	Revised Staff structure and clear job description,	Efficiency, clear reporting lines, harmony	HRM/MD	61,246,500	83,295,240	99,954,288	122,044,186	122,044,186
	Staff recruitment and placement	Newly recruited and placed officers	Enhanced capacity& service delivery Improved morale	HRM/MD	360,000	489,600	587,520	652,147	717,362
	Revision of scheme of services (Ensure staff are properly placed as per skills and qualifications)	New scheme of service with proper titles	Empowered staff, improved service delivery, high morale	MD/ HRM	6,300,000	8,568,000	10,281,600	11,412,576	12,553,834
	Regular Staff training (Reskill the staff, up skilling) through workshops,	No. of training per year	Improved efficiency service delivery						

	seminars and scholarships								
	Staff training needs assessment	No of assessemnts							
	Enhance performance managemen t	Timely meetings, prompt work plans, clear JDs	Role clarity, improved performance, staff satisfaction Ability to monitor performance as per JDs. Improved time management	HRM	300,000	408,000	489,600	543,456	597,802
	Align Company tasks with other county programs, stakeholders and other strategic implementer s	Shared work plans for stakeholders Stakeholders engagement framework	Better stakeholder's engagement Better implementation	MD/Chairman	600,000	816,000	979,200	1,086,912	1,195,603
	Regular staff training	No of meetings	Clear roles and responsibilities which will lead to improved service delivery.	HRM	3,000,000	4,080,000	4,896,000	5,434,560	5,978,016

	Team building sessions for staff	No of team building sessions held	Improve staff morale and good working relations	HRM	2,160,000	2,937,600	3,525,120	3,912,883	4,304,172
	Timely promotion of staff	No staff promoted	Improve staff morale	HRM	120,000	163,200	195,840	217,382	239,121
Strategy 2.1	**ACTIVITIES**	**EXPECTED OUTPUT**	**PERFORMANCE INDICATORS**	**RESPONSIBILITY**	**BUDGET**				
					2021-22	**2022-23**	**2023-24**	**2024-25**	**2025-26**
Invest in water infrastructure and distribution	Construction of water storage	New water storages	Increase water storage from 2.45M to 3.45M	TM/MD		800,000.00			
	Lay water distribution network	New distribution network	Increased distribution from 36km to 96km Increase area of coverage No of customers connected	TM	3,000,000	100,000,000	300,000	400,000	250,000
	Increase water treatment capacity	Clear branding and identity. Increased volume of water produced Destination Identity	Improved quality of produce and services Improved hygiene and attractiveness Increased hrs of supply from 10hrs-14hrs	TM	14,000,000	150,000,000	10,000,000		

Strategy 2.2	ACTIVITIES	EXPECTED OUTPUT	PERFORMANCE INDICATORS	RESPONSIBILITY	BUDGET				
					2021-22	2022-23	2023-24	2024-25	2025-26
Invest in water treatment, detection and protection	Afforestation and construction of check dams Marking of riparian land and educating land owners	Increased number of protected catchments Protected riparian land	Increased water from the source and quality Increased water supply and quality	Water resource Authority Water resource Authority	3,000,000	1,000,000	400,000	200,000	100,000
	Installation of waters dozers and automation	Increased water production. Improved water quality	Quantity produced per day. Water quality analysis reports	TM		3,000,000			
	Construction of water lagoons			Water resource Authority		1,500,000			
	Equipping the lab with the necessary facilities	Monitoring of water quality	Water quality at service points	TM/MD		2,000,000			
Strategy 2.3	**Activities**	**EXPECTED OUTPUT**	**PERFORMANCE INDICATORS**	**RESPONSIBILITY**	**BUDGET**				
					2020-21	**2021-22**	**2022-23**	**2023-24**	**2024-25**
Invest in sewer and sanitation	Construction sanitation/ ablutions blocks	Complete 4 sanitation/ablutions blocks	No of sanitation /ablution block constructed	TM	4,000,000				

