



Amatsi Water and Sanitation Company Limited

(An Entity of Vihiga County Government)

STRATEGIC PLAN **2017/18 – 2021/22**

Table of Contents

Foreword	iv
Preface	v
Acknowledgment	vi
List of Acronyms and Abbreviations	vii
Executive Summary	viii
1.0 Introduction	1
1.1 Background	1
1.2 AWASCO, MDGS/SDGS and the Kenya Constitution, Vision 2030, Second Medium Term Plan and the Water Sector Strategic Plan	1
1.3 Rationale for the Strategic Plan	5
1.4 Planning Assumptions	6
1.5 Process of Developing the Plan	6
1.6 Organization of the Plan	6
2.0 Institutional Review	9
2.1 Core Business	9
2.2 Vision, Mission and Core Values	11
3.0 Situational Analysis	13
3.1 Evaluation of Past Performance	13
3.2 Internal Environment	15
3.3 External Environment	16
3.4 Stakeholder Analysis	18
4.0 Strategic Analysis	20
4.1 Strategic Themes	20
4.2 Strategic Objectives and Strategies	21
5.0 Implementation Plan	26
6.0 Financing The Strategic Plan	52
6.1 Estimated Costs	52
6.2 Sources of Funds	53
6.3 Management of Funds	54
7.0 Institutional Structure	56
7.1 The Board of Directors	56
7.2 Office of the Managing Director	56
7.3 Departments	56
7.4 The Organogram	56
8.0 Risk Management, Monitoring & Evaluation and KPIs	58
8.1 Risk Management	58
8.2 Monitoring and Evaluation	58
8.3 Key Performance Indicators	59
Annex 1: Water and Sewer Extension and Rehabilitation	62

List of Tables

Table 1: Overall households with piped water by province/district	3
Table 2: Overall households by main source human waste disposal	4
Table 3 Opportunities and threats of AWASCO	16
Table 4: Key stakeholders of AWASCO	18
Table 5: Summary of objectives and their respective strategies	22
Table 6: Detailed Implementation Matrix	26
Table 7: Summary of estimated strategic Plan implementation costs	52
Table 8: Key performance indicators	59

List of Figures

Figure 1: Value Chain Analysis	9
Figure 2: Water production	13
Figure 3: Non Revenue Water	14
Figure 4: Revenue Collection	14
Figure 5: Billing M3	15
Figure 6: AWASCO's Organogram	56

Foreword

Strategic planning is a development phenomenon that has been embraced by almost all sectors of the economy in Kenya and indeed worldwide. The process involves formulation; implementation and evaluation of cross-function decisions that enable an organization achieve its objectives. In other words, strategic planning produces fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it, with a focus on the future.

Instituting strategic management process marks the beginning of efficient and effectual management system that is forward-looking and more competence-based. As such, any modern business entity that wants to “lead the market instead of being market led” ought to embrace the concept of strategic planning if it has to survive, develop and grow in today’s dynamic and competitive operating environment. Out of this realization, many public institutions, private organizations and civil societies are nowadays increasingly instituting strategic plans for their business operations. Indeed, research has shown that organizations using strategic management are more successful than those that do not.

Water and Sewerage/Sanitation institutions are not exceptional to this development paradigm and that is why Amatsi Water and Sewerage Company took a bold step, right from its inception, to embrace the concept of strategic planning. The Company pursued a five-year strategic plan spanning between 2017/18 and 2021/22. Review of the first draft of 2017/18 plan was due to the requirements of the Governor’s Manifesto and County Intergrated Development Plan (CIDP). All these plans have been in tandem with the prevailing government’s economic blueprints e.g. the Economic Recovery Strategy for Wealth and Employment Creation (ERS from 2003 – 2007) and its successor, the Vision 2030 and it’s implementing five-year Medium Term Plans. Furthermore, the Sustainable Development Goals and the governments Big Four Agenda have been addressed in this plan

Beyond development, successful implementation of the plan requires concerted efforts of all stakeholders. We are therefore calling upon all stakeholders to rise to this call and contribute to the betterment of this institution. It is expected that successful implementation of the plan will catapult the Company to higher levels of prosperity for enhanced and sustained effective and efficient service delivery.

**H.E. DR. WILBER KHASILWA OTTICHILO, CBS
GOVERNOR, VIHIGA COUNTY**

Preface

Development of this strategic plan adopted a participatory approach in analyzing the plan-implementation gaps of the previous plans; identifying the key priority areas and charting the key strategies to be pursued in the plan period (2017/18 - 2021/22). This participatory process revised the Vision and Mission statements, core values and identified eight (8) strategic themes to be pursued: enhanced and sustainable quality water sources, production and storage, optimized transmission and equitable distribution of quality water, reduction of non revenue water, wastewater management, revenue growth and customer loyalty, financial stewardship, human resource management, and brand equity and institutional strengthening. The plan has also taken cognizance of the current environment and the emerging issues.

All the key stakeholders (the National Government through the Ministry in charge of Water; the Vihiga County Government, which wholly owns the Company; WaSREB, the Company's Board of Directors, management, staff and customers) are called upon to effectively play their respective roles to ensure successful implementation of the plan. This is in recognition that in an organizational setting, there is need to coordinate goals so that they do not conflict with each other. The goals of one part of the organization should mesh with those of other parts of the organization.

To effectively implement the plan, resources estimated at KShs. 4 billion over and above the regular operations expenditure will be required. On its part, the company commits itself to provide and mobilize the requisite resources to finance the identified investments projects geared towards meeting the identified objectives. In addition, deliberate efforts will be done to institute a mechanism for annual review with a view to assessing progress of implementation and therefore addressing plan-implementation gap(s). Such reviews will avail opportunities for the stakeholders to take stock of not only the implementation-enhancing lessons but also of the constraints, and thus devise strategies of overcoming such implementation constraints.

Mr. Amuhaya Collins
MANAGING DIRECTOR

Acknowledgement

It is my pleasure to present Amatsi Water and Sanitation Strategic Plan prepared jointly by the Board of Directors, Staff and Stakeholders of the Company with support from Lake Victoria North Water Works Development Agency. This is a five-year plan which runs from 2017-2022.

Several factors have necessitated the development of this plan such as realignment to emerging economic, political, social and technological developments that have impact on our operating environment in various ways and brought into play new sets of challenges.

The company has been mandated by the National Water Act 2016 to provide water and sanitation services on behalf of Vihiga County Government. The realization of the dream of this Strategic Plan is based on the assumption that the company will mobilize its resources – financial, human capital and technology.

As a company, we acknowledge and appreciate the substantial support we have received from the Government of Kenya through Vihiga County Government for ensuring that the company's infrastructure is improved to meet increasing demand in the County. In order to realize these objectives, the three (3) major water schemes i.e. Mbale, Maseno and Kaimosi have been earmarked for upgrading to increase production and as well as reduce overhead cost in regard to high electricity costs.

We also appreciate the invaluable support we have received from the Ministry of Water and Irrigation, Lake Victoria North Water Works Development Agency and Vihiga County Government for tirelessly supporting the company during the period the company could not meet its operational costs. We also express our appreciation to other funding agency i.e. the Water Services Trust Fund (WSTF) and other strategic donors for availing both technical and financial support.

This plan will be implemented against a background of challenges. The big challenge is to extend our coverage to areas that are not covered by the new scheme. In pursuit of excellent service delivery, this plan places a high premium to a mind-set change by both the company staff and the customers to expect a high level of transparency, integrity and accountability in its implementation on one hand and service delivery on the other. This is what all the Directors and staff of AWASCO are committed to achieve.

God bless you all.

Rev. Peter Adolwa
CHAIRMAN, BOARD OF DIRECTORS

List of Acronyms and Abbreviations

AfWA	–	African Water Association
AMR	–	Automatic Meter Reading
AWASCO	–	Amatsi Water and Sanitation Company
BOD	–	Board of Directors
CBD	–	Central Business District
CBO	–	Community Based Organization
CCTV	–	Closed-Circuit Television
CFA	–	Community Forest Association
COFEK	–	Consumers Federation of Kenya
CP	–	Communication Policy
CSR	–	Corporate Social Responsibility
DC	–	Developing Country
EIA	–	Environmental Impact Assessment
EMS	–	Environmental Management System
ERS	–	Economic Recovery Strategy
FOG	–	Fuel, Oil and Gases
FSMS	–	Food Safety Management System
FY	–	Financial Year
GIS	–	Geographic Information System
GMR	–	Global Monitoring Report
HC	–	High Consumer
ICT	–	Information Communication Technology
ISO	–	International Organization for Standardization
IWA	–	International Water Association
KARA	–	Kenya Alliance of Resident Associations
KEBS	–	Kenya Bureau of Standards
KEPSA	–	Kenya Private Sector Alliance
KFS	–	Kenya Forest Service
KM	–	Kilometre
KPI	–	Key Performance Indicator
LVNWWDA	–	Lake Victoria North Water Works Development Agency
MD	–	Managing Director
MDG	–	Millennium Development Goal
M & E	–	Monitoring and Evaluation
MT	–	Meter Testing
NEMA	–	National Environment Management Authority
NRW	–	Non Revenue Water
PDS	–	Privately Developed Sewers
PPP	–	Polluter Pay Principle
QMS	–	Quality Management System
R&D	–	Research and Development
WSP	–	Water Safety Planning

Executive Summary

Amatsi Water and Sa Company Limited (AWASCO) was incorporated in November 2005 under the Companies Act Cap. 486 to provide clean water and sanitation services to the residents of Vihiga County, in a sustainable manner and within the Government regulations. In pursuit of its mandate, the company undertook to formulate a strategic plan that will guide its operations in the period 2017/18 – 2021/22. The strategic plan was developed through a participatory approach, which ensured views of the key stakeholders were incorporated. The participation was through discussions, consultations and workshops.

A situational analysis was carried out to evaluate the past performance of the Company, identify the strengths, weaknesses, opportunities and threats, and to determine the strategic themes for the planning period. The identified strategic themes formed the basis for setting objectives of AWASCO for the planning period as well as strategies that would enable the achievement of the objectives. The eight themes identified are:

1. Enhanced and sustainable quality water sources, production and storage;
2. Optimized transmission and equitable distribution of quality water;
3. Reduction of Non-Revenue Water;
4. Wastewater management;
5. Revenue growth and customer loyalty;
6. Financial stewardship;
7. Human resource management; and
8. Brand equity and institutional strengthening.

To deliver on the identified strategic themes, the Company identified twenty objectives that would enable it fulfil its mission. These are:

1. To enhance the water sources capacity to meet 2022 demand of 20,500m³/day by 2021/22 from 6900m³/day.
2. To ensure 100% compliance to AWASCO's water quality standard as adopted from WHO and KEBS.
3. To sustainably transmit and distribute 20,500m³/day by June 2022.
4. To reduce Non Revenue Water from 43% to 16% by June 2022.
5. To efficiently collect, convey, treat and dispose off 50,000m³/day of wastewater in an environmentally friendly manner by 2021/22.
6. To grow the sales volume from 60% to 90% of the production by June 2022.
7. To increase the customer base from 3,000 to 8,000 by June 2022.
8. To increase customer satisfaction level from 50% to 90% by June 2022.
9. Increase revenue collection from 74% to 98% by 2021/22.
10. Increase the current revenue base by 70% (from kshs. 32 Million to Kshs.90 Million) by 2021/22.
11. Reduce accounts receivables of Kshs. 63 Million to not more than Ksh. 30 Million by 2021/22.
12. Reduce the level of accounts payables from KShs. 51 Million to KShs. 10 Million by 2021/22.
13. Secure external funding of up to Kshs 500 Million by 2021/22.
14. Ensure 100% automation and integration of all business processes by June 2022.
15. To ensure 100% safety and optimal utilization of company resources.
16. Improve staff productivity level from 50% to 90% by June 2022.
17. Improve employees' satisfaction level from 50% to 100% by June 2022.

18. To have a Water Gravity System in place by June 2022.
19. Improve the level of brand equity from 50% to 100% by 2021/22.
20. Strengthen Company's partnership with stakeholders at national, regional and international levels.

In order to realize these objectives, strategies and appropriate activities for each objective were identified. In addition, the implementing actors, the time frame, the expected output and their indicators were determined. These have been documented in an implementation plan presented in chapter five of this strategic plan.

To enable tracking of the progress made towards the achievement of the set objectives, annual key performance indicators were identified. In addition, a monitoring and evaluation framework that will help enhance successful implementation of the strategic plan has been provided and a cross-functional Strategy Implementation Committee (SIC) constituted. The monitoring and evaluation framework takes cognizance of the changing operating environment and therefore, provides for annual review of the strategic plan.

Mr. Clement Manyulu
CHIEF OFFICER, VIHIGA COUNTY

CHAPTER ONE

Introduction

Child drinking water
from AWASCO's tap

1.0 Introduction

1.1 Background

Amatsi Water and Sanitation Company (AWASCO) was incorporated in November 2005 under the Companies Act cap 486. It is wholly owned by Vihiga County. It has its headquarters in Mbale town, Lunyerere and has its area of jurisdiction divided into five urban Towns/centres, namely: Mbale, Luanda, Majengo, Gambogi, and Kaimosi which are further devolved into Schemes per the key catchment areas as Mbale, Maseno, Vihiga, Sosiani and Kaimosi schemes. The mandate of the Company is to provide clean water and sanitation services to the residents of Vihiga County, in a financially sustainable manner and within the Government regulations. The County has an estimated population of 554,622 where by 257,924 are within AWASCO service area with 40,284 being served and projected to grow to about 767,362 by 2021/22.

