



TAVEVO

WATER AND SEWERAGE COMPANY



STRATEGIC PLAN

2024/25- 2033/34



MISSION

**To provide
adequate, reliable,
safe, accessible
and affordable
water and
sanitation services
to the
satisfaction of all
stakeholders**



VISION

**To be the leading
service provider of
quality, affordable
water and
sanitation services
in Kenya**



CORE VALUES

- a) Innovativeness**
- b) Integrity**
- c) Professionalism**
- d) Team-work**
- e) Customer Focus**





**H.E. The Governor Taita Taveta County,
Andrew Mwadime**



FOREWORD



It is a great privilege to present to you the Strategic Plan for Taita Taveta Water and Sewerage Company (TAVEVO). I am positive the strategic objectives, strategies and targets we have set for ourselves are the proper choices to enable the company fulfil its mandate of provision of water and sanitation services to the residents of Taita Taveta County.

I wish to acknowledge the critical role and commitment of the management team in ensuring that the company consistently enhances service delivery to customers and other key stakeholders. In my view, TAVEVO is strategically placed with a greater momentum to expand and grow within this plan period.

Strategic planning is the formal documentation of an organization's future direction. In a bid to understand where the organization is going, there is need to assess where it is presently, then it has to determine where it wants to go and then consequently decide on how it will get there. The result of which is a document called a Strategic Plan. Its aim is to provide a framework on the direction the company needs to take in order to get to the level it has envisioned. The Plan will strategically position the company to take advantage of strengths and opportunities in order to cushion it against threats and weaknesses.

This 10-Year strategic plan marks TAVEVO's commitment to ensuring improved provision of sufficient water and sanitation services to all residents within Taita Taveta County in partnership with other key stakeholders in the sector. It is intended to provide a system and mechanism through which the company will attain its strategic aspirations. The plan is founded on the formulated company vision; ***"To be the leading service provider of quality, affordable water and sanitation services company"*** and mission statements; ***"To provide adequate, reliable, safe, accessible and affordable water and sanitation services to the satisfaction of all stakeholders"***

I wish to urge everyone connected to the company to be committed in ensuring the utility remains visionary through provision of water and sanitation services in a sustainable manner. I am positive that with this plan in place, the company has a huge potential going into the future. The Board will be committed to ensuring this strategic plan is successfully implemented by providing the required leadership in order to steer the company towards goal attainment.

Finally, I wish to thank the directors, the management as well as the key external stakeholders for their cooperation and teamwork during the development of this 10-year strategic plan. The collaboration shown during the strategic planning exercise will also be critical to the implementation of this plan and therefore I urge everyone to continue working together as we walk this 10-year journey.

Mr. Alex Mjomba Mghanga,
Chairman, Board of Directors.

PREFACE



It is my humble duty and honor to present to you the future of TAVEVO. It has been our mandate to provide the residents of Taita Taveta County with water and sanitation services since April, 2006. This is to say the company's service area is the whole of Taita Taveta County.

The focus on the attainment of the United Nations SDGs, Kenyan Vision 2030, CIDP and the utility's strategic objectives is critical to TAVEVO's success in the attainment of sustainable provision of water and sanitation services. This strategic plan shall provide a roadmap and focus towards achievement of universal access to water and sanitation services within the company's service area.

The strategic objectives outlined in this Plan are crucial to the successful implementation of this strategic plan. This will be attained by adopting and implementing the principles of good corporate governance to ensure the company is properly and strategically managed according to the corporate governance guidelines.

Dedication to quality service must be upheld by everyone. The Company's BoD has a significant role in creating a conducive and enabling environment as well as in providing leadership and strategic direction to the entire company. On the other hand, the management team should be responsible custodians of company resources and ensure full utilization of the available company resources in cost-effective manner. Further to this, the entire staff establishment are called to serve with the company's interests at heart in compliance to laid down policies, guidelines, rules and regulations. As such, all the players should understand delivery of quality services is the company's priority and should therefore collaborate and work together through positive contribution for the realization of the aspirations in this Plan.

The key challenges facing the company that have been identified during the development of this 10-year Strategic Plan are; Inadequate financing; poor company governance; High NRW levels; Lack of documented Standard Operating Procedures and; inadequate staff capacity. As such, the company has crafted strategies for addressing these challenges in the 10-year strategic plan.

The strategic plan covers a 10-year period from 2024/25-2033/34 during which time implementation will be monitored using the Monitoring and Evaluation framework. This will allow for tracking progress towards implementation as it will outline what has and has not been achieved and why in order for corrective action to be taken and challenges mitigated appropriately. The document will guide and direct the daily operations of the company so that the company vision is attained through operationalization of the planned activities under each strategy during the 10-year period. The monitoring activities shall encompass preparation of annual workplans by each head of department. These shall be linked to the strategic objectives, strategies and initiatives as outlined in the implementation plan. In addition, the department workplans shall be cascaded to individual staff workplans which shall then be linked to TAVEVO's performance management system. The strategic plan shall be monitored on a quarterly and annual basis.

I wish to thank the Board of Directors, the staff as well as the key external stakeholders for dedicating time and working together in the development of this 10-year strategic plan. Lastly, I wish to affirm that I will provide all support in my capacity to see to it that the Plan is successfully implemented.

Mr. Benson Mwangoi,
Managing Director.