infrastructure	Construction of sewer treatment plant	A new sewer plant	Increase capacity 12,500m/day	TM.		250,000,000			
	Construction of on-site sanitation DTF	Complete sanitation	Increased capacity to 50m/day	TM	12,000,000				
	Setting up a waste water lab	A waste lab	No of tastes conducted	MD/TM		1,000,000			
	Increased sewer connectivity from 14-64km	Increased customer base and sewer coverage	Number of customers connected and served	TM	150,000,000	200,000,000			
	Acquisition of exhausters	Increased capacity for sanitation	Number of customer served Amount of revenue raised	MD/ADIM		13,000,000			
Strategy 3.1	**ACTIVITIES**	**EXPECTED OUTPUT**	**PERFORMANCE INDICATORS**	**RESPONSIBILITY**	**BUDGET**				
					2020-21	**2021-22**	**2022-23**	**2023-24**	**2024-25**
Invest in Customer satisfaction initiatives and brand management.	Enhance the working of CRM	CRM in place	Enhanced communication	FCM	280,000	200,800	240,960	267,466	294,212
	Customer visits	Schedule of customer visits	Customer satisfaction index	FCM	300,000	208,000	249,600	277,056	304,762
	Conduct focused	Wide coverage of trainings ,		HRM	1,280,000	460,800	552,960	613,786	675,164

	trainings on customer service	Training needs analysis	Improved customer services						
	Initiate company rebranding	Stakeholders forums Trainings Name search and logo design	New look company	MD/ Chairman	1,200,000	432,000	518,400	575,424	632,966
	Conducting customer satisfaction surveys Use of sms/ussd and multiple channels	Customer satisfaction surveys Work out plan (Remedial actions)	Improved relationships , Better customer responses	Marketing manager	260,000	93,600	112,320	124,675	137,143
	Stakeholders forums and customer trainings	Stakeholders engagement framework, Customer forums	Better relationship with customers and stakeholders	MD/	420,000	151,200	181,440	201,398	221,538
Strategy 4.1	**Activities**	**Expected output**	**Performance indicators**	**Responsibility**	**Budgets**				
					2021-22	**2022-23**	**2023-24**	**2024-25**	**2025-26**
Leverage on all the lead measures for increased revenues	Enhanced collections : (use of technology , Customer visits and of debt collectors)	Smart meters,	More revenues	FCM	1,800,000	648,000	777,600	863,136	949,450

	Mapping of illegal connections	Field visits,	NRW below 5%						
	New revenue streams	Bottling of water Lab incomes New Sewer connections More clients More water	Increased income to 263Million	FCM			1,000,000	610,000	671,000
	Enhanced retention	Setting budget ceilings 10 % Retention plan	Improved cost to income ration Improved liquidity	FCM	400,000	144,000	172,800	191,808	210,989
	Activation of dormant customers	Customer mapping reports Number of activated accounts	Additional incomes from activated accounts	Marketing manager	240,000	86,400	103,680	115,085	126,593
	Capital Investments	New income generating projects (More boreholes, dams, and new outlets for bottled water	Sustainable revenues	FCM	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000

CHAPTER SIX
COORDINATION AND IMPLEMENTATION FRAMEWORK

6.0 Overview

Implementation of this Strategic Plan will be carried out through the structures within the company and to the extent applicable the county structure. This Chapter stipulates the Accountability Framework and outlines Key Strategies which will be utilized by the Company to ensure effective implementation of the Strategic Plan. In addition, the responsibilities for implementation have been outlined to enhance accountability. The Chapter further presents the company's organizational structure and functions of the various units. The Key Success Factors are also outlined.

6.1 Accountability Framework

The overall role of implementing this Strategic Plan rests with the office of the Chairman and the MD. The support given by the County Executive Member (CEC) in charge of water will be of utmost importance. For implementation purpose the MD takes execution responsibility. The MD will be charged with overseeing the actual implementation of the Plan to meet the Strategic Objectives setand, in particular, the targets as outlined in the Results Matrix. The CEC and the Chairman will be incharge of providing overall policy direction in the implementation of all activities outlined in the Strategic Framework, including the allocation and re-allocation of resources. Program/Project Champions (Responsibility Column) will prepare quarterly progress reports outlining achievements and gaps in implementation, where applicable. Continuous monitoring of performance will be cascaded to individual levels of relevant officers. Annual Progress Reports will also be prepared and discussed by management.

6.3 The Evaluation Unit of the Company

The company may create an M&E unit within or may consider utilizing the capacity of the County Monitoring unit. The Evaluation Unit is the custodian of the evaluation function. The Evaluation Unitis independent of operational offices as well as other management functions. This independence ensures there is

no undue influence and facilitate objective examination of programmes and project activities without interference. The Unit will be responsible for coordinating evaluation activities of the company and improving evaluation systems.