The 2002 Water Act brought about reforms in the Water Sector that were aimed at facilitating access to clean water and sewerage services to all Kenyans. The reforms saw the creation of regional Water Boards which were tasked with the responsibility of overseeing the operations of water and sewerage/sanitation utilities in their respective areas of jurisdiction, besides major asset development. Within this structure, AWASCO was under Lake Victoria North Water Services Board (LVNWSB). The Water Act 2016 established of Water Works Development Boards in place of the Water Service Boards and under Section 77(1) mandated the Counties to establish Water Service Providers (WSP's).

1.2 AWASCO, MDGs/SDGs and The Kenya Constitution, Vision 2030, Second Medium Term Plan and the Water Sector Strategic Plan

Water sector relates to actors in almost all other sectors of the economy. At the international arena, the Millennium Development Goal (MDG) No. seven targets at halving the proportion of people living without sustainable access to safe drinking water and basic sanitation by 2015. According to World Bank's 2011 Global Monitoring Report (GMR), two thirds of the developing countries (DCs) are on target to achieve this MDG. On the access to drinking water, 50% of the DCs (66 countries) are on target, 30% (39 countries) are close to being on the target while 20% (27 countries) are far behind the target. Among the low-income countries, 13 have achieved or are on target. For the access to sanitation, 27% of DCs (35 countries) are on target, 28% (37 countries) being close to the target while 45% (58 countries) are behind the target. It is imperative to note that Kenya, as one of the low income countries, is categorized by GMR among the 27 DCs which are far behind achieving MDG number seven. The second Medium Term Plan (2013-2017) indicates that according to 2009 Housing and Population Census, 27.9% of the population obtained piped water from water service providers.

One of the main outcomes of the 2012 Rio+20 Conference was the agreement by member States to launch a process to develop a set of Sustainable Development Goals (SDGs), which will build upon the Millennium Development Goals. It was decided to establish an "inclusive and transparent intergovernmental process open to all stakeholders, with a view to developing global sustainable

development goals to be agreed by the General Assembly”. There was broad agreement that the two processes (MDGs and SDGs) should be closely linked and should ultimately converge in one global development agenda beyond 2015 with sustainable development at its core. The Rio+20 Outcome document states that the SDGs should address and incorporate in a balanced way all three dimensions (economic development, social development and environmental protection) of sustainable development and their inter-linkages.

Whereas the specific SDGs are being developed in a consultative process at global, regional and national levels, 19 areas of focus have been identified. One of these areas of focus is sub-sector’s specific on water and sanitation. For a water-secure world and for the realization of the right to safe drinking water and sanitation, the whole water cycle has to be taken into consideration to tackle water-related challenges. Some areas that could be considered include:

- (i) ensuring access to safe and affordable drinking water and adequate sanitation for all, especially for women and girls, including in households, schools, health facilities, workplaces and refugee camps;
- (ii) providing adequate facilities and infrastructure, both built and natural, for safe drinking water and sanitation systems in all areas;
- (iii) extending wastewater treatment, recycling and reuse;
- (iv) improving water-use efficiency;
- (v) bringing fresh water extraction in line with sustainable supply;
- (vi) enhancing effective water governance including catchment area based integrated water resources management and appropriate trans-boundary co-operation;
- (vii) expanding water-related vocational training at all levels;
- (viii) protecting and restoring water-linked ecosystems like mountains, watersheds and wetlands;
- (ix) eliminating the pollution and dumping of toxic materials in water bodies, and protecting aquifers;
- (x) eliminating of invasive alien species in water bodies;
- (xi) investing in water harvesting technologies; and
- (xii) reducing risks and impacts of water-related disasters.

Against the above background, AWASCO five year strategic plan is expected to provide the company with a strategic direction and assist it achieve efficacy in tandem with the planned international and national water sector goals of the government of Kenya. In this regard, this strategic plan is aligned and aims to fulfil the aspirations of the following sector policies:

1.2.1 The Kenya Constitution

Constitution of Kenya recognizes provision of water and sanitation services as a basic right as provided for in articles 43 (1) subsections b and d.

1.2.2 The Vision 2030 and Medium Term Plan (2013-2017)

In the Kenya's economic blue print Vision 2030, the government aspires to ensure improved and increased accessibility to both safe water and sanitation services beyond present levels by the year 2030. The specific strategies include:

- (i) Raising the standards of the country's overall water, resource management, storage and harvesting capacity;
- (ii) Rehabilitating the hydro-meteorological data gathering network;
- (iii) Constructing multipurpose dams; and
- (iv) Constructing water and sanitation facilities to support industries and a growing urban population.

The Vision 2030's Social pillar seeks to build "a just and cohesive society with social equity in a clean and secure environment" by investing in security, infrastructure, public sector reforms and people development. According to 2009 Kenya National Bureau of Statistics (KNBS's) Population Census, 3% of Households in Western have piped water and AWASCO accounts for less than 2% of national water coverage (See Table 1). During the 2017/18 – 2021/22 plan period, the company envisages increasing its relative contribution to the achievement of the sub-sector's overall goal.

Table 1: Overall households with piped water by province/district

	PIPED INTO DWELLING	PIPED	TOTAL PIPED	TOTAL	% of H/ Holds with Piped Water	% CONTRIBUTION of piped water BY REGION
Area	A	B	C=A+B	D	E = (C/D)%	F (Regional contribution to total)
KENYA	602,884	2,023,745	2,626,629	8,767,954	30%	100%
NAIROBI	230,704	514,943	745,647	985,016	76%	28%
CENTRAL	112,253	374,841	487,094	1,224,742	40%	19%
COAST	55,457	283,378	338,835	731,199	46%	13%
EASTERN	60,338	305,832	366,170	1,284,838	28%	14%
NORTH EASTERN	4,908	31,322	36,230	312,661	12%	1%
NYANZA	15,649	85,899	101,548	1,188,287	9%	4%
RIFT VALLEY	110,753	377,462	488,215	2,137,136	23%	19%
WESTERN	12,822	50,068	62,890	1,804,749	3%	2%

Source: KNBS, 2009 Population and Housing Census, Volume II

According to 2009 KNBS's Population Census, 0% of Households in Vihiga are connected to the main sewer and AWASCO accounts for 0% of national sewerage coverage (see Table 2). During the 2017/18 – 2021/22 plan period, the company has planned various undertakings to enhance its relative contribution to the achievement of sewerage coverage overall goal.

Table 2: Overall households by main source human waste disposal

	MAINSEWER	SEPTICTANK	CESSPOOL	VIPITLATRI	PITLATRI NECOVE RREDUN COVERE D	BUCKET	BUSH	OTHER	TOTAL	MAINSEWER as % of Total	Regional Contribution to Main Sewer
REGION	A	B	C	D	E	F	G	H	I = A+B+C+ D+E+F+G+H	J = (A/I)%	K (Regional Contribution to total sewer in column A)
KENYA	674,541	299,030	29,881	430,827	6,100,234	22,828	1,196,509	14,104	8,767,954	8%	100%
NAIROBI	469,830	95,410	10,489	26,477	370,463	5,205	3,962	3,180	985,016	47.7%	69.7%
CENTRAL	46,456	61,186	3,227	83,576	1,025,499	1,164	3,049	585	1,224,742	3.8%	6.9%
COAST	42,233	57,037	5,514	39,012	403,917	4,615	177,671	1,200	731,199	5.8%	6.3%
EASTERN	20,299	21,771	3,033	91,685	1,008,090	894	137,365	1,701	1,284,838	1.6%	3.0%
NORTH EASTERN	1,394	1,267	435	4,025	100,110	7,136	197,094	1,200	312,661	0.4%	0.2%
NYANZA RIFT VALLEY	15,771	8,438	993	41,573	909,881	1,026	208,410	2,195	1,188,287	1.3%	2.3%
WESTERN	70,431	47,873	5,186	95,481	1,470,781	1,959	443,016	2,409	2,137,136	3.3%	10.4%
WESTERN	8,127	6,048	1,004	48,998	811,493	829	25,942	1,634	904,075	0.9%	1.2%

Source: KNBS, 2009 Population and Housing Census, Volume II

To ensure the Vision's strategies are on course, the government in its current Medium Term Plan 2013 – 2017 commits itself to strengthening the country's economic competitiveness through accelerated governance and public sector reforms by increasing government spending on expansion and modernization of water infrastructure. Among the specific programmes targeted include:

- (i) Vihiga Cluster Water Supply Project this project incorporates pumping machines and controls in all the schemes to improve efficiency, increase capacity and reduce operational costs. Key towns/Urban centres targeted are Mbale, Kaimosi and Luanda.
- (ii) Vihiga Cluster Sewerage System is proposed to serve Maseno, Luanda, Mbale, Chavakali, Kaimosi and Shamakhokho. Designs completed and awaits funding.
- (iii) Bukura-Butere-Khwisero Water Supply Project is proposed to serve parts of Vihiga county, Sigalagala, Lunza, Bukura, Butere and Khwisero centres. Designs completed and awaits funding.
- (iv) Provision of water to poor un-served areas including informal settlements programme that will, among other things, explore opportunities of subsidies through Water Service Providers (WSPs) to meet the basic water services supply in the informal settlements. AWASCO puts a lot of emphasis in enhancing service provision to the informal settlements. Indeed, the company has a fully-fledged department focusing specifically on informal settlements. During the 2017/18 – 2021/22 plan period, the company will devote its own resources and mobilize others from other stakeholders with a view of improving water and sewerage services in these vulnerable areas.

1.2.3 Water Sector Strategic Plan

Water Sector Strategic Plan 2009 to 2014, specifically strategic objective number six, is geared towards increasing and modernizing the urban sewerage services, including *eco-san* (ecological sanitation) systems through the following strategic Objectives:

- i. To consolidate the effort of sustainable water resources management and development. In its 2017/18 – 2021/22 plan, AWASCO will, together with other stakeholders, put a lot of emphasis on management of catchment areas and transmission. Specific strategies and actions to achieve this are captured in the implementation plan detailed in chapter five of this plan.
- ii. Rehabilitation, augmentation and expansion of existing urban sewage collection, treatment and disposal systems. AWASCO has identified wastewater management as a specific standalone theme during the 2017/18 – 2021/22 plan.
- iii. Construction of new sewage collection, treatment and disposal systems. In the 2017/18 – 2021/22 plan, the company, in collaboration with other stakeholders, will construct in Mbale, Majengo, Luanda and Kaimosi Decentralized Treatment Facilities (DTF).
- iv. Construction of appropriate on-site waterborne sewage systems in informal urban areas. The Company has identified strategies of increasing ablution blocks and stand-alone toilets in the informal settlements during the 2017/18 – 2021/22 plan period.
- v. Systematically increase user connections to cover all potential areas. AWASCO plans to increase connections from the current 2,800 to 8,000 by 2021/22.
- vi. Develop a water re-use strategy and policy including standards, appropriate technology, wastewater facilities, etc. The company has identified recycling of waste water as one of its strategies to be pursued during the 2017/18 – 2021/22 plan period.
- vii. Increase use of non-water-based (e.g. *closed loop*) sewerage systems. During the 2017/18 – 2021/22 plan period, AWASCO has identified embracement of appropriate technologies as one of its strategies for enhanced wastewater management. Such technologies could be non-water based. In addition, the company will collaborate with other stakeholders, under public - private partnership for enhancement of sewerage coverage.

1.3 Rationale for the Strategic Plan

The role of strategic planning is to help an organization identify and select the most appropriate ways of using the skills and resources it has to achieve specified objectives, while taking into account the external environment in which it operates. The demand for AWASCO services has been increasing, owing to changing demographic trends within the county.

With the introduction of County Government there was a need for AWASCO to develop a new strategic plan that not only took cognizance of milestones achieved so far but also changes occurring 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 the County.

1.4 Planning 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.

1.5 Process of Developing the Plan

Participatory strategic planning process was used in developing this strategic plan. This ensured incorporation of the views of the various stakeholders in the resulting plan. The process entailed consultations with the County, AWASCO's Management and the Board of Directors. Specifically, the methodology comprised pre and post workshop discussions, and a strategic planning workshop with the Management.

1.5.1 Strategic Planning Workshop

The strategic planning workshop was held from 30th to 31st May, 2017 at Broad park Hotel, Mbale. The workshop was consultant-driven and resulted into development of a draft strategic plan for the company. The draft strategic plan was presented on 3rd July 2017 to the Board of Directors for review, comments and approval.

1.5.2 Post-Workshop Discussions

Further discussions were held with the Vihiga County aimed at enriching the draft strategic plan. The discussions resulted in conclusion of the process by a way of approval of the strategic plan by the Board of Directors (BOD) on 5th August 2020 to come up with a final strategic plan for AWASCO.

1.6 Organization of the Plan

This strategic plan consists of eight chapters.

Chapter one is the introduction, which covers the Amatsi Water and Sanitation Company's background, AWASCO's relationship to the Constitution of Kenya, Vision 2030, Second Medium Term Plan and the Ministry Strategic Plan, the rationale for strategic planning, planning assumptions, the process of developing the plan and organization of the plan.