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KEY CONCEPTS AND TERMINOLOGIES

| | |
|-----------------------------|--|
| Baseline | A description of the initial state of an indicator before the start of a project/programme, against which progress can be assessed or comparisons made. |
| Indicator | A means of measuring progress/change that results from an intervention. It measures a change in a situation or condition and confirms progress towards achievement of a specific result. It is used to measure a project impact, outcomes, outputs and inputs that are monitored during project implementation to assess progress. |
| Key Activities | Actions taken or work performed, through which inputs are mobilized to produce outputs. |
| Key Results Areas | They are the broad areas in which you are expected to deliver results. |
| Outcome | The intermediate results generated relative to the objective of the intervention. It describes the actual change in conditions/situation as a result of an intervention output(s) such as changed practices as a result of a programme or project. |
| Output | Products, services, or immediate results, tangible or intangible resulting directly from the implementation of activities or applying inputs. |
| Project | A project is a set of coordinated activities implemented to meet specific objectives within defined time, cost and performance parameters. |
| Strategic Goal | General qualitative statements on what an organization is hoping to achieve in the long term. Each strategic goal is linked to a strategic issue. Goals are the foundations of a plan and need to be set at the start of the planning process. |
| Strategic Issues | These are problems or opportunities emanating from situational analysis that an organization has to manage in order to be able to fulfil its mandate and mission. |
| Strategic Objectives | These are what the organization commits itself to accomplish in the long term; they establish performance levels to be achieved or priority issues and measures of success in fulfilling critical mission statement elements. |
| Strategies | Broad abstractions which are descriptive of the means for achieving the strategic objectives. |
| Target | A result to be achieved within a given time frame through application of available inputs. |
| Top Leadership | Individuals or groups of people who carry the Vision of an organization and are responsible for achieving its mandate. |
| Value Chain | A description of the production-to-market linkages, generating value to the customer through efficient processes and procedures. |

| | |
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| Non-Revenue Water (NRW) | NRW refers to the difference between the amount of water put into the distribution system and the amount of water billed or authorized as consumption. It includes both commercial (apparent) losses, such as billing inaccuracies and physical (real) losses, which include leaks in the distribution system. |
| Utility | A water service provider licensed by WASREB to provide water services. |
| Water Services | Supply of water, sewerage services and all other incidental services. |
| Revenue Collection Efficiency | Refers to the consistency between the amount of revenue collected and the amount billed. It assesses the efficiency of revenue management system in a utility. |
| Water Tariff | Refers to the justified price charged for water services to cover the reasonable cost of providing the service. |
| Personnel Expenditure | Refers to salaries, allowances, allowable pension and service as well as gratuities payable to employees in the course of their employment. |
| Operations and Maintenance (O&M) Expenditure | Means all justified recurrent expenditure incurred by a utility during its business |

ABBREVIATIONS AND ACRONYMS

| | |
|----------------|--|
| BOD | Board of Directors |
| CWSB | Coast Water Services Board |
| CWWDA | Coast Water Works Development Agency |
| DMA | District Metering Area |
| ICT | Information Communication System |
| IFRS | International Financial Reporting Standards |
| IPSAS | International Public Sector Accounting Standards |
| IT | Information Technology |
| IWA | International Water Association |
| KENHA | Kenya National Highways Authority |
| KISM | Kenya Institute of Supplies Management |
| KPIs | Key Performance Indicators |
| KRA | Key Result Area |
| KURA | Kenya Urban Roads Authority |
| M&E | Monitoring and Evaluation |
| MoWSI | Ministry of Water Sanitation and Irrigation |
| MTP IV | Fourth Medium Term Plan |
| NEMA | National Environmental Management Authority |
| NHIF | National Hospital Insurance Fund |
| NLC | National Lands Commission |
| NRW | Non-Revenue Water |
| O&M | Operations and Maintenance |
| PESTEL | Political, Economic, Social, Technological, Environmental, Legal |
| PMS | Performance Management System |
| PPRA | Public Procurement Regulatory Authority |
| SDG | Sustainable Development Goals |
| SPA | Service Provision Agreement |
| SWOT | Strengths, Weaknesses, Opportunities and Threats |

| | |
|---------------|--|
| TAVEVO | TAVEVO Water and Sewerage Company |
| TNA | Training Needs Assessment |
| USAID | United States Agency for International Development |
| UTF | Utility Turn-Around Framework |
| WASPA | Water Service Providers Association |
| WASREB | Water Services Regulatory Board |
| WAT | Water Appeal Tribunal |
| WRA | Water Resources Authority |
| WSP | Water Service Provider |