6.4 Strategies for Implementation of the Strategic Plan

The company will pursue the following strategies to ensure effective implementation of this StrategicPlan:

6.4.1 Capacity Development

Continuous training, capacity building and regular appraisal of staff will be carried out to ensure that they remain capable to implement the company programmes. This strategy is also in line with the company endeavor to ensure that its programmes remain relevant to the needs of the citizen of the County.

6.4.2 Phasing and Sequencing

While the company recognizes the importance of all its programmes and activities, it will prioritize those related to its core mandate and ensure that resources are appropriately allocated in line with this. All programmes will be planned to ensure that the most critical are given priority. In relation to this, several programmes have been identified in this Strategic Plan for immediate implementation during the 2021/22 Financial Year all round to year 2026. The Company will identify programs that can realize results within a short time and whose initial capital outlay is within the revenue base.

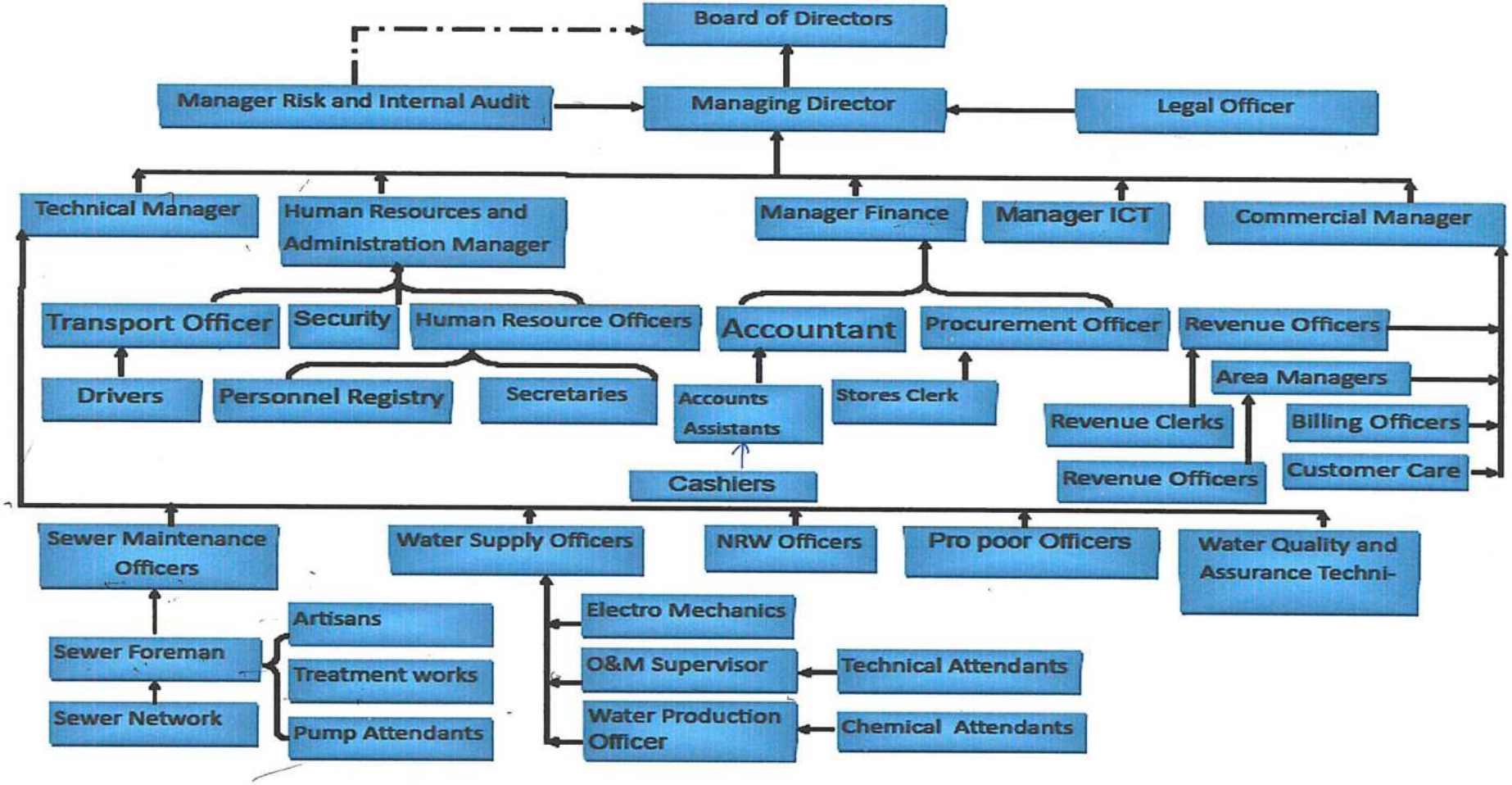
6.4.3 Results Based Management

The Company recognizes the importance of internal processes but will focus on the key outputs andimpacts relevant to the needs of the customers and other stakeholders. In pursuing this strategy, theCompany will ensure prompt work plan, quarterly report and performance appraisal systems. Performance management will be synchronized with the implementation of this strategic plan.

6.5 Structure of the MACHWASCO

Figure 10 shows the Organizational structure for MACHWASO.

Figure: 10 Organizational Structure



6.5.1 Company's Institutional Capacity

The Company was incorporated on 6th July 2005 as a private limited company by shares under the companies Act (Cap 496) of the laws of Kenya. The structure of the Company has mutated from oneform to its current day structure. The company is endowed with youthful and versatile members of staff. The company has gender parity with majority being of male gender attributable to the manual work related to its core business at the lower cadre. However, at the middle and upper level management the company has observed gender mainstreaming with equitable number of employers from both genders.

Further, the company's staff establishment comprises of sufficiently qualified employees and a continuous on job training is carried out to improve uplift the skills in the spirit of going concern. To enhance capacity, the company has adopted job shadowing, coaching, mentorship trainings and job rotation as some of its employee development plans. Further delegation of roles and responsibilities is employed to cover up for human resource deficiencies. Succession planning is well thought out with the company employing more of youthful employees with divergent qualifications in order to create a talent pool within its confines.

6.5.2 Current Organizational Structure