Chapter two presents the institutional review covering AWASCO's mandate and core functions, vision, mission and core values.

Chapter three presents situational analysis covering evaluation of the company's past performance, the internal and external environment analysis and stakeholder analysis.

Chapter four presents strategic analysis which covers strategic themes, objectives and strategies.

Chapter five provides the strategy implementation, which covers for each of the strategic objectives, the strategies, expected outcomes, activities, output indicators, time frame and implementing actors.

Chapter six covers the estimated costs of implementing the strategic plan.

Chapter seven covers the organization structure.

Chapter eight presents the risk management framework and mechanisms for monitoring and evaluation of the implementation process and the key performance indicators.

The Implementation status of the immediate preceding plan and the various identified projects are presented as Annex 1.



VALUES

CHAPTER TWO

Institutional Review

2.0 Institutional Review

This chapter contains a description of the Company's core business, vision, mission and core values.

2.1 Core Business

The core business of Amatsi Water and Sanitation Company is to supply water and provide sanitation services to the residents of Vihiga County. The company depicted the Value Chain as shown below:

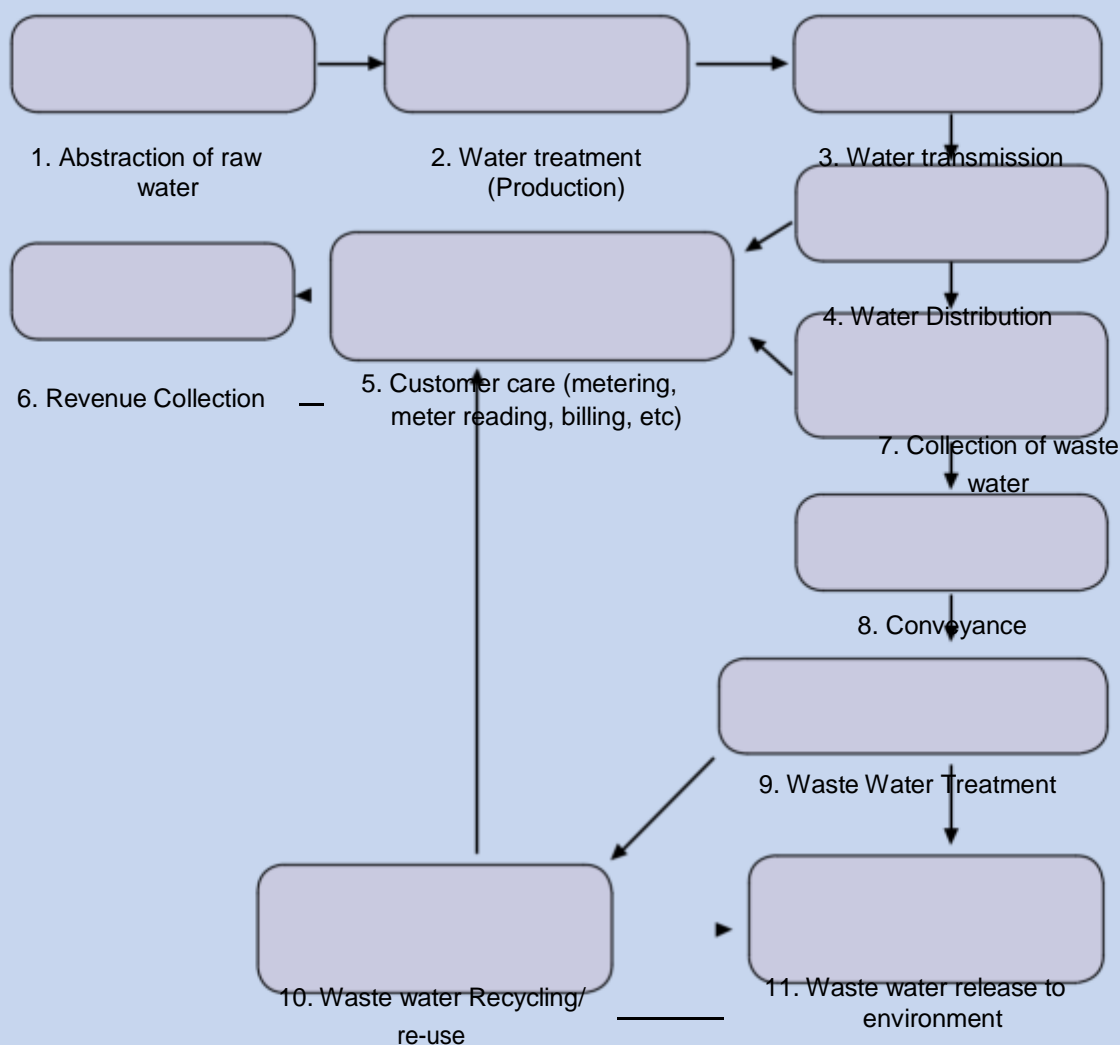


Figure 1: Value Chain Analysis

The activities included in each of the value chain elements are explained as follows:

1. Abstraction of Raw Water	2. Water Treatment	3. Water Transmission	4. Water Distribution	5. Customer Care	6. Revenue Collection	7. Collection of Waste Water
-Intake works -Transmission -Raw Water Storage	-Chemical feeding & storage -Mixing -Sludge settlement -Filtration -Finished water storage	-Transmission mains -Storage -Trunks Pumping	-Storage -Distribution mains -Pumping Pipes and Valves	-Metering/NRW -Meter reading -Billing -Resolving of complaints	-Disconnection Reconnection of meters -Actual collection -Updating payments with agencies -Adjusting of customers accounts	-Sewer connections -Exhauster Services -Maintenance of sewer reticulation system(Unblocking/Flushing)
8. Conveyance	9. Waste Water Treatment	10. Waste Water Reuse/Recycling	11. Waste Water Release To Environment			
-Trunk sewers - Unblocking of sewers -Repair of sewer lines	-Screening -Disposal of debris/ screened materials -Anaerobic / Facultative/ Maturation	-Advance Waste Water Treatment -Energy generation -Water for industry/ Agriculture	-Discharge of water into rivers/ streams			

The above value chain is supported by the following support functions;

1. Finance and strategy
2. Procurement/Supply chain
3. Debt Recovery
4. ICT and GIS
5. Internal Audit and Risk Management
6. Human Resource and Administration
7. Propoor

2.2 Vision, Mission and Core Values

2.2.1 Vision

To be the leading Water Service Provider in Kenya providing effective and efficient services that meet the expectations of customers and stakeholders”.

2.2.2 Mission

Provision of safe, reliable and affordable water services through efficient and effective management of water supply and sanitation facilities.

2.2.3 Motto

Save a Drop, save Life

2.2.4 Core Values

- (i) **Professionalism** – We shall demonstrate a high level of professionalism and competency in doing our work
- (ii) **Teamwork** - We shall always work as a team to create the synergy for effective work
- (iii) **Responsiveness**– We shall always ensure timely response to our clients’ complaints
- (iv) **Customer focused** - We shall always put our customers first in the delivery of our services.
- (v) **Reliability** – We shall always ensure that our customers rely on the quality of our products
- (vi) **Integrity**

CHAPTER THREE

Situational Analysis

3.0 Situational Analysis

3.1 Evaluation of Past Performance

A review of AWASCO's past performance on the third 2012/13 – 2016/17 plan was undertaken in order to isolate those factors that have contributed to favourable or unfavourable results. This was carried out through an analysis of the Company's key performance indicators as stated WaSREB Impact reports. Note 2015/16 and 2016/17 was one report. Factors that enabled this performance include company's experience in executing strategic plans, annual monitoring and reviews, management and staff commitment. Among the factors that may have constrained better performance are limited resources especially for undertaking capital development and limited participatory approach in its development. All these factors have been taken into consideration for the current 2017/18 – 2021/22 plan.

Below are more details of five key operational performance indicators (Production, Non-Revenue Water (NRW), Revenue Collection and Billing).

3.1.1 Production - 2012/2013 to 2016/2017

During the first five years of the planned period, the company gradually improved water production from 1,558 million m³ in the FY 2012/13 to 1,732 million m³ in the FY 2016/17. From this analysis, there was a gradual increase on water produced during the first five years of planned period as illustrated in the graph below.



Figure 2: Water production

3.1.2 Non-Revenue Water

Non- Revenue Water is a challenge to most Water Service Providers including AWASCO. Indeed, high non-revenue water affects technical efficiency and denies the company revenue. The actual performance posted in those respective FYs was 46%, 42%, 41% and 43%. This performance is mainly due to low investments in projects aimed at reducing NRW.

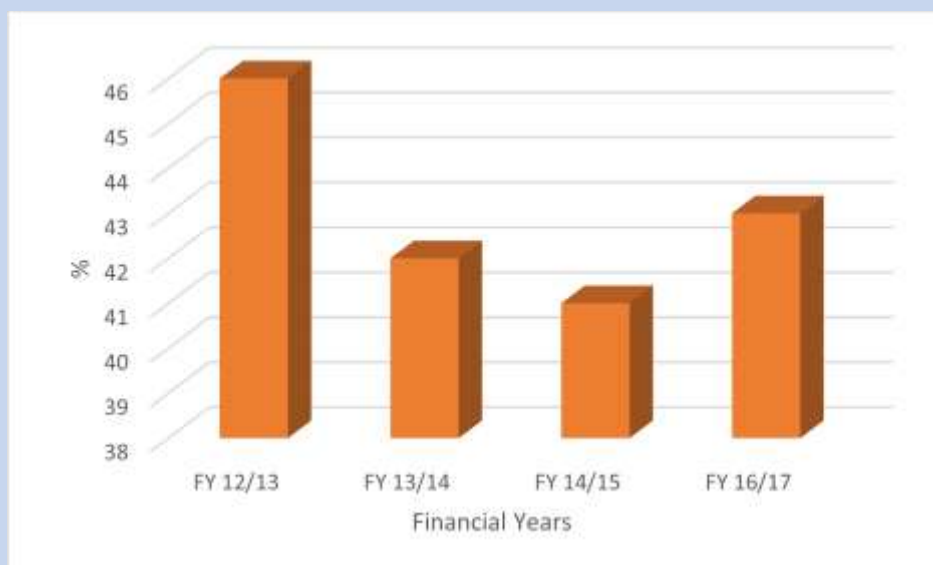


Figure 3: Non-Revenue Water

3.1.3 Revenue Collection

During 2012/13 to 2016/17 FYs, AWASCO increased its revenue collection from 27 million to 39 million. This performance is presented in the figure below.



Figure 4: Revenue Collection

3.1.3 Revenue Collection

During 2012/13 to 2016/17 FYs, AWASCO increased its revenue collection from 27 million to 39 million. This performance is presented in the figure below.



Figure 5: Billing in M3

3.2 Internal Environment

Analysis of the internal environment was carried out in order to identify factors within AWASCO that may influence performance positively (strengths) or negatively (weaknesses). The analysis was undertaken through a review of the company's value chain and support services. The outcome of the analysis is as captured below.

3.2.1 Strengths:

- a. Reliable water sources;
- b. Qualified and experienced human resource;
- c. Compliance with water quality standards;
- d. Developed infrastructure;
- e. Customer confidence in the product;
- f. Embracement of ICT;
- g. Availability of numerous Business Centres;
- h. Strong market edge/big customer base; and
- i. Collaboration with international community on water and sanitation issues.

3.2.2 Weaknesses:

- a. High water supply deficit
- b. Inadequate responsiveness of organizational structure
- c. Staff rationalization/ Lack of key personnel/ageing staff
- d. Dilapidated infrastructure
- e. Low automation level and Inadequate ICT infrastructure
- f. Slow uptake of new technology and Lack of integrated systems
- g. Resistance to change and low integrity among some staff
- h. High non-revenue water
- i. Inadequate transport facilities
- j. High historical debt
- k. High levels of accounts payables
- l. Inadequate work supervision/tools
- m. Non-compliance to regulatory waste water management standards
- n. Low sewerage coverage
- o. Lack of monitoring and evaluation section
- p. High operational cost due to pumping i.e. Electricity and Operations and Maintenance

3.3 External Environment

The analysis of the external environment identifies factors outside the control of the organization that could, if they crystallize, impact on performance positively (opportunities) or negatively (threats). The analysis was undertaken through a review of the Political, Economic, Social, Technological, Legal and Environmental (PESTLE) factors which are outside AWASCO's control. The outcome of the analysis is as presented in Table 3.