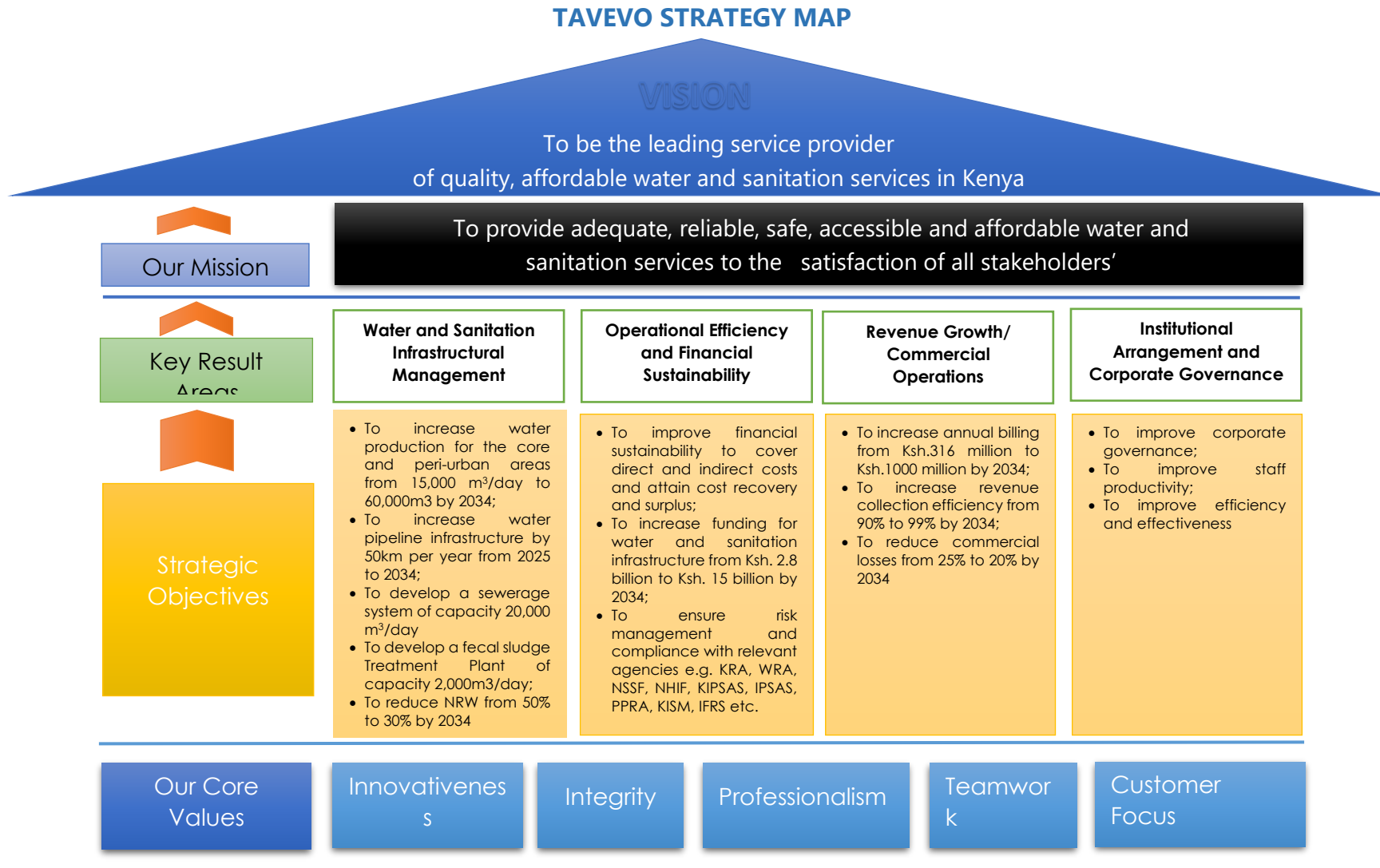


Figure 1: TAVEVO Strategy

EXECUTIVE SUMMARY

Taita Taveta Voi Water and Sewerage Company (TAVEVO) was incorporated as a private company limited by ordinary shares on 7th April, 2006. The company is publicly owned incorporated under the Company's Act (Cap 486) of the Laws of Kenya and fully owned by the County Government of Taita Taveta.

Its mandate is to supply safe, clean and reliable drinking water to the people of Taita Taveta County as prescribed by the Water Act 2016. The company is also mandated to manage assets handed over by the Coast Water Services Board (CWSB) and the County Government of Taita-Taveta.

The service area of TAVEVO covers about 17,083.9km². In line with the Water Act, 2016, the company operations fall under the jurisdiction of Coast Water Works Development Agency (CWWDA). The company's existing water supply comes from a bulk water supply source and local water sources. The bulk water supply comes from Mzima Springs Via Mzima I Bulk Water Pipeline which serves Manyani, Mbololo, Voi, Maungu and Makina areas. The local water sources include; Yale/Wesu Springs, Wundanyi River, Kishenyi Dam, Kichingima Springs and Irido Springs which serve Wundanyi Town and its environs; Ngiriwunyi River, Modambogo shallow well and Mwasinenyi boreholes which serve Mwatate and Njoro Kubwa Springs, Eldoro Springs, Kitobo Springs, Nakuruto Borehole, Lutheram Boreholes and Office Boreholes which serve Taveta Town.

TAVEVO has a clear organization and reporting structure from the Board of Directors to the management team up to the staff level. The company's reporting structure highlights the hierarchical relationships between the BOD, the departments, the various job positions in the departments and their actual staffing. The Board of Directors of TAVEVO recognize the importance of good water governance in ensuring access to water is achieved by all.

This 10-year strategic plan was developed in a very participatory approach, which facilitated the incorporation of views of different stakeholders. A situational analysis was also undertaken to establish the current status of the company and the water sector as a whole in order to identify issues that need addressing in the next 10 years. An Institutional assessment identified areas where the company needs to focus on in order to align its activities to the best practices, improve on strengths and minimize weaknesses while capitalizing on its opportunities and shielding the company from external threats. In addition to this, a stakeholder analysis was conducted in order to identify TAVEVO's key stakeholders and their interests as well as the expectations of the company.