The current organizational structure is functional in nature. It is led by the Board of directors to whom the Managing Director reports to. All other functional managers' report to the Managing Director both functionally and administratively apart from the Manager Risk and Internal audits who reports functionally to the Board and administratively to the Managing Director. The company has 5 functional areas each lead by respective managers namely Risk and internal audit, Finance, Commercial, Technical and Human Resources and Administration.

The company adopted a function based structure in order to improve on supervision, reduce the span of control and avoid multiple points of command. Structure supports strategy. The new organogram will take cognizant of the new functions and increased workload arising from expansion and increased volume of business and new income streams.

CHAPTER SEVEN
MONITORING, EVALUATION AND REPORTING

7.0 Overview

In this Chapter, the company Monitoring, Evaluation and Reporting framework is broadly outlined. The framework will allow for tracking of projects and programs outlined in the Strategic Framework, assessment of the impact of key programs and, in both processes, the reporting of results to stakeholders.

7.1 Monitoring the Strategic Plan

Regular monitoring of this strategic plan will be aligned to the company performance management system and an effective monitoring and evaluation unit. At the operational level there will be monthlytechnical staff meetings with a component of strategy implementation quarterly reports, half year reports and annual reports to track implementation. The company will also conduct a comprehensivemidterm review of the implementation by December 2023. The company performance management will prepare quarterly reports on strategic plan implementation for the Board. Implementation of development programs will require regular fieldvisits and use of professionals.

7.2 Evaluation of Implementation

The company will seek to examine the extent to which the objectives of a program are being met. Every year, the company will conduct an appraisal of the extent to which programs meet expected objectives. The report will include recommendations for further action. However, ad hoc evaluation may be conducted to inform decisions on intervention where significant unexplained variation in performance occurs, especially on a critical program.

7.3 Review of the Strategic Plan

A mid-term review of the Strategic Plan will be carried out December 2023 to determine the level ofnecessity for reviewing the Strategic Plan. The report of this review will guide implementation of programs during the remaining duration of the Plan. At the end of the implementation process, a terminal or end-term review will be carried out to assess overall implementation rate and provide critical learning points for the next Strategic Plan. This will be six months before

the end of the plan period.

7.4 Reporting on Performance

Reports of monitoring activities carried out by the company will be prepared on a quarterly basis for discussion by the management. A brief of these reports containing key issues will be submitted to the board and CEC and may form bases for a cabinet paper.

7.5 Indicators for Monitoring Implementation

The key indicators for external monitoring of implementation of this Strategic Plan will be as enumerated in the implementation matrix performance indicator.