Table 3 Opportunities and threats to AWASCO

Aspect	Opportunity	Threats
Political Environment <ul style="list-style-type: none"> • Devolved Governance • Institutional Policy 	Political good will and support	<ol style="list-style-type: none"> 1. Conflict in the trans boundary water sources 2. Competition of water resources 3. Political interference of set priorities
Economic Access to funds	Access to funds– internal or external high willingness of lenders Regular tariff review	<ol style="list-style-type: none"> 1. High costs of living eroding the ability to pay 2. Generic competition- 3. Urban farming 4. Vandalism 5. Illegal connections 6. Government restrictions of budgetary Allocation 7. High taxation

Aspect	Opportunity	Threats
Social	<ol style="list-style-type: none"> 1. Rural urban migration increasing customers base 2. Likelihood of funding to meet the basic needs 	<ol style="list-style-type: none"> 1. Water is a basic human right – hence attitude for free access 2. Increasing demand by the locals for employments 3. Mushrooming informal settlements 4. Changing demographic(gated communities, life style change, rapid population growth) 5. Emerging terminal illnesses/chronic illnesses 6. Emerging gangs in informal settlements
Technological	<ol style="list-style-type: none"> 1. Emerging technologies allow us to operate cost effectively 2. Decentralized waste water treatment 3. Alternative chemicals for water treatment 	<ol style="list-style-type: none"> 1. Competition- expansion in some areas for customers especially gated communities
Legal	<ol style="list-style-type: none"> 1. Enforcement of the polluter pay principle (3Ps) 2. NEMA regulations enhancing controls 3. Enforcement of Wetland protection Act 4. Near monopoly status for the business 5. Drafting water regulations at County level 	<ol style="list-style-type: none"> 1. Inadequate and unharmonized legal frameworks like the water rules/ by laws, prosecutorial powers, draft water policy 2. Land Act – on subdivision 3. Unclear policy on taxation
Environmental	<ol style="list-style-type: none"> 1. Strategy to increase forest cover to 10% (Government) 2. Emerging carbon credit policy 3. Organic farming 4. New sources of water like recycling, rainwater harvesting 5. Social drive to increase forest cover 6. Energy production and re-use 	<ol style="list-style-type: none"> 1. Changing weather patterns/ Global warming 2. Deforestation 3. Encroachments 4. Increased human-wildlife conflict 5. Uncontrolled abstraction 6. Uncontrolled development 7. Urbanization 8. Population pressure 9. Land fragmentation 10. Destruction of wetlands 11. Industrial pollution 12. Production of environment unfriendly goods like plastics 13. Poor solid waste management 14. Lack of storm water management at all levels 15. Terrorism

3.4 Stakeholder Analysis

AWASCO has many stakeholders in its core functions some of whom are identified in Table 4. *Table 4: Key stakeholders of AWASCO*

	Stakeholder	NCWSC's Expectations	Stakeholder's Expectations
1.	Employees	High productivity and commitment	1. Sound terms and conditions of service 2. Prompt payment of emoluments 3. Timely communication 4. Good working conditions 5. Fair treatment
2.	Customers	Customer loyalty prompt payment	1. Quality Service 2. Timely communication
3.	Board of Directors	Sound leadership and good policy	High performance and Good Governance
4.	Shareholders (Vihiga County Government)	Support and autonomy	1. Improved service delivery 2. Reduced reliance on grants from County Government
6.	Government and its Agencies (WARMA, NEMA, LVNWWDA, WASREB)	Enabling policies and legislation and support	Service delivery and compliance
7.	Suppliers	1. Quality goods, services and works 2. Timely delivery and after sale service	1. Prompt payment 2. Fair treatment
8.	Development Partners	1. Favorable terms and conditions 2. Timely disbursement of funds	1. Good governance 2. Effective utilization of funds
9.	Community (WRUA, WAGs, CBOs,	Support and Cooperation	1. Corporate Social Responsibility 2. Efficient Service Delivery
10.	Media	Factual and Fair coverage	Information disclosure
11.	Water and Sewerage vendors	1. Compliance with licensing terms 2. Prompt payment	1. Cooperation 2. Timely communication 3. Service delivery
12.	Neighbouring County Governments	Support and Understanding	Corporate Social Responsibility
13.	Water Service Providers (WSPs)	Timely payment of bulk water supplied	Supply adequate bulk water
14.	Sector Associations (WASPA)	Good sector stewardship and accountability	Active participation Cooperation

CHAPTER FOUR

Strategic Analysis

Company's employee in
AWASCO lab

4.0 Strategic Analysis

4.1 Strategic Themes

Strategic themes are the key performance areas in which an organization must excel in to achieve its mission and vision, and deliver value to stakeholders. They are the organization's pillars of excellence. The following were identified as the broad areas of focus for the planning period:

- i. Enhanced and sustainable quality water sources, production and storage
- ii. Optimized transmission and equitable distribution of quality water
- iii. Reduction of Non-Revenue Water
- iv. Wastewater management
- v. Revenue growth and customer loyalty
- vi. Financial stewardship
- vii. Human resource management
- viii. Brand equity and institutional strengthening

4.1.1 Enhanced and Sustainable Quality Water Sources, Production and Storage

The existing water resources are not able to meet 100% of the demand. To be able to meet the demand for water, AWASCO intends to take measures aimed at increasing water production. In the processes of producing water, the company plans to ensure conservation of the catchment areas.

4.1.2 Optimized Transmission and Equitable Distribution of Quality Water

The current process of water transmission and distribution is faced with many challenges ranging from dilapidated infrastructure to operational inefficiencies. This has resulted into high non-revenue water levels. The company plans to put measures in place that will ensure increased water coverage while ensuring efficiency in the distribution process.

4.1.3 Reduction of Non-Revenue Water

Due to the status of existing infrastructure and low investments, the company has experienced high levels of NRW compared to accepted benchmark. In the planning period therefore, the company intends to invest heavily in areas that will lead to reduction of both commercial and technical water losses.

4.1.4 Wastewater management

AWASCO has encountered challenges ranging from water quality due to unmanaged effluent discharge to inefficiencies in maintenance of sewerage infrastructure by some stakeholders. To deal with the challenges, the company has come up with strategies aimed at reaching stakeholders/partners while at the same time enhancing efficiency in operations.

4.1.5 Revenue Growth and Customer Loyalty

AWASCO has not exhausted all its potential customers in provision of water and sewerage services. In addition, the company has not been efficient in billing and collection of revenue. The company plans to pursue strategies aimed at increasing customer base, and enhancing its water and sewerage billing and collection efficiency.

4.1.6 Financial Stewardship

The Company has identified the need to put in place appropriate measures aimed at improving efficiency and effectiveness in service delivery. This will aid the Company in ensuring financial resources are availed and costs associated with operations maintained at optimal levels. As a way of improving on efficiency and effectiveness, the company plans to increase the level of automation in its operations. Further, AWASCO endeavours to adhere to the regulatory provisions and best practices while carrying out its operations. This will enable the Company provide uninterrupted services to its customers.

4.1.7 Human Resource Management

For AWASCO to achieve its objectives, the Company intends to adopt best practices in human resource management. The company plans to put in place an appropriate organization structure with optimal human resources. The staff will need to be equipped with the necessary skills and facilities to increase productivity.

4.1.8 Brand Equity and Institutional Strengthening

AWASCO has identified brand equity as one of the aspects the Company needs to enhance as a way of strengthening the institution. The Company therefore intends to pursue strategies that will enhance its visibility and collaborations with various partners.

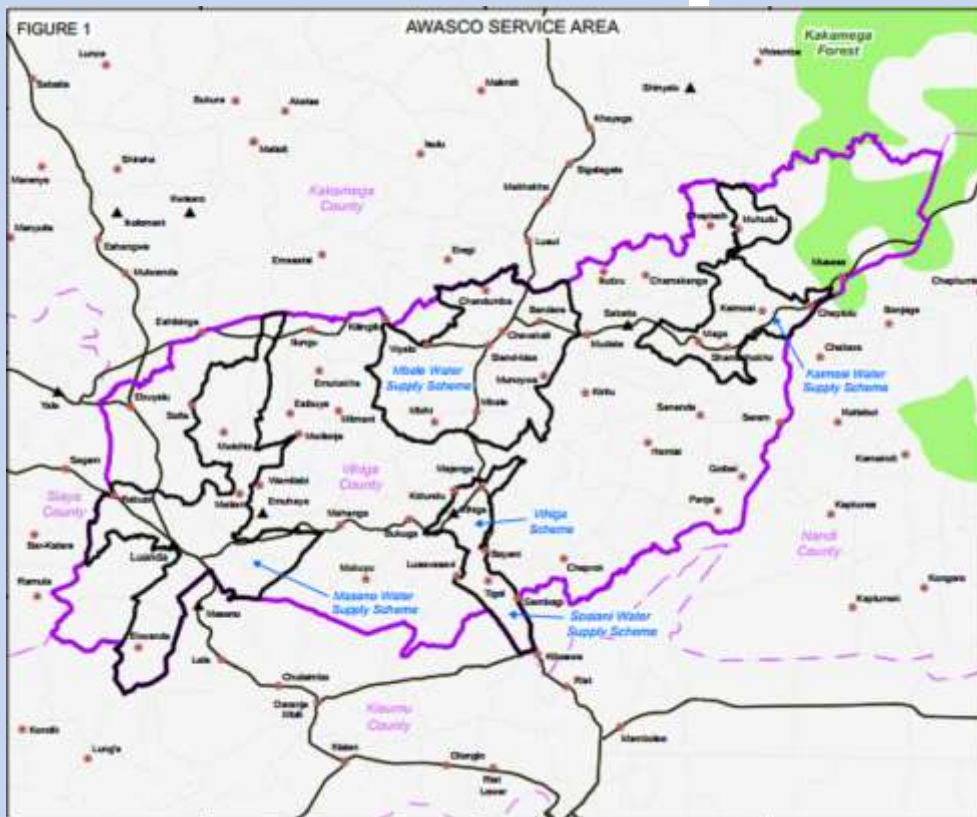
4.2 Strategic Objectives and Strategies

Strategic objectives specify what an organization expects to fulfil within a given time period. They are specific statements that address intended changes, improvements and challenges to be addressed within a given period of time. Strategy, on the other hand, is an initiative that enables an organization achieves results. Arising from the strategic themes, the following strategic objectives and strategies were extracted:

Table 5: Summary of objectives and their respective strategies

Theme	Objectives	Strategies
1. Enhanced and sustainable quality water sources, production and storage	1. To enhance the water sources capacity to meet 2022 demand of 20,500m ³ /day by 2021/22 from 6900 m ³ /day	i. Conservation of catchment areas ii. Expand raw water transmission lines iii. Expand the treatment plant iv. Enhance raw water storage capacity v. Expand and rehabilitate current storage facilities vii. Regulation of river abstraction flows
	2. To ensure 100% compliance to AWASCO water quality standard as adopted from WHO and KEBS	i. Create a water quality department ii. Implementation of water safety plans (WSP) iii. Enhanced process and quality control iv. Implement water quality standards v. Build laboratory and equip vi. Automation of operations
2. Optimized transmission and equitable distribution of quality water	To sustainably transmit and distribute 20,500m ³ /day by June 2022	i. Expand the capacity of the transmission Pipelines ii. Rehabilitate, upgrade and extend the existing distribution network
3. Reduction of Non-Revenue Water	To reduce Non-Revenue Water from 43% to 16% by June 2022	i. Active leak detection ii. Pressure management iii. Asset management iv. Quantify the water distributed into the zones v. Improve meter accuracy vi. Develop authentic customer database.
4. Wastewater management	To efficiently collect, convey, treat and dispose off 50,000m ³ per day of wastewater in an environmentally friendly manner by 2021/22.	i. Preventive maintenance of sewerage infrastructure ii. Wastewater quality and abuse monitoring iii. Education and advocacy campaigns iv. Build 20 public Sanitation facilities v. Expansion and rehabilitation of existing network vi. Reuse of backwash and final effluent vii. Comply to regulatory requirement on wastewater viii. Embrace appropriate technology ix. Create Sewerage section, equip and employ Staff x. Waste water recycling
5. Revenue growth and customer loyalty	1. To grow the sales volume from 60% to 90% of the production by June 2022.	i. Purchase and Implement ERP ii. Grow the number of High Consumers accounts iii. Implement and continuously review meter Management policy iv. Implement of mobility, prepaid meters and wireless mobile meter reading
	2. To increase the customer base from 3,000 to 8,000 by June 2022	i. Develop business marketing/ development units ii. Implementation of social connection policy in the informal settlements iii. Review and adopt effective contracting Processes(Ensure connection to the last mile)
	3. To increase customer satisfaction level from 50% to 90% by June 2022	i. Provide quality and reliable customer service ii. Enhance stakeholder engagement iii. Implementation of Quality Management System (QMS) requirements

Theme	Objectives	Strategies
6. Financial stewardship	1. Increase revenue Collection from 74% to 98% by 2021/22	i. Increased accurate and timely billing ii. Increase alternate channels for revenue Collection iii. Fully operationalize the zoning concept iv. Use modern technology in disconnection
	2. Increase the current revenue base by 70% (from kshs. 32 million to Kshs.90million)by 2021/22	i. Undertake review of water tariff & licensing ii. Diversify revenue sources
	3. Reduce accounts Receivables from 63 Million to not more than 30 million by June 2021/22	Review and comply with debt management policy
	4. Reduce the level of accounts payables from 51 Million to KShs. 10 Million by 2021/22	Review and comply with credit management policy
	5. Secure external funding of up to Kshs 500 Million by 2021/22.	i. Sourcing for external financial resources ii. Engage private sector in development and management of water and sewerage Infrastructure
	6. To ensure 100% Automation/Integration of all business Processes June 2022	i. Improve budgetary control through enhanced financial systems. ii. Improve automation level from 55% to 100%
	7. To ensure 100% safety and optimal utilization of company resources.	i. Strengthen internal controls ii. Ensure business systems continuity iii. Provision of onsite security iv. Obtaining insurance cover for assets iv. Enhance implement of fleet management System
7. Human resource management	1. Improve staff productivity level from 50% to 90% by June 2022	i. Undertake a review and alignment of the Organogram ii. Carry out staff rationalization iii. Undertake manpower planning iv. Undertake succession planning v. Implement change management vi. Implement performance based remuneration
	2. Improve employees' satisfaction level from 50% to 100% by June 2022	i. Undertake staff training and development ii. Improve work environment
8. Brand Equity And institutional Strengthening	1. To have a Water Gravity System in place by June 2022	Enter in public private partnership
	2. Improve the level of brand equity from 50% to 100% by 2021/22	i. Build HQ and scheme offices ii. Enhance positive public image iii. Align AWASCO to Companies Act 2015, Water Act 2016, Vihiga County Water Act
	3. Strengthen Company's partnership with stakeholders at national, regional and international levels	i. Seek membership in relevant Associations ii. Participation in relevant congresses, conferences, workshops and seminars