The stakeholder analysis will enable the company to formulate strategies and programs to ensure the expectations of the different stakeholders are met. Drawing from the findings of the situational analysis and the best practices, the company's strategic direction was established and is presented as shown;

Vision

'To be the leading service provider of quality, affordable water and sanitation services in Kenya'

Mission

'To provide adequate, reliable, safe, accessible and affordable water and sanitation services to the satisfaction of all stakeholders'

Core Values

- a) Innovativeness
- b) Integrity
- c) Professionalism
- d) Team-work
- e) Customer Focus

| Strategic Theme/ Key Result Area | Strategic Objectives |
|---|--|
| 1. Water Supply and Sanitation Infrastructure Development and Management | a) Increase water production for the core and peri-urban areas from 15,000m ³ /day to 60,000m ³ /day by the year 2034. |
| | b) Increase water pipeline infrastructure by 50km per year from 2025 to 2034. |
| | c) Develop a sewerage system of capacity of 20,000m ³ /day by the year 2034 |
| | d) Develop Fecal Sludge Treatment Plant of Capacity 2,000m ³ /day |
| | e) Reduction of Non-Revenue Water from the current 50% to 30% by the year 2034 |
| | f) Reduce cost of water production from Ksh. 135/m ³ to Ksh. 125/m ³ |
| | g) Development of alternative sources of energy (green) to cut down on electricity costs |
| | h) Protection and improvement of water catchment areas |
| 2. Operational efficiency and financial sustainability | a) To improve financial sustainability to cover direct and indirect costs and attain cost recovery and surplus; |
| | b) To increase funding for water and sanitation infrastructure from Ksh. 2.8 billion from year 2023 to Ksh.15 billion by 2034 |
| | c) Risk management and compliance with relevant agencies e.g., KRA, WRA, NSSF, NHIF, KIPSAS, IPSAS, PPRA, KISM, IFRAS etc. |

| Strategic Theme/ Key Result Area | Strategic Objectives |
|--|--|
| 3. Revenue growth | a) Increase annual billing from 316M to 1000M by 2034 |
| | b) Increase collection efficiency from 93% to 98% by 2034 by adoption of technology and smart meters |
| | c) To reduce commercial losses from 25% to 20% |
| 4. Corporate Governance and Institutional arrangement | a) To improve corporate governance |
| | b) To improve staff productivity |
| | c) To improve efficiency and effectiveness |

To operationalize the strategies, an implementation matrix was developed where output indicators, timeframes, resource requirements and responsible persons were provided for each objective, strategy and proposed activity. An appropriate coordination framework and risk management measures to be adopted were also developed.

Funds for the strategic plan will be obtained through revenue collection from water and sanitation services offered and support from the County Government of Taita Taveta, development partners, private sector bodies and the national government.

To monitor and review progress, a detailed monitoring, evaluation and reporting framework has been developed, together with annual key performance indicators. The framework will track achievements and ensure TAVEVO's operations are driven towards realization of its objectives. To enhance implementation, a coordination and risk management framework has also been incorporated into the strategic plan. This will direct TAVEVO in managing potential risks and obstacles that could arise in the course of implementing the strategic plan. Over the plan period, TAVEVO will require approximately Kshs. 7.994 billion to fully implement the planned initiatives in the plan.

CHAPTER 1

INTRODUCTION

- **Strategy as An Imperative for TAVEVO's Success**
- **The Context of Strategic Planning**
- **History of TAVEVO**
- **Methodology of Developing the Strategic Plan**



STRATEGIC PLAN

2024/25-2033/34

1. CHAPTER ONE: INTRODUCTION

This chapter provides an overview of TAVEVO's background, its mandate and functions as per the Water Act 2016. It also contains an overview of the importance of strategy for organizational success. In addition, the chapter outlines the context of TAVEVO's strategic planning, exploring the national development priorities, regional and international development frameworks and policies and how the plan will contribute towards attainment of these priorities. In addition, the plan outlines the background of the institution, its supply system. The section also outlines the methodology adopted in the development of this strategic plan.

1.1 Strategy as an Imperative for TAVEVO's Success

Taita Taveta Voi Water and Sewerage Company (TAVEVO) was incorporated as a private company on 7th April 2006 under the Companies Act (Cap 486). It is a publicly owned company incorporated under the Companies Act and wholly owned by the County Council of Taita Taveta. The company is charged with a critical responsibility of provision of clean water and safe sanitation services to the residents of Taita Taveta and as such, it is fundamental for TAVEVO to have a properly-formulated strategic plan to guide its operations to ensure success.

The Strategic Plan will guide TAVEVO towards attainment of its strategic goals through provision of a clear direction and dynamic strategies. The plan will promote improved performance through setting performance targets, milestones and performance indicators against which progress will be measured and enhance accountability towards realization of the vision of TAVEVO.

TAVEVO operates in a complex, volatile, unpredictable, and dynamic environment. This strategic plan will address these challenges in a bid to ensure that success of the company is maintained. It will enhance flexibility, innovativeness and receptiveness to changing circumstances. TAVEVO's developed strategy will enable it to flourish amidst the uncertainties and achieve its mandate.

This 10-year strategic plan will enhance the efficiency and effectiveness of TAVEVO through prioritization of resources to high impact areas, aligning activities to strategic objectives and elimination of wastages caused by redundancies. Through dedicated implementation, this strategic plan will optimize the contribution and impact of TAVEVO towards social and economic growth of Taita Taveta County.

1.2 The Context of Strategic Planning

TAVEVO's 10-year Strategic Plan has been developed with consideration of the following international, regional and national development frameworks and policies.

1.2.1 United Nations 2030 Agenda for Sustainable Development

The Sustainable Development Goals (SDGs) comprise a set of 17 global goals with 169 targets set by the United Nations aimed at 'transforming the world' (United Nations, 'Transforming Our World: The 2030 Agenda for Sustainable Development', 2015). The SDGs provide a universal framework to tackle the largest problems facing Kenya and the planet as a whole and are a call to action to end poverty and inequality, protect the environment, and ensure that everyone has access to health, justice and prosperity.