CHAPTER FIVE

Implementation Plan

5.0 Implementation Plan

Table 6: Detailed Implementation Matrix

THEME 1: ENHANCED AND SUSTAINABLE QUALITY WATER SOURCES, PRODUCTION AND STORAGE

Objective 1: To enhance the water source capacity to meet 2022 demand of 20,500m³/day by 2021/22 from 6,900m³/day

S. NO.	Strategy	Expected Output(s)	Proposed Action(s)	Output Indicator(s)	Implementing actors	Time Frame	Cost estimates (Kshs million)
1	Conservation of the catchment areas	Improved base flows	i. Afforestation	No. of trees planted	TD/COUNTY	Continuous	3
			ii. Slope stabilization in Lunyerere Treatment Plant and other plants	Size of Area stabilised	TD/COUNTY	Continuous	2
			iii. Lobbying with WRUAS, WARMA, KFS, local Admin	No. of meetings	TD/ECM/PM	Continuous	1
			iv. Fencing, Signposts and Surface runoff Protection in catchment areas (Sosiani , Maseno intake, Kaimosi Sewerage)	Fencing of company installations	TD/ECM/PM	June 2022	4
			iv. Establish Boundaries/survey of all Treatment Plants/, Springs, Way leaves	Number of Land registration titles	TD/COUNTY/LVN WWDA	June 2022	5

S. NO.	Strategy	Expected Output(s)	Proposed Action(s)	Output Indicator(s)	Implementing actors	Time Frame	Cost estimates (Kshs million)
2	Expand raw water transmission lines	Increased raw water flows	i. Construct a raw water transmission in Vihiga, Sosiani and Bumbo	Length laid	TD/COUNTY	June 2022	3
			ii. Install measuring devices for raw water In all plants	No of devices installed	TD/LVNWWDA	June 2022	5
3	Expand the treatment plant	Increased treated water volume	i. Rehabilitation of all treatments plants (Panel, Pumps, Lighting system, valves , filters plus media, dosing system, lab, Housing/painting and landscaping)	No. of treatment Plants rehabilitated	TD/COUNTY LVNWWDA	June 2022	50
			ii. Install measuring devices for treated water at the plants (Kaimosi, Bumbo, Mbale, Vihiga, Sosiani, Maseno)	No of devices installed	TD/LVNWWDA	June 2022	10
4	Enhance raw water storage capacity	Increased water quantity	i. Undertake feasibility studies for Intakes in (Vihiga, sosiani, Bumbo)	Identify sites for dam /Intake construction	TD/COUNTY	June 2022	30
			ii. Acquire the land in the identified sites	Land acquired	TD/COUNTY	Jan 2022	50
			iii. Undertake detailed design of the Dams/Intakes	Designs available	TD/COUNTY	June 2022	50
			iv. Undertake construction of the dams/ Intakes	Dams/Intakes constructed	TD/COUNTY	June 2022	300
5	Expand and Rehabilitate Current storage	Increased Stored treated Water volume	i. Undertake feasibility study on sites for Storage	Report on type of coagulant adopted	TD/COUNTY LVNWWDA	Jan 2021	1
			ii. Rehabilitate (Nyangori, Tigoi, Mbale, Chavakali, Esirabe, Emusire, Esalwa, Munoywa, Chekombero, Mululu, Busali Union) Tanks	Number of Tanks Rehabilitated	TD/COUNTY LVNWWDA	June 2022	30

S. NO.	Strategy	Expected Output(s)	Proposed Action(s)	Output Indicator(s)	Implementing actors	Time Frame	Cost estimates (Kshs million)
6	Regulation of river abstraction flows	Increased yield	i. Lobby WRMA for control of unauthorized abstraction	Minutes of meetings and correspondence	TD/PM	Continuous	0.5
			i. Increased surveillance	Surveillance reports	TD/SM/PM	Continuous	0
			ii. Install river gauges & Measuring devices	No. of gauges/Devices installed	TD/PM	June 2016	10
			iii. Install measuring devices at the Intakes	No of measuring installed	TD/NRM/PM	June 2016	10

Objective 2: To ensure 100% compliance to AWASCO water quality standard as adopted from WHO and KEBS.

S.NO.	Strategy	Expected Output(s)	Proposed Action(s)	Output Indicator(s)	Implementing actors	Time Frame	Cost estimates (Kshs million)
1	Create Water Quality Department	Improved Quality	i. Create Job Description, Advertise,Employ and train staff	Employed and Trained WQO	BoD/TD/HR	June 2020	3
			ii. Specification testing for water treatment chemicals and filter	100% percentage compliance	TD/WQO	June 2020	20
2.	Implementation of WSP	Improved water quality	i. Create awareness on WSP FSMS	Minutes of awareness campaign	TD/WQO	Continuous	20
			i. Implementation of improvement plans under WSP	No. of implementation Reports	TD/WQO	Continuous	40

S.NO.	Strategy	Expected Output(s)	Proposed Action(s)	Output Indicator(s)	Implementing actors	Time Frame	Cost estimates (Kshs million)
3.	Enhanced process and quality control	Improved Quality	i. Install integrated on-line monitoring devices at the plants	No of installed on-line monitoring devices	TD/WQO/ICTD	June 2022	10
			ii. Implementation of ISO 17025	Certification	TD/WQO	June 2022	4
4.	Implement water quality standards	Improved water quality	i. Training on ISO 17025	No. of staff trained	HRM/TD/WQO	June 2022	4
			ii. Implementation of ISO 17025	Precertification assessment reports	TD/WQO	December 2021	2
5.	Build Laboratory And Equip	Increased efficiency	i. Source for funds to build Laboratory	No. of proposal and Funds availability	TD/WQO	June 2022	10
			ii. Feasibility study for laboratory equipment required .	List of equipment	TD/WQO	June 2022	0.5
			iii. Installation of new equipment at the new Laboratory	No. of equipment installed	TD/WQO	June 2022	0.5
			iv. Purchase two motorbikes	No. of motorbikes purchased	TD/WQO/PO	June 2022	0.5
6.	Automation of operations	Increased efficiency	i. Install turbidimeter in all outlets	No. of operations automated	TD/WQO	June 2022	5
			ii. Automation of chemical dosing equipment	No. of system automated	TD/WQO	December 2021	10
			iii. Automation of reservoir levels Gauges	No. of reservoir automated	TD/WQO	December 2021	5
			iv. Automation of flow measurements in the treatment plant (raw and treated)	No. of measuring devices automated	TD/WQO	December 2021	5

THEME 2: OPTIMIZED TRANSMISSION AND EQUITABLE DISTRIBUTION OF QUALITY WATER

Objective: To sustainably transmit and distribute 20,500m³/day by June 2022

S.NO.	Strategy	Expected output(s)	Proposed actions	Output indicator(s)	Implementing actors	Time frame	Cost estimates (Kshs million)
1.	Expand the capacity of the transmission pipelines	Transmission of 20,500 m ³ /d	i. Laying DN80 & DN100, 30 KM transmission pipeline.	KM laid in Sosiani Rising main	TD/LVNWWDA	June 2022	20
			ii. Swabbing all transmission pipelines, maintenance of pumps and appurtenances.	Increased volumes and improved water quality	TD, O&MM	June 2022	175
			iii. Clean all water reservoirs	Reservoirs cleaned	TD/O&M/SM	Annually	1
2.	Rehabilitate, upgrade and extend the existing distribution network	Incremental water coverage and reduction of physical water losses	i. Laying of 790KM of water networks as per annex 1	KM of pipeline extended and terminal reservoir	TD/COUNTY/SM	June 2022	68
			ii. 30 km water network extension in informal settlements as per Annex 1	KM of pipelines laid	TD/COUNTY/ PROPOOR	June 2022	10
			iii. Construct 20 no. water kiosks in informal settlements	No. constructed	TD/COUNTY/ PROPOOR	June 2022	30
			iv. Undertake 500 household/ plot connections (at least 50% prepaid meters) in informal Settlements	No. of water meters installed	TD/COUNTY/ PROPOOR	June 2022	50

THEME 3: REDUCTION OF NON REVENUE WATER

Objective : To reduce Non-Revenue Water from 43% to 16% by June 2022.

S.NO.	Strategy	Expected output(s)	Proposed actions	Output indicator(s)	Implementing actors	Time frame	Cost estimates (Kshs million)
1.	Active leak detection	Reduction of NRW (physical) 40% to 16%	i. Carry out leak scouting for physical leaks identification and documentation	Documented leaks	TD/O&M/SM	continuous	2
			ii. Carry out pilot studies in Chavakali, Mbale, Luanda, Mabungo and Shamakhokho	Study reports	TD/O&M/SM	December 2021	2.5
			iii. Purchase active leak detection equipment	No. of Equipment purchased	TD/O&M/SM	Continuous	3.5
			iv. Review and implement work procedures and instruction for new connections and leak repairs	Documented work procedures and instruction	TD/O&M/SM	June 2020	0
2.	Pressure management	Reduction in leakages	i. Create pressure zones and evaluate performance	Evaluation report	TD/O&M/SM	June 2021	0.5
			ii. Conduct network pressure survey to inform active leakage detection and implement the findings	Pressure survey reports	TD/O&M/SM	June 2021	1
3.	Asset management	Reduction of water losses	i. Procure and operationalize GIS and employ qualified staff	Operational GIS	BoD/TD/O&M/SM	December 2020	1
			ii. Develop Asset Management Policy, Systems, Plans and Map all Infrastructures Including pipe network system	Asset management policy	TD/O&M/SM/GIS/PO	December 2020	2
			iii. Procure Asset Management System and Conduct asset valuation	Asset Management System	TD/O&M/PO	December 2020	1
4.	Quantify the water distributed into the zones	Incremental sales growth	i. Create and installation of District Meters	No. of District meters installed	TD/O&M/SM	June 2021	2

S.NO.	Strategy	Expected output(s)	Proposed actions	Output indicator(s)	Implementing actors	Time frame	Cost estimates (Kshs million)
5.	Improve meter accuracy	Incremental sales growth	i. Purchase 6,000 meters of the right sizes	No. of meters right sized.	CD/SM	June 2020	12
			ii. Replace all faulty meters	No. of meters replaced	CD, SM	Continuous	1
			iii. Purchase Meter testing bench. Calibrate Test and service meters	No. of meters tested & Calibrated	CD, O&M,	Continuous	3
			iv. Secure New connection materials	Materials available	CD, O&M	continuous	10
			v. Replace all meters 10 years and older	No. of meters replaced	CD, SM	Continuous	3
			vi. Install AMRs for large consumers	AMRs installed	CD, SM	continuous	3
			vii. Create NRW team	List of team	TD	June 2021	0
			viii. Install 500 Prepaid meters in Informal settlements	No of meters installed	TD	continuous	20
			ix. Purchase Meter testing(MT) Benches	No. of MT benches installed	CD, O&M	June 2021	20
			x. Install meter repair bench and commence meter repairs	Installed repair bench	CD, O&M	Dec-15	8
			xi. Training and bench marking for NRW reduction staff	No. of staff trained	CD NRW-Team	Continuous	1
6.	Develop authentic customer data base	Incremental sales growth	i. Develop acceptable data gathering procedures and processes for adoption	Available Procedures	CD, SM, ICT	December 2021	0
			ii. Data clean up and CIS	No. of cleaned customer records	CD, SM, ICT	Continuous	5

THEME 4: WASTEWATER MANAGEMENT**Objective:** To efficiently collect, convey, treat and dispose off 50,000m³ per day of wastewater in an environmentally friendly manner by 2021/22

S.NO.	Strategy	Expected output(s)	Proposed actions	Output indicator(s)	Implementing actors	Time frame	Cost estimates (Kshs million)
1.	Preventive maintenance of sewerage infrastructure	Enhanced system capacity utilization	i. Prepare and implement preventive maintenance plans	A preventive manual/schedule in place and adhered to	TD/COUNTY	Jan 2022	1.2
		Reduced sewer overflows	ii. Enhanced surveillance to deter intentional blockages/illegal sewer connections	Kms surveyed	TD/COUNTY	Jan 2022 and continuous	0.5
		Retained capacity	iii. License and monitor private exhausters	No. licensed	TD/COUNTY	July 2021 and Continuous	0
		Controlled quality of industrial and trade facilities	iv. License and monitor effluents from industries and trade facilities	No. licensed	TD/COUNTY	July 2021 and Continuous	2.5
			v. Review and operationalize a procedure for new sewer connection	Procedure operationalized	TD/COUNTY	June 2021	5
			vi. Procure one flushing units, one exhauster and working tools, PPEs,	no. in place	TD/COUNTY	June 2021	50
			vii. Review and operate in accordance with the operations Manuals	Operationalized Manuals	TD/COUNTY	June 2021	0
			viii. Mapping of sewer overflow prone areas	Sewer overflow Map	TD/COUNTY	June 2021	1
			ix. Lobby with the County Govt to secure the sewer wayleaves and land designated for sewage treatment plants	Minutes of Meetings	TD/COUNTY	June 2021	1

S.NO.	Strategy	Expected output(s)	Proposed actions	Output indicator(s)	Implementing actors	Time frame	Cost estimates (Kshs million)
2.	Wastewater quality and abuse monitoring	Enhanced process and quality control	i. Develop and implement polluter pay principle (PPP)	Approved and operationalized 3P policy	TD/COUNTY	July 2017	0.5
			ii. Monitor the waste quality throughout the treatment and disposal processes inclusive of the river discharge points.	Analysis reports	TD/COUNTY	July 2014 and continuous	0.3
			iii. Secure funding to build, equip and accredit the wastewater Laboratories	Accredited waste-water Laboratories	TD/COUNTY	June 2022	50
3.	Education and advocacy campaigns	Minimized misuse of sewerage System	i. Prepare education materials/ Brochures	Materials prepared	TD/COUNTY	Dec 2021	8
			ii. Hold sensitization forums	No. of forums held	TD/COUNTY	Continuous	12
4.	Build 20 public Sanitation facilities	Increase sanitation coverage	Source for funds from donors and identify market centres	No. of Public Sanitation facilities built	TD/COUNTY	Dec 2021	100

S.NO.	Strategy	Expected output(s)	Proposed actions	Output indicator(s)	Implementing actors	Time frame	Cost estimates (Kshs million)
5.	Expansion and rehabilitation of existing network	Increased sewer coverage both in terms of area and population Increased capacity of Sewage	i. Develop and implement a sewer revolving fund	Revolving fund in place	COUNTY	June 2022	50
			ii. Construct sewer trunks in Kaimosi Complex institutions	KM laid	TD/COUNTY	June 2022	50
			iii. Design and construct Sewer systems in Mbale, Maseno, Luanda and Kaimosi	KM laid	COUNTY/LVNWWDA	June 2022	0
			iv. Rehabilitation of various truck sewers in Mbale town	Trunk sewers in place	TD/COUNTY	June 2022	5
			v. Rehabilitation of Kaimosi Sewerage Plant	Plant rehabilitated	TD/COUNTY	June 2022	20
			vi. Implement the following in informal settlements:				
			• 10KM sewer extension	KM laid	TD/COUNTY	June 2022	15
			• 20 ablution blocks	No. built	TD/COUNTY	June 2022	100
			• 20 sewer connections	No. installed	TD/COUNTY	June 2022	4
			• 800 standalone toilets	No. built	TD/COUNTY	June 2022	20

S.NO.	Strategy	Expected output(s)	Proposed actions	Output indicator(s)	Implementing actors	Time frame	Cost estimates (Kshs million)
6.	Reuse of backwash and final effluent	Reduced production losses Meet compliance requirements	i. Construct backwash reuse system inclusive of caking and disposal of the sludge at the three water treatment Plants	Quantity and quality of water re-circulated Tonnage of sludge disposed	TD/COUNTY	June 2022	20
7.	Compliance to regulatory requirement on wastewater	System operate at optimum capacity Operations comply to regulatory standards	i. Implementation of EMS	EMS Certification	TD/COUNTY	June 2022	6
			ii. Annual environmental audit Programmes	Annual EMPs	TD/COUNTY	June 2022	2.5
			iii. EIA on new projects and NEMA Effluent license (Mbale and Kaimosi) iv. Develop and implement environmental quality	No. of EIA/NEMA Licenses No of reports reviewed Approved policy			2.5
8.	Embrace appropriate technology	Operations efficiency	Propose/Construct 4 Decentralized Waste Water Treatment Facilities (Mbale, Luanda, Majengo, Kaimosi)	No. of DWTF constructed	TD/COUNTY	June 2022	50
9.	Create Sewerage section, equip And employ Staff	Operations efficiency	Create job description and employ qualified sewerage officers	No. of staff Employed	TD/BoD	June 2022	1
10	Waste water recycling	Alternative ways of using treated Wastewater	Carry out feasibility study and construct alternative treatment	Feasibility Study Report	TD/COUNTY	June 2022	20

THEME 5: REVENUE GROWTH AND CUSTOMER LOYALTY

Objective 1: To grow the sales volume from 60% to 90% of the production by June 2022.

S.NO.	Strategy	Expected Output	Activities	Output Indicators	Implementing Actors	Time Frame	Cost estimates (Kshs million)
1.	Purchase and Implement ERP	Incremental sales growth	i. Develop system requirements And user requirements	Report	CD/TD	By June 2019	0
			ii. Source for Funds and Implement ERP	An operational software	CD/COUNTY	By December 2021	10
			iii. Introduction to mobile meter Reading	No. of mobiles With software	CD/ICT	By December 2021	1
			iv. Introduction of e-billing and sms Billing and online payments	No. of e-bills and Sms bills, no cash	CD/ICT	By December 2021	3
2.	Grow the number of High Consumers accounts	Incremental sales growth	Identify potential HCs (10 health Centres, 20 schools, 10 police Stations and otherS)	A minimum of 100 HCs Increased No. of new HCs	CD/SM	By June 2022	0
3.	Implement and continuously review meter management policy	Incremental sales growth	i. Create a standing committee to monitor the implementation and effectiveness of the policy	A working committee	CD	By June 2021	0
			ii. Create Meter management policy	Policy in place	CD/TD	By June 2021	1
			iii. Replace all meters older than 10 years.	No. of meters changed.	CD/TD	By June 2022	3
4.	Implement the Mobility, pre-paid meters And wireless Meter reading	Incremental sales growth	i. Install token based pre-paid meters,purchase 20 motorbykes	No. of pre-paid meters installed No. of motorbykes	CD/TD	By June 2022	100

Objective 2: To increase the customer base from 3,000 to 8,000 by June 2022

S.NO.	Strategy	Expected Output	Activities	Output Indicators	Implementing Actors	Time Frame	Cost estimates (Kshs million)
1.	Develop business marketing/ development units	Incremental sales growth	i. Develop business development/ marketing concept paper for management approval	Approved concept	CD/TD	By June 2022	0.2
			ii. Implement the approved concept	Operational business units	CD	By December 2021	2
2.	Implementation of social connection policy in the informal settlements	Incremental sales growth	i. Identify areas suited for social connection policy	No. of connections under the policy	CD/TD	Continuous	0.5
3.	Review and adopt effective contracting processes (Ensure connection to the last mile)	Incremental sales growth	i. Carry out, adopt and implement the reviewed Process (such as Remove Connections from rising main)	Adopted contracting procedures	CD, TD	By June 2021	1

Objective 3: To increase customer satisfaction level from 50% to 90% by June 2022

S.NO.	Strategy	Expected Output	Activities	Output Indicators	Implementing Actors	Time Frame	Cost estimates (Kshs million)
1.	Provide quality and reliable customer service	Incremental sales growth	i. To continuously review and adhere to the customer service charter	% compliance level	CD	Continuous	0.15
			ii. Customer / mobile clinics	No. of customer care clinics	CD	Continuous	1
			iii. Annual stakeholder workshop	Workshop report	CD	Annual	5
			iv. Conduct customer perception survey with appropriate sample sizes and address the gaps	Perception survey report	CD	Annual	0.4
			v. Leveraging communications with ICT. (Bulk SMSs, Call Centre, Maji Voice	Customer feedback	CD	Continuous	2
			vi. Develop competencies of customer care teams	No. of trained customer care staff	CD,	December 2021	2
			vii. Devolve customer care services to zonal areas	No. of operational zonal customer care centres	CD	December 2021	1

S.NO.	Strategy	Expected Output	Activities	Output Indicators	Implementing Actors	Time Frame	Cost estimates (Kshs million)
2.	Enhance stakeholder engagement	Effective communication with stakeholders	i. Capture customer telephone numbers	No. of telephone no. captured	CD, SM	Continuous	0.5
			ii. Review and implement Communication Policy (CP)	Approved communication policy	CD, SM	July 2021	1
			iii. Sensitization of staff on Communication Policy and standards	No of staff sensitized	CD, SM	Continuous	5
			iv. Review and implement Corporate Social Responsibility Policy (CSR)	Approved CSR Policy CSR Programs in place	CD, SM	Dec. 2021	10
			v. Water Demand Management	No. of awareness campaigns	CD, SM	Annually	30
			vi. Media Out reach	Media briefing minutes	CD, SM	Quarterly	20
3.	Implementation of Quality Management System (QMS) requirements	Enhanced customer satisfaction index	i. Training and developing competences of internal quality auditors	Internal quality auditors trained	IA	Continuous	0.4
			ii. Carrying out regular internal and external quality audits	Audit reports	IA	Continuous	1
			iii. Holding regular management reviews	Minutes of review meetings	IA	Continuous	0.5



THEME 6: FINANCIAL STEWARDSHIP

Objective 1: Increase revenue collection from 74% to 98% by 2021/22

S.NO.	Strategy	Expected Output	Activities	Output Indicators	Implementing Actors	Time Frame	Cost estimates (Kshs million)
1.	Increased accurate and timely billing	High meter reading efficiency	i. Submit actual meter reading	Meter reading efficiency	CD/ICTD	Continuous	0
		High billing efficiency	ii. Generate and dispatch bills for all accounts	Billing efficiency			3
2.	Increase alternative channels for revenue collection	Increased revenue collected	i. Opening new pay points	Number of pay points created	CD/FD	2 collection points per year	1
			ii. Engage additional agencies				
3.	Fully operationalize the zoning concept (offices for each zone)	Offices for all zonal officers	i. Establish offices within the zones	Number of zones with offices	DHRA	By 2021/2022	10
4.	Use modern technology in disconnection	Increased revenue	i. Benchmark to identify appropriate modern technology	Technology adopted	TD/ICTD	By 2016/2017	5
			ii. Procure and implement identified technology				5

Objective 2: Increase current Revenue Base by 70% (from KShs. 32 Million to 90 Million) by 2021/2022

S.NO.	Strategy	Expected Output	Activities	Output Indicators	Implementing Actors	Time Frame	Cost estimates (Kshs million)
1	Undertake review of water Tariff & licensing	Increased revenue	i. Review tariff	New tariff applied	FD/CD	2021/2022	1
			ii. Implement reviewed tariff				
2	Diversify revenue sources	Increased revenue	i. Takeover Mbale sewer system	Number of projects implemented	ICTD/TD/CD	2021/2022	30
			ii. Build water bottling company				

Objective 3: Reduce accounts receivables from KShs 63 Million to not more than 30 Million by 2021/2022

S.NO.	Strategy	Expected Output	Activities	Output Indicators	Implementing Actors	Time Frame	Cost estimates (Kshs million)
1.	Review and comply with debt management policy	Reduced debt	i. Debt authentication	The debt level	FD/CD	Continuous	0.5
			ii. Adjustment of erroneous bills				0.5
			iii. Write off of debts				20

Objective 4: Reduce the level of accounts payables from KShs. 51 Million to KShs. 10 Million by 2021/22

S.NO.	Strategy	Expected Output	Activities	Output Indicators	Implementing Actors	Time Frame	Cost estimates (Kshs million)
1.	Review and comply with credit management policy	Financial Sustainability	i. Lobby county to assist pay Outstanding statutory levies	The credit level	FD/CD	Continuous	40
			ii. Adhere to payment provisions in contracts				0

Objective 5: Secure external funding of up to Kshs 500 million by 2021/22

S.NO.	Strategy	Expected Output	Activities	Output Indicators	Implementing Actors	Time Frame	Cost estimates (Kshs million)
1.	Sourcing for external financial resources	Funded projects	i. Set up propoor department	Funds accessed	FD/PROPOOR	By 2021/2022	1
			ii. Developing a funding framework	Projects funded			2
			iii. Implementing framework				3
2.	Engage private sector in development and management of water and sewerage infrastructure	Funded projects	i. Develop a policy on public private partnerships	Policy in place	FD/CD	2021/2022	4
			ii. Engage private partners	Number of engaged partners Number of Projects implemented			5

Objective 6: Ensure 100% automation and integration of all business processes by June 2022

S.NO.	Strategy	Expected Output	Activities	Output Indicators	Implementing Actors	Time Frame	Cost estimates (Kshs million)
1.	Improve budgetary control	Operational efficiency	i. Exploring outsourcing non-core services	Number of services outsourced	FD/CD	2017/2018	2
			ii. Enhancing budgetary control system through integration	Optimal level of overhead costs			2