TAVEVO Water and Sewerage Company plays a critical role in realizing the Sustainable Development Goals (SDGs), more so the SDG 6: “Ensuring access to safe Water and Sanitation for all”. To actively contribute towards attainment of the SDGs, the Board of Directors commits to actively lobby for investments in water and sanitation facilities in the company’s service area, protection and restoration of water catchment areas, enhancing water-use efficiency and facilitating hygiene education.

The Board will also foster partnerships with relevant stakeholders including governmental and private bodies, industry players and international entities with the view to enhancing access to water and sanitation services. In so doing, the Board will help advance Kenya’s efforts towards attainment of the United Nations’ Sustainable Development Goals.

1.2.2 African Union Agenda 2063

The vision of the African Union Agenda is to build an integrated, prosperous and peaceful Africa, driven and operated by its own citizens and representing a dynamic force in the international arena. It has identified eight aspirations which serve as pillars for the African continent in the foreseeable future. The Agenda 2063 translates the ideal aspirations into concrete objectives, milestones, goals, targets and actions. It builds on, and seeks to accelerate the implementation of past and existing continental initiatives for sustainable growth and development. In the water sector, some of the goals and priority areas relevant to the development of Africa include;

- a) **Universal Access to Water and Sanitation:** The goal is to achieve universal access to clean and safe drinking water and adequate sanitation facilities for all Africans. This entails ensuring access to basic water supply, improved sanitation, and promoting hygiene practices to improve health outcomes and living standards.
- b) **Sustainable Management of Water Resources:** The aim is to sustainably manage water resources to meet current and future needs. This involves such initiatives as, integrated water resources management, protecting water catchment areas and enhancing resilience to climate change impacts on water availability and quality.
- c) **Water security and Water-Energy-Food Nexus:** This is aimed at achieving water security, ensuring the availability and sustainable management of water resources for various uses; agriculture; energy generation and industrial activities. The connection between water, energy and food aims at optimizing the interlinkages and trade-offs between water, energy and food production to enhance resource efficiency whilst ensuring water and food security.
- d) **Water infrastructure development:** The objective is to enhance water infrastructure development to improve access to water supply and sanitation services. This involves the construction, rehabilitation and maintenance of water supply systems, waste water treatment facilities and irrigation infrastructure to support productivity in agriculture and consequently enhance socio-economic development.
- e) **Research and Innovation:** This aims at promoting research, innovation and capacity building in the water and sanitation sector. This involves encouraging research on water-related challenges, water and sanitation services technology development and strengthening capacity for efficient management of water resources.

Table 1: Alignment of TAVEVO to Agenda 2063

| S/No. | Agenda 2063 Priority Areas | Role of TAVEVO Water and Sewerage Company |
|-------|--|---|
| 1. | Universal Access to Water and Sanitation | TAVEVO will increase the annual water production by exploring additional sources of water and formulating strategies for reducing NRW. This will ensure the existing unmet demand is bridged consequently increasing access. Additionally, the company will increase 50 km of water pipeline each year. This will majorly be undertaken in the unserved and underserved areas in TAVEVO's service area. In an effort to increase sanitation access, the company is also looking to fully operationalize sewerage services by developing a sewer system and fecal sludge treatment facility for treating wastewater. |
| 2. | Sustainable Management of Water Resources: | TAVEVO will ensure protection of all its water catchment areas. Such initiatives will be the demarcation and fencing of all the catchment areas to enhance water quality protection, limiting and regulating access to these areas to protect biodiversity, and preventing livestock contamination. |
| 3. | Water security and Water-Energy-Food Nexus | TAVEVO acknowledges the critical role played by water towards promoting agriculture, energy generation and industrial activities. As such, the company will undertake initiatives to increase production for the core and peri-urban areas as well as minimizing losses inform of NRW. Increased supply will ensure sufficient water firstly for domestic use, agriculture and energy generation. |
| 4. | Water infrastructure development | TAVEVO will undertake development and management of new water and sanitation infrastructure as well as rehabilitation of the existing systems to enhance efficiency and improved service delivery. This will include among others; extending water supply lines to unserved and underserved areas, replacement and rehabilitation of water supply pipeline networks. |
| 5. | Research and innovation | TAVEVO has put in place strategies towards innovation by promoting automation of company processes through application of suitable systems which are integrated to enhance efficiency and effectiveness. |

1.2.3 East Africa Community Vision 2050

Vision 2050 aims at providing a platform for the East African Region to enhance transformation for growth and development and move the people to higher income groups and consequently attain upper middle-income statuses. The critical development areas identified under the EAC Vision 2050 include:

- a) Unbalanced distribution of economic and social infrastructure;
- b) Inadequate social cohesion;
- c) Lack of human capital;
- d) Sub-optimal utilization of natural resources;
- e) Inadequate exploitation of mineral resources;
- f) Poor infrastructural facilities hampering development;
- g) Increasing unemployment especially among the youth;
- h) Inadequate investment in research and development;
- i) Low levels of industrialization and lack of competitiveness;
- j) Insufficient energy supplies and weak accountability;

The Vision 2050 aims at achieving 92.9% access to water and 90% access to improved sanitation. This is consistent with the Kenyan government aspirations, Taita Taveta county government aspirations as well as the aspirations of TAVEVO.

TAVEVO plays a significant role in fortifying the East African Community Vision 2050. In the area of infrastructure development, TAVEVO will undertake appropriate water and sanitation infrastructure development for increased access to water for domestic and industrial use. This is pivotal towards ensuring regional economic growth and transformation.