S.NO.	Strategy	Expected Output	Activities	Output Indicators	Implementing Actors	Time Frame	Cost estimates (Kshs million)
2.	Improve automation level to 100%	Improved operational efficiencies	i. Evaluation of existing systems	Systems evaluation report and work plan	ICTD	June 2021	2
			ii. Identification of opportunities for automation	Gap analysis report	ICTD	Continuous	3
			iii. Upgrade the identified systems	Upgraded system	ICTD	Dec 2021	5
			iv. Identify and procure new system	Commissioning report	ICTD	Dec 2020	10
			v. Fully implement systems integration	Systems Integration report	ICTD	Apr 2021	1

Objective 7: To ensure 100% safety and optimal utilization of the company resources

S.NO.	Strategy	Expected output(s)	Proposed actions	Output indicator(s)	Implementing Actor	Time frame	Cost estimates (Kshs million)
1	Strengthen internal Controls	Efficient and Effective business processes	i. Conduct risk assessment	Monthly, Quarterly and annual reports	IA	Annual	1
			ii. Review risk Management Framework	Monthly, Quarterly and annual reports	IA/TD	Annual	2
			iii. Undertake continuous auditing and monitoring of business processes (through automated monitoring system)	Monthly, Quarterly and annual reports	IA	Annual	17
				Automated System in place		Dec. 2021	

S.NO.	Strategy	Expected output(s)	Proposed actions	Output indicator(s)	Implementing Actor	Time frame	Cost estimates (Kshs million)
2	Ensure business systems continuity	Business continuity	i. Develop a corporate business continuity strategy	Approved business continuity strategy	MD/FD /ICTD	Dec-21	5
			ii. Implement Corporate Business Continuity Strategy	Implementation report	BoD	Jun-21	5
3	Provision of onsite security	Reduction of theft of company property	i. Conduct audit of all company property and tag them	No. of property tagged	FD/CD	Jun-21	2
			ii. Develop a company asset register	Asset register in place	FD/CD	Jun-21	4
			iii. Reinforce internal security services by use of outsourced security services	Hybrid security in place	CD	Annually	5
			iv. Carry out forensic investigations on theft cases	Investigation reports	CD	Continuous	1
			v. Use of modern technology (CCTV, alarm systems, electric fence, biometric system)	Automated security system in place	ICTD/CD	Jun-21	5
			vi. Continuous surveillance and collection of intelligence	Surveillance and intelligence Reports	CD	Continuous	5
			vii. Arrest and prosecution	No. of cases reported for prosecution	CD	Continuous	5

S.NO.	Strategy	Expected output(s)	Proposed actions	Output indicator(s)	Implementing Actor	Time frame	Cost estimates (Kshs million)
4	Obtaining insurance cover for assets	Business continuity	i. Classify company assets according to potential risks	Assets risk classification register	TD	Annually	2
			ii. Procure insurance services for Company assets	Policy documents	TD	Annually	2
5	Enhance implementation of fleet management system	Reduction in fleet operational costs	i. Review the fleet management system	More efficient system in place	TD	Continuous	5
			ii. Implement the system	No. of fleet being tracked			0

THEME7: HUMAN RESOURCE MANAGEMENT

Objective 1: Improve staff productivity level from 50% to 90% by June 2022

S.NO.	Strategy	Expected output(s)	Proposed actions	Output indicator(s)	Implementing actor	Time frame	Cost estimates (Kshs million)
1.	Undertake a review and alignment of the organogram	Efficiency and effectiveness in operations	Identify the existing gaps in current structure	Gaps identified	HRA/CD	Sept 2021	1
			Prepare a revised structure that aligns to the strategic plan	New structure in place	HRA/CD	Jan 2022	
2.	Carry out staff Rationalization/	Optimum productivity	Implement recommendations of the approved report	Status of implementation of recommendations	HRA/CD	June 2022	5
3.	Undertake manpower Planning	Optimum staffing	i. Develop and implement annual man power recruitment plan	Approved plan	HRA/CD	Annually	0.6
			ii. Review and implement staff retention plan	No. of staff exits against set standard	HRA/CD	Annually	0

S.NO.	Strategy	Expected output(s)	Proposed actions	Output indicator(s)	Implementing actor	Time frame	Cost estimates (Kshs million)
4.	Undertake succession planning	Business continuity	Review and implement a succession planning policy	Policy in place and being implemented	CD/HRA	June 2021	0
5.	Implement change management	Optimum productivity	Develop and implement change management programs	No. trained Perception surveys	HRA	June 2021	3.5
6.	Implement performance based remuneration	Increased productivity	i. Review performance management policy to include retainer pay plus performance based commissions for management staff	Revised performance management policy in place	HRA/CD/TD	June 2021	2.5
			ii. Review and strengthen performance appraisal system	Revised appraisal system in place	HRA/CD/TD	Dec 2021	

Objective 2: Improve employees' satisfaction from 50% to 80% by June 2022

S.NO.	Strategy	Expected output(s)	Proposed actions	Output indicator(s)	Implementing actor	Time frame	Cost estimates (Kshs million)
1.	Undertake training and development	Increased productivity	i. Develop and implement a career development policy	Approved policy	HRA/CD	June 2015	1
			ii. Establish training calendar/plan based on the competency assessment of the target groups	Approved annual training calendar	HRA/CD	June of every year	
			iii. Implement competency-based approach to training and career development	No. trained	HRA/CD	Annually	
2.	Improve work environment	Increased productivity	i. Implement Occupational Health & Safety Act 2007	No. of activities undertaken	HRA/CD	Continuous	20
			ii. Undertake work environment satisfaction survey	Survey report	HRA/CD	Annually	10
			iii. Purchase staff uniform	Uniforms in place	HRA/CD	Annually	1
			iv. Implement staff pension scheme	Pension scheme in place	HRA/CD	June 2022	5

THEME 8: BRAND EQUITY AND INSTITUTIONAL STRENGTHENING

Objective 1: To have a Water Gravity System in place by June 2022

S.NO.	Strategy	Expected output(s)	Proposed actions	Output indicator(s)	Implementing actor	Time frame	Cost estimates (Kshs million)
1.	Enter in public private partnerships	Increased resources	Conduct a feasibility study for development of Water Gravity System in Vihiga County	Feasibility study report	MD/TD/FD	Jan 2021	5
		Improved visibility of the company	Prepare a detailed design for the Gravity System	Design for the System prepared	MD/TD/FD	June 2022	200
			Identify and engage potential private partners to participate	Amount of funds generated	MD/FD	June 2022	0
			Undertake construction of the Gravity System	Gravity System is developed	MD/TD/FD	June 2022	2000

Objective 2: Improve the level of brand equity from 50% to 100% by 2021/22

S.NO.	Strategy	Expected output(s)	Proposed actions	Output indicator(s)	Implementing actor	Time frame	Cost estimates (Kshs million)
1.	Build HQ and Scheme offices	Improved work environment	Source for funds and land Design and build	No. of offices in place	MD	2021/22	50
2.	Enhance positive public image	Cordial relationship with customers and stakeholders	Improve on service delivery and quality	Improvement in level of customer satisfaction and Stakeholders	MD	2021/22	1
			Design and implement Company Website		MD	2021/22	1
3.	Align AWASCO to Companies Act 2015, Water Act 2016, Vihiga County Water Act	Compliant Company	Apply for compliance at registrar of companies Align company to Water Acts and	CR12, Memorandum and Articles of Association	MD	2021/22	2

Objective 3: Strengthen Company's partnership with stakeholders at national, regional and international levels

S.NO.	Strategy	Expected output(s)	Proposed actions	Output indicator(s)	Implementing actor	Time frame	Cost estimates (Kshs million)
1	Seek membership in relevant Associations	Knowledge sharing and projects' support	Renew of membership Enroll in other relevant Associations	Number of Associations AWASCO is affiliated to	MD	2021/22	1
2.	Participation in relevant congresses, conferences, workshops and seminars	Knowledge sharing and capacity building	Registration and Subscriptions to relevant professional bodies	No. of congresses, conferences, workshops and seminars AWASCO is represented	MD	2021/22	3

CHAPTER SIX

Financing the Strategic Plan

6.0 Financing the Strategic Plan

6.1 Estimated Costs

This Strategic Plan has eight key result areas/themes and several strategic objectives. Each objective will involve implementation of certain activities. A total of Kshs. 4 billion will be required to implement the strategic plan over and above the regular operations expenditure. The estimated costs for implementation of the various objectives are as captured in Table 7.

Table 7: Summary of estimated strategic Plan implementation costs

Theme	Objective	Cost per objective (Kshs million)	Cost per theme (Kshs million)
1. Enhanced and sustainable quality water sources, production and storage	1. To enhance the water sources capacity to meet 2022 demand of 20,500m ³ /day by 2021/22	567	706
	2. To ensure 100% compliance to AWASCO water quality standard as adopted from WHO and KEBS	140	
2. Optimized transmission and equitable distribution of quality water	To sustainably transmit and distribute 20,500m ³ /day by June 2022	–	354
3. Reduction of Non Revenue Water	To reduce Non-Revenue Water from 43% to 16% by June 2022	–	81.5
4. Wastewater management	To efficiently collect, convey, treat and dispose off 50,000m ³ per day of wastewater in an environmentally friendly manner by 2021/22.	–	593
5. Revenue growth and customer loyalty	1. To grow the sales volume from 60% to 90% of the production by June 2022.	118	201.65
	2. To increase the customer base from 3,000 to 8,000 by June 2022	3.7	
	3. To increase customer satisfaction level from 50% to 90% by June 2022	80	

Theme	Objective	Cost per objective (Kshs million)	Cost per theme (Kshs million)
6. Financial stewardship	1. Increase revenue collection from 74% to 98% by 2021/22	24	222
	2. Increase the current revenue base by 100% (from kshs.32 million to Kshs. 90 million) by 2021/22	31	
	3. Reduce accounts receivables of KShs. 63 million to not more than 30 million by 2021/22	21	
	4. Reduce the level of accounts payables from Kshs. 51 million to Kshs. 10 million by 2021/22	40	
	5. Secure external funding of up to Kshs 500 million by 2021/22.	15	
	6. To ensure 100% automation and integration of all business processes by June 2022.	25	
	7. To ensure 100% safety and optimal utilization of company resources.	66	
7. Human resource management	1. Improve staff productivity level from 50% to 90% by June 2022	12.6	49.6
	2. Improve employees' satisfaction level from 50% to 80% by June 2019	37	
8. Brand equity and institutional strengthening	1. To have a Water Gravity System in place by June 2022	2,205	2,263
	2. Improve the level of brand equity from 50% to 100% by 2021/22	54	
	3. Strengthen Company's partnership with stakeholders at national, regional and international levels	4	
Total			4,470.75

6.2 Sources of Funds

The funds for implementing the strategic plan will largely be from externally generated funds. As shown most of these strategies are to make the AWASCO be able to generate funds internally. This calls for proper pricing of water to ensure sustainability of water and sanitation services in the County. Proper pricing will also encourage consumers to conserve water and at the same time reach more customers.

The expected sources will be mostly from:

- i. **County Government:** The aim of County Government in this strategic plan is to ensure AWASCO becomes self-reliant will ensure it succeeds.
- ii. **Public private partnerships:** A number of projects are earmarked to be financed through public private partnerships.
- iii. **Development partners:** The development partners are expected to support development.

6.3 Management of Funds

The Company will concentrate its resources on the Plan priority areas so that there is efficiency and effectiveness. Through effective management the Company shall ensure that resource utilization is as intended. The Company shall continue to improve its financial and accounting system by investing in improvement of financial management systems and strengthening budgetary controls. Periodic reporting will also be enhanced and the reports used to monitor and control expenditure.

CHAPTER SEVEN

Institutional Structure

7.0 Institutional Structure

7.1 The Board of Directors

The Board of Directors (BOD's) role is to provide policy guidelines and oversight 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, procedures and regulations.

The Board of Directors include seven (7) members plus the Managing Director. The Board also has three committees: Finance, Administration and Human Resource; Technical; and Audit.

7.2 Office of the Managing Director

The Managing Director (MD) shall ensure proper and efficient management of the day-to-day operations of Amatsi Water and Sanitation Company under the policy guideline of the Board of Directors. The responsibilities of the MD will be to:

- i. Interpret and implement the decisions of the Board;
- ii. Oversee the formulation and implementation of appropriate policies and procedures within the Company;
- iii. Provide organizational leadership and supervision of all departments in order to achieve the Company's mandate; and
- iv. Spearhead various Company initiatives.

7.3 Departments

To spearhead implementation of the strategic plan there are two Departments headed by Technical Manager and Commercial Manager. These are Technical and Commercial. The functional Departments are further divided into sections.

7.4 The Organogram

The organization structure for the company is as depicted below.

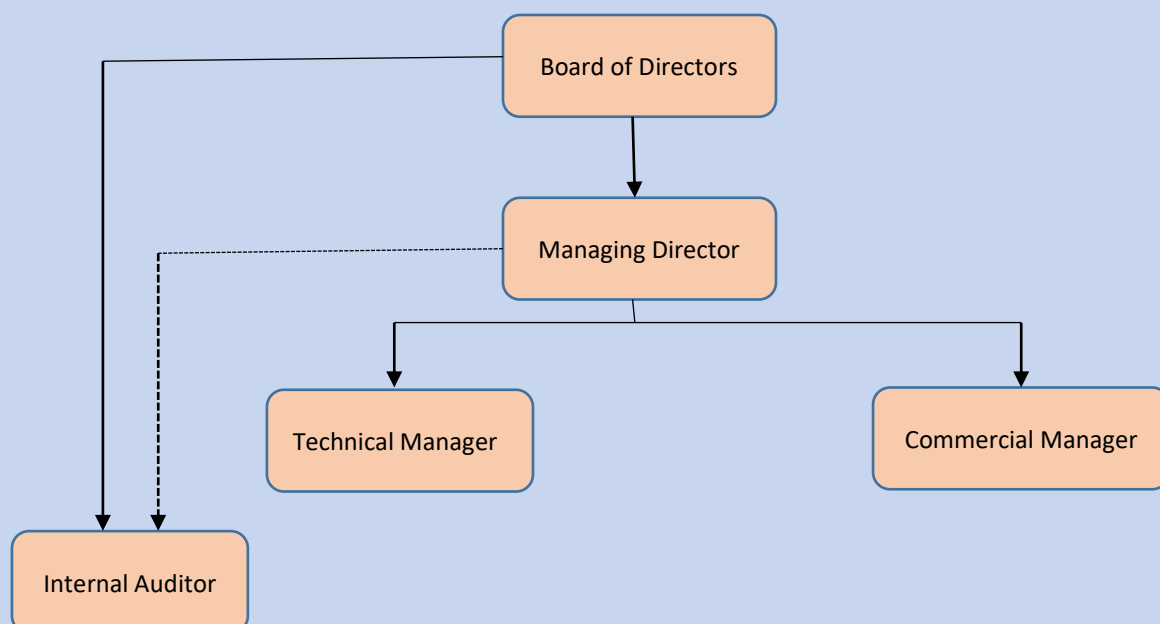


Figure 6: AWASCO's Organogram

CHAPTER EIGHT

Risk Management and Monitoring & Evaluation

8.0 Risk Management and Monitoring & Evaluation and KPIs

8.1 Risk Management

The main objective of risk management is to reduce the likelihood of risk exposures and the impact thereon. The process involves identifying risk drivers, analyzing their causes, assessing their likelihood and impact, instituting the mitigation measures and monitoring and evaluation of the implementation.

The company has developed a risk management framework which ensures the following: -

- i. Significant strategic, operational, compliance and financial risks have been identified and prioritized.
- ii. Management reports and information from internal and external auditors are reviewed and acted on promptly.
- iii. Management is held accountable for continuous implementation of the risk management framework within the institution
- iv. The Board of Directors oversees the overall implementation of the framework

8.2 Monitoring and Evaluation

8.2.1 Objectives of Monitoring and Evaluation (M & E)

To be able to attain the desired outcome from the identified strategies, the business 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.

8.2.2 Monitoring and Evaluation (M & E) Framework

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

- v. An M & E committee comprising of representatives from all departments has been established to oversee the implementation of the strategic plan.
- vi. The M&E committee will hold monthly meetings to review the status of the strategic plan implementation.
- vii. The M & E committee will be reporting quarterly to the Core Management on the progress of the strategic plan implementation.
- viii. The Core Management will be reporting quarterly to the Board of Directors on the progress of the strategic plan implementation.
- ix. The strategic plan will be reviewed annually. Towards this, the Company will engage services of an independent external expert to facilitate the review.

Note: The key performance indicators in section 8.3 will provide guidance on more objective review of the progress of the strategic plan implementation.

8.3 Key Performance Indicators

Table 8 shows the base Key Performance Indicators (KPIs) for 2016/17 and projections for financial and non-financial targets set for the years 2017/18 to 2021/22.

Table 8: Key performance indicators

KPI	Unit	Level of achievement/Targets					
		2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
1. Volume of water abstracted	m ³ /d	7,200	7,200	8,000	8,500	22,000	22,000
2. Increased treated water volume	m ³ /d	6,900	6,900	7,200	7,800	21,000	21,000
3. Volume of water transmitted	m ³ /d	6,900	6,900	7,200	7,800	20,500	20,500
4. Volume of water sold	m ³ /d						17,720
5. Level of water demand met	%	50	50	60	60	100	100
6. Non Revenue Water (physical losses)	%	30	30	25	20	15	10
7. Non Revenue Water (commercial losses)	%	10	10	8	7	6	6
8. Water quality compliance level – Plants (Residual Chlorine)	No.	24	24	24	24	24	36
9. Water quality compliance level – Plants (Residual Chlorine)	%	100	100	100	100	100	100
10. Water quality compliance level – Plants (Physico-chemical –pH, Color, Turbidity)	No.	24	24	24	24		36
11. Water quality compliance level Plants (Physico-chemical –pH, Color, Turbidity)	%	100	100	100	100	100	100
12. Water quality compliance level –Plants (Total Coliform and E.coli)	No.	1	1	1	1	12	24
13. Water quality compliance level –Plants (Total Coliform and E.coli)	%	100	100	100	100	100	100
14. Improved efficiency in quality control process	%		100	100	100	100	100
15. Water quality compliance level – Distribution (Residual Chlorine)	No.	1	1	1	1	48	48
16. Water quality compliance level – Distribution (Residual Chlorine)	%	100	100	100	100	100	100
17. Number of samples collected – Distribution (Physico-chemical –pH, Color, Turbidity)	No	1	1	1	1	48	48

KPI	Unit	Level of achievement/Targets					
		2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
18. Water quality compliance level - Distribution (Physico-chemical –pH, Color, Turbidity)	%	100	100	100	100	100	100
19. Water quality compliance level – Distribution (Total Coliform and E.coli)	No	1	1	1	1	12	12
20. Water quality compliance level – Distribution (Total Coliform and E.coli)	%	>95	>95	>95	>95	>95	>95
21. Hours of supply	Hours /day	13	18	18	18	24	24
22. Length of water pipelines extended in formal areas	KM		12	10	10	10	18
23. Length of water pipelines rehabilitated in formal areas	KM		1	0	58	50	60
24. Water reservoirs cleaned	No.	0	2	2	2	2	2
25. Construction of reservoirs	No.	0	0	0	0	1	2
26. Swabbing of transmission and distribution pipelines	KM	0	20	36	36	36	36
27. Length of water lines laid in informal settlements	KM	0	6	6	6	6	6
28. No. of Water kiosks constructed in informal settlements	No.	0	4	4	4	4	4
29. No. Public prepaid meter installation in informal settlements	No.	0	50	50	50	50	50
30. No. of water connection in informal settlements	No.	0	50	50	50	50	50
31. Volume of wastewater conveyed	m ³		0	20,000	20,000	30,000	50,000
32. Volume of wastewater treated and disposed	m ₃		0	20,000	20,000	30,000	50,000
33. Level of compliance to regulatory requirements on wastewater management	%		0	50	70	90	100
34. Rehabilitation of sewer trucks	No.		5	5	5	5	5
35. Length of sewers laid in the Informal Settlements	KM		0	0	10	10	10
36. No of Ablution blocks constructed in the informal settlements	No.		12	10	10	10	10
37. No of sewer connections in informal settlements	No.		4	4	4	4	4
38. No of standalone toilets in informal settlements	No.		0	200	200	200	200

KPI	Unit	Level of achievement/Targets					
		2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
39. Customer base	No.	3,000	3,300	3,800	4,300	5,300	8,000
40. Customer Satisfaction level	%	50	60	70	80	85	90
41. Revenue Base	KShs. Mi.	32	35	45	55	75	90
42. Revenue collection level	%	74	80	85	90	95	98
43. Reduce the accounts receivables	KShs. Mi.	63	58	53	40	45	30
44. Reduce the level of accounts payables	KShs. Mi.	51	41	31	21	15	10
45. Raising of external funding	KShs. Mi.		100	100	100	100	100
46. Level of adherence to annual budgets	%	90	90	90	90	90	90
47. Level of recurrent costs as a % of revenue	%	100	100	100	100	100	100
48. Level of automation	%	55	80	80	90	100	100
49. Business systems continuity level	%	40	70	100	100	100	100
50. Number of staff per 1,000 water connections	No.	16	14	13	12	11	10
51. Level of public confidence	%	50	70	73	76	78	80
52. Training & Development	No.	10	10	10	10	10	60
53. Level of employees satisfaction	%	50	75	75	77	79	80
54. Staff performance management	%	50	70	75	80	85	90
55. Improve Level of Brand Equity	%	50	55	60	75	85	100

ANNEX 1 - WATER AND SEWER EXTENSION AND REHABILITATION AND EQUIPMENT

PROJECT
NON-REVENUE WATER
(a) Reducing physical
loses: Metering:
Bulk and regional meters including chambers
Rehabilitation of production meters Installation
of meter benches
Replacement of consumer meters, Including pre-paid meters
Installation of High end consumer AMRS (1000)
Organizational strengthening:
Expertise support
Trainings/Benchmarking
GIS Equipment
Leak Detection Equipment
Electromagnetic Flow Meters
Pressure Reducing Valves
Flow and Pressure Loggers
Anti fraud gate valves and composite water boxes for pilot study
Under pressure drilling machines and accessories
Customer Smart meters
Pipes and fittings
(b) Reducing commercial loses:
Purchase ERP
Customer data cleanup
Customer mapping
Domestic with meter replacement
ICT and technology advancement for revenue collection
Publicity/awareness (internal customers, road shows, radio, TV, site visits, etc)
Customer education and clinics
Customer surveys
NETWORK EXTENSIONS
(a) Water – areas of unplanned developments: Shamakhokho-(Iosengeli, Gahubwa, Bumira (30 KM)
Demonstration –(Jivuye, Jamulongoji, Iwanda (40 KM) ,Mungavo-(Serem police station, health centre,Musudzu, kisasi, shivembe, Erusui, virembe (50KM)
Cheptulu-(Mahanga, Shaviringa, Makuchi, milimani, Kamugoi, Shikhambi (50 KM)
Chamakanga-(Busweta, Busali, Mululu, Ikobero, itegelo, lotego, budaywa, losegah, Wodanga, sabatia, mudete (60 KM)
Luanda-(roller, Emutsuru, Catholic line, agoya, police line, mulukholo, Big ben, Godwill, Apostolic, power (60KM)
Mabungo-(Emutsa, Nyawita, Olang, Maseno police, Hobunaka(50KM)
Wemilabi-(Khusikulu, siamarwi, mapera, Esirabe, Ebusyubi(30KM), Mwicho-(Emusire, Mulwanda(20)), Muchula, Niko point, Inyani, Esunza, Mwiliva (50)
Gambogi- (Simbi, Dago, Kiboswa(50)), Tigoi-(Iramba, Kisulu, boyani(50))
Vihiga-(Home pub, Magai road, Igumba, Kidundu, gisamabi, wang'ombi (60 KM))
Standkisa-(Viyalo, wamage,, Weligina, hambala, igunga, gilinyi, Lunyerere (70KM)), Chavakali-(Keveye, Chavakali Primary, Wasundi, Madegwa, Chandumba (50KM))
Mbale-(Kegoye, duguyu, hambale, Wenyange, Booster, Mukuli, Mukingi, Tsimbalo, Musulyu, chemasihili(100KM)
(b) Sewers: Mbale and Kaimosi

ENHANCING PRO-POOR ACCESS TO WSS
Extending water and sanitation services to informal settlements targeting women, youth and disadvantaged groups
Establish alternative management arrangements suitable for informal settlements, e.g. use of women and youth (establishing appropriate model)
Prepaid meters - use of tokens
Corporate Social Responsibility -Water sources protection

Some specific water extensions in formal areas

- I. Laying DN 80 and DN100 30 KM rising main in Tigoi and Nyangori.
- II. Swabbing all transmission pipelines, maintenance of pumps and appurtenances.
- III. Clean 20 water reservoirs

Some specific water extensions in informal settlements

Areas where the projects will be undertaken:

- Chavakali- 8 KM,40connections,2 water kiosks, 2 ablution blocks, 100 toilets
- Gambogi-4 KM,30 connections, 2 water kiosk, 1 ablution block, 30 toilets
- Luanda A and Luanda B - 10KM,40 connections, 2 water kiosks, 2 ablution blocks, 100 toilets, Decentralized Wastewater Treatment Facility
- Majengo A and Majengo B- 10KM, 40 connections, 2 water kiosks, 2 ablution blocks, 50 toilets, Decentralized Wastewater Treatment Facility
- Mbale A and Mbale B- 10KM, 60connections, 3 water kiosks, 2 ablution blocks, 100 toilets, Decentralized Wastewater Treatment Facility
- Vihiga A and B-5 KM, 40 connections, 2 water kiosks, 2 ablution block, 50 toilets
- Shamakhokho- 5km,30 connections, 2 water kiosks, 2 ablution block, 100 toilets
- Mudete-5km, 40connections, 1 water kiosk, 1 ablution block, 20 toilets
- Serem-4 KM, 60connections, 2 water kiosks, 2 ablution blocks, 100 toilets, Decentralized Wastewater Treatment Facility
- Kilingili- 4 KM,40 connections, 2 water kiosks, 2 ablution blocks, 50 toilets
- Chamakanga- 4KM, 60 connections, 2 water kiosks, 2 ablution blocks, 50 toilets,

Sewer – Extension/connection in informal Settlements

1. Kaimosi Bible college, Vocational and Kaimosi Girls High School 8 KM
2. Mbale Capital Area 20 KM