Secondly, with regards to agriculture, food security and rural development, where augmented investment and enhanced agricultural productivity are key towards ensuring food security and rural economic transformation, TAVEVO plays an important role of ensuring reliable and adequate supply of water for agricultural use. This enhances food security and rural economic growth where excess agricultural produce is sold within and outside the region. Water is the lifeblood of economies and societies the world over,

Lastly, TAVEVO is key towards environmental and natural resource management that underscores the vitality of natural resource utilization, environmental preservation and value addition. TAVEVO will undertake protection of all its water catchment areas. This will include the demarcation and fencing the catchment areas to enhance water quality protection, limiting and regulating access to these areas to protect biodiversity, and preventing livestock contamination.

1.2.4 Constitution of Kenya

The Constitution of Kenya 2010 spells out the expectations of the people of Kenya in relation to access to water and sewerage services. Article 43 of the Kenyan Constitution 2010 entrenches water as a constitutional right by establishing a right to “reasonable standards of sanitation” and “clean and safe water in adequate quantities”. In addition, the CoK under Article 21 further places an obligation to the national government through the county governments to take steps to progressively realize this right. It is the mandate of the TAVEVO to provide water and sanitation services and hold the WATSAN assets on behalf of the public in order to facilitate access to water and sanitation for all. TAVEVO will pursue this mandate through provision of water and sewerage services in her licensed area of operation.

1.2.5 Kenya Vision 2030, Bottom-Up Economic Transformation Agenda and 4th MTP

TAVEVO’s 2024/25 – 2032/33 has been aligned to the Kenya Vision 2030 development blueprint. Vision 2030 represents Kenya’s long-term plan, with the aim to making Kenya a globally competitive and prosperous country. The plan is anchored around three key pillars: Economic, Social and Political Governance. As regards WASH infrastructure, the Plan’s objective is to provide cost-effective world-class water and sewerage infrastructural facilities and services in support of Vision 2030. The plan has prioritized the development and management of water and sewerage infrastructure to increase access to water and sewerage services under the Vision 2030. In the MTP IV, water has been identified as one of the enablers of Vision 2030 in the infrastructure sector. The infrastructure sector plays a critical role as a n enabler of cost-effective public utilities and services for socio-economic development.

Presently, the Kenyan Government is implementing Bottom-Up Economic Transformation Agenda (BETA) that is operationalized through the MTP IV. This is anchored on five key pillars of Agriculture, MSMEs,

Housing and Settlement, Health Care and Digital superhighway and creative Economy. TAVEVO has aligned the strategy to the BETA and will contribute in the following areas;

a) **Housing and Settlement**

Adequate and reliable supply of clean water and safe sanitation services is an essential component of housing and settlement to support development of affordable housing and encourage settlement. TAVEVO will collaborate with other sector players to ensure clean water and safe sanitation services are availed.

b) **Healthcare**

Water plays a critical role in health. The AU and EAC strategies are clear on the need for clean and safe water. The Government of Kenya has shifted investment in health towards Primary Health Care (PHC) and this calls for preventive and promotive health. PHC will require investment in affordable water and proper sanitation. TAVEVO will thus prioritize strategies, investments and services geared at making water and sanitation services available to all.

c) **Micro, Small and Medium Enterprises (MSMEs)**

To promote establishment of SMEs, TAVEVO will ensure that established market places are connected to piped water systems and have proper sanitation.

d) **Agriculture**

Food security is essential and water is critical in ensuring that rural communities are able to pursue agricultural activities without fear of lack of water. TAVEVO will ensure that water supply to the rural and peri-urban areas is accelerated. Clean and safe water will ensure that the rural population is protected from preventable diseases and useful man hours spent in productive agriculture.

e) **Digital Superhighway and Creative Economy**

TAVEVO will be both a consumer and producer of digital transformation. The company's priority will be optimization of water service provision by adopting the top of the range market technology. These will encompass automation and digitization of the water systems. TAVEVO will also leverage on research and development through incubation and application of suitable water related technologies with the aim to improving water and sanitation services provision.

1.2.6 **Sector Policies and Laws**

TAVEVO plays a major role in managing and overseeing provision of water and sanitation services in Taita Taveta County. In developing this Strategic Plan, TAVEVO has integrated the following sectoral policies and laws:

1.2.6.1 **The Big Four Agenda, 2017**

The Big Four Agenda is Kenya's blueprint for development and outlines four key areas: food security, affordable housing, manufacturing and affordable healthcare. It drives the third medium term plan (2018-2022) of Vision 2030, which is part of the country's development path for the period 2008 to 2030.

Firstly, TAVEVO will be instrumental towards enhanced food security through improved water service provision to the urban poor and marginalized rural and investment in catchment conservation of water

sources and development of its staff capacity. Secondly in a bid to enhance affordable housing, TAVEVO will ensure improved water access in urban poor area housing developments and mapping of the Low-Income Areas (LIAs) in its service area. Thirdly, TAVEVO will enhance manufacturing through increased water access to the towns to support small and medium enterprises and explore public-private partnerships in the water sector. Lastly, in an effort to enhance affordable healthcare, TAVEVO will improve water access among the rural and urban areas for use in the healthcare centers, improve access to safe sanitation through construction of public ablution blocks and promoting water and sanitation hygiene in schools.

1.2.6.2 National Water Services Strategy (2020-2025)

The Strategy provides a framework for the implementation of government policies with respect to water supply, sewerage and basic sanitation in rural and urban settings. It guides institutions, WSPs, development partners and other stakeholders on the way sectoral goals are to be achieved. Summarily, the strategy aims at achieving 100% access to water and sanitation at an affordable cost by 2030. TAVEVO has thus formulated its strategies in alignment with the National Water Services Strategy (2020-2025) to ensure 100% access to water and sanitation in Taita Taveta County.

1.2.6.3 National Water Master Plan (NWMP) 2030

One of the key sector plans is the National Water Master Plan. Launched on 26th March 2014, the National Water Master Plan 2030 is a product of an intensive study of Kenya's water resources and meteorological conditions to facilitate planning and development of the same. The objectives of the master plan were:

- a) To assess and evaluate availability, reliability, quality, and vulnerability of country's water resources up to the year 2050 taking into consideration climate change;
- b) To renew the National Water Master Plan towards the year 2030 with consideration of climate change;
- c) To formulate an action plan for the functions of WRA up to 2022 to strengthen the authority's capacity and capability;
- d) To strengthen the capacity of water resources development and management through transfer of technology and know-how in project implementation.

The National Water Master Plan 2030 provides a more integrated, proactive and comprehensive implementation plan for the Kenyan water sector. The prioritized strategies, investments and services in this plan geared at making water and sanitation services available to all are still aligned to the National Water Master Plan 2030. TAVEVO is looking to ensure increased access to water in both urban and rural areas through increased production and supply by exploring other new sources and laying additional pipelines and rehabilitating the dilapidated infrastructure whilst establishing DMAs and staff capacity enhancement for reduced NRW.

1.2.6.4 The National Water Policy, 2021;

The Policy's overall goal is to guide the achievement of sustainable management, development and use of water resources in the country while its overall objective is to provide a framework that is dynamic, innovative and effective for re-engineering the water sector. Specific objectives of the Policy include accelerating delivery of water supply services through progressive realization of the human right to water towards universal access, and strengthening sustainable water resource management.

To strengthen water resource management TAVEVO will ensure protection of all its water catchment areas through the demarcation and fencing of all the catchment areas to enhance water quality protection, limiting and regulating access to these areas to protect biodiversity, and preventing livestock contamination.

1.2.6.5 The National Climate Change Action Plan 2018 – 2022

This is a five-year plan that helps Kenya reduce greenhouse gas emissions and adapt to climate change. It sets out actions to implement the Climate Change Act (2016), which was the first climate dedicated legislation in Africa and is the legal framework of the climate change action plan. The plan spells out the following water-related actions: improving access to good water quality, increase water availability through development of water infrastructure and promoting water efficiency which TAVEVO is keen to achieve through the strategies formulated in this plan. These include increased water production through development of additional water sources and adoption of green sources energy such as solar in an effort to reduce greenhouse gas emissions and conserve the environment.

1.2.6.6 The National Environment Policy, 2013

The Policy proposes a broad range of measures and actions responding to key environmental issues and challenges. It seeks to provide the framework for an integrated approach to planning and sustainable management of natural resources in the country, including water catchment areas which TAVEVO plays a pivotal role towards their protection by fencing and restricting animal and human access to the areas.

1.2.6.7 Legislations

Embedded within the national legal framework, TAVEVO's Strategic Plan is fortified by various laws that govern and guide the provision of water and sanitation services in the country. Foremost is the Water Act, 2016, which provides for the sustainable water resource management, regulation, management and development of water and sanitation services infrastructure in line with the Constitution of Kenya, 2010. The Act mandates TAVEVO to provide water and sanitation services within its area of jurisdiction as specified in the license and to develop county water assets for water service provision. TAVEVO has thus linked this plan with the Act to ensure effective and efficient service delivery.

The Environmental Management and Coordination (Amendment) Act of 2015, in addition to providing legal regulations for management and protection of biological diversity, ensures access to genetic resources, wetlands, forests, marine and freshwater resources. Closely related are the Climate Change Act, 2016 and the Forest Conservation and Management Act, No.34 of 2016 which provide for the conservation of water catchment areas and incorporation of climate change adaptation and mitigation in the water sector. TAVEVO during this plan period will ensure the water catchment areas in the County are protected and conserved in line with the Act

The water and sanitation services landscape is also governed by The Community Land Act, Article 63 (5) of the Constitution which provides for the recognition, protection and registration of community land rights, the management administration of community land, and the role of the county governments in relation to unregistered community land. This Act provides a framework for arranging, development and maximum optimization of land and physical spaces in Kenya. By acknowledging the importance of this Act, TAVEVO's

Strategic Plan recognizes the indispensable role it plays in directing the provision of water and sanitation services.

1.3 Background and History of TAVEVO

The 2010 Constitution of Kenya declared provision of water and sanitation services as a devolved function at the county level and thus TAVEVO was subsequently wholly owned by the County Government of Taita Taveta.

TAVEVO was contracted by Coast Water Services Board (CWSB) currently known as Coast Water Works Development Agency (CWWDA) under a Service Provision Agreement to provide water and sanitation services within Taita Taveta County. The major towns served by TAVEVO include Voi, Wundanyi, Mwatate and Taveta.

Njoro Kubwa Springs and Mzima Springs are the major springs in the TAVEVO service area. The Njoro Kubwa springs emanate from the Kilimanjaro Aquifer and their location is 3km to the southeast of Taveta Town. Their potential production is 100,000m³/d for water supply with the present abstraction estimated to be 3,000m³/d. On the other hand, Mzima springs are located to the southwest of Chyulu Hills in the Tsavo West National Park. The outflow is due to the rainfall on the Chyulu Hills. These springs have a current capacity of 35,000m³/d and a potential production of 105,000m³/d.

Currently, Mzima springs supply water to Mombasa and en-route service areas of Mbololo, Voi, Maungu, Makina, Mazeras and Mariakani. The urban areas of Taveta, Mwatate and Wundanyi are currently not served by the mentioned major springs hence only rely on local water sources which include; Ngirwunyi River and Mwasinenyi Borehole that serve Mwatate, Wesu Springs/River and Wundanyi River which serve Wundanyi while Njoro Kubwa and Kitobo Springs serve Taveta. Some rural parts of Wundanyi are supplied by Kishenyi Dam. TAVEVO is divided into seven branches namely;

- a) Voi
- b) Taveta
- c) Maungu
- d) Mwatate
- e) Wundanyi
- f) Mbololo
- g) Makina

1.3.1 TAVEVO's Water Supply System

TAVEVO's existing water supply system consists of:

- 1) Bulk water supply source – Mzima Springs Via the Mzima I Bulk Water supply pipeline serving Manyani, Mbololo, Voi, Maungu and Makina areas.
- 2) Local water sources serve-
 - a) Wundanyi town and its environs are served by from local water sources namely Yale/Wesu Springs, Wundanyi River, Kishenyi Dam, Kichingima Springs & Irido Springs.
 - b) Mwatate town and its environs are served by local water sources namely: Ngirwunyi River, Modambogho shallow well, Mwasinenyi Boreholes, Manoa, Mwakimori, Ivarenyi, Dighai, Mvita, Mdeminyi and Nyangoro water supply systems.

- c) Taveta town is served from Njoro Kubwa Springs (3,000 m³/day) Eldoro Springs, Kitobo Springs, Nakuruto Borehole, Lutheram Boreholes, Office Boreholes and Lessesia water supply system.

Figures 2-5 show the distribution systems of the major towns served by TAVEVO.

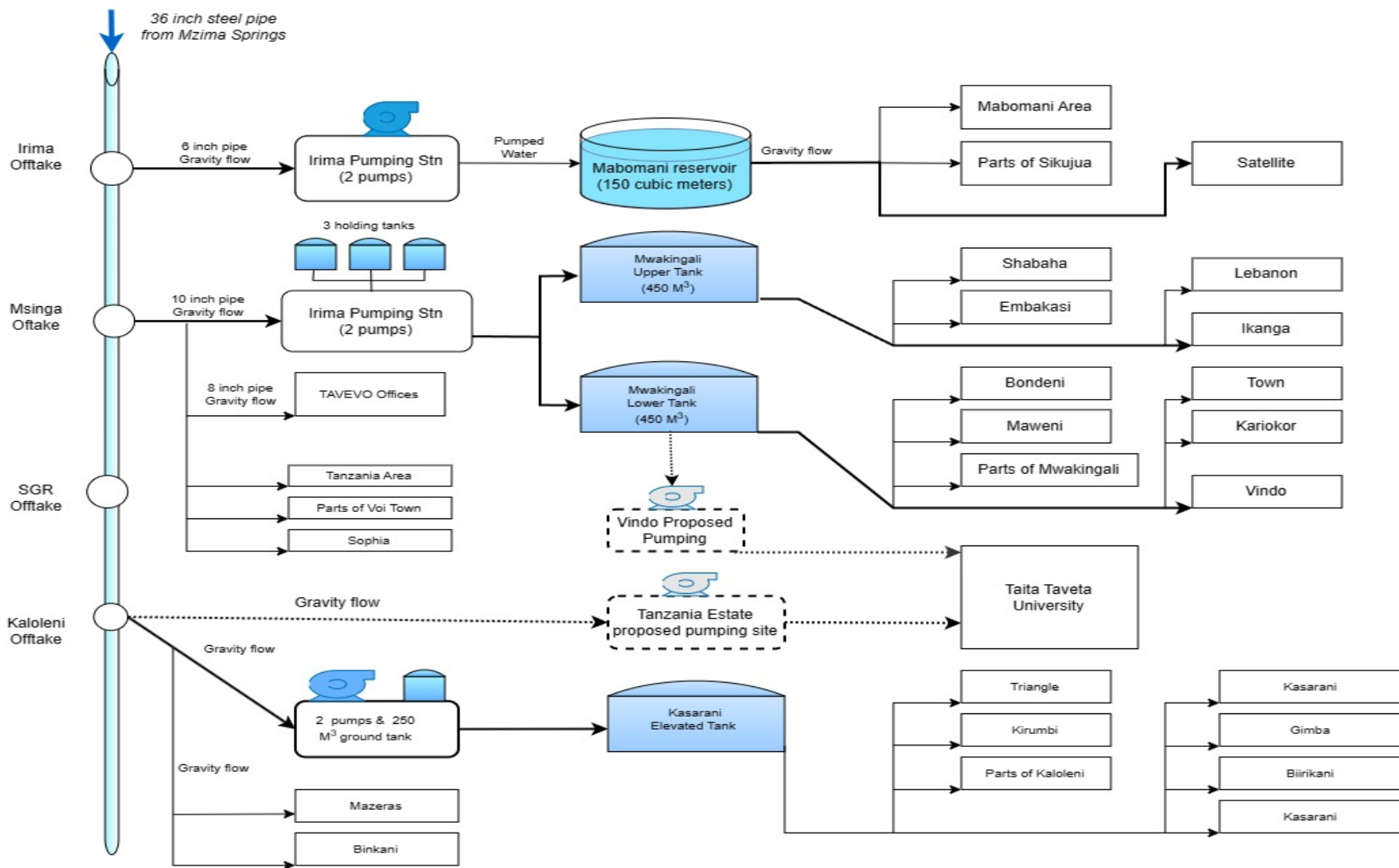


Figure 2: Voi Town Water Supply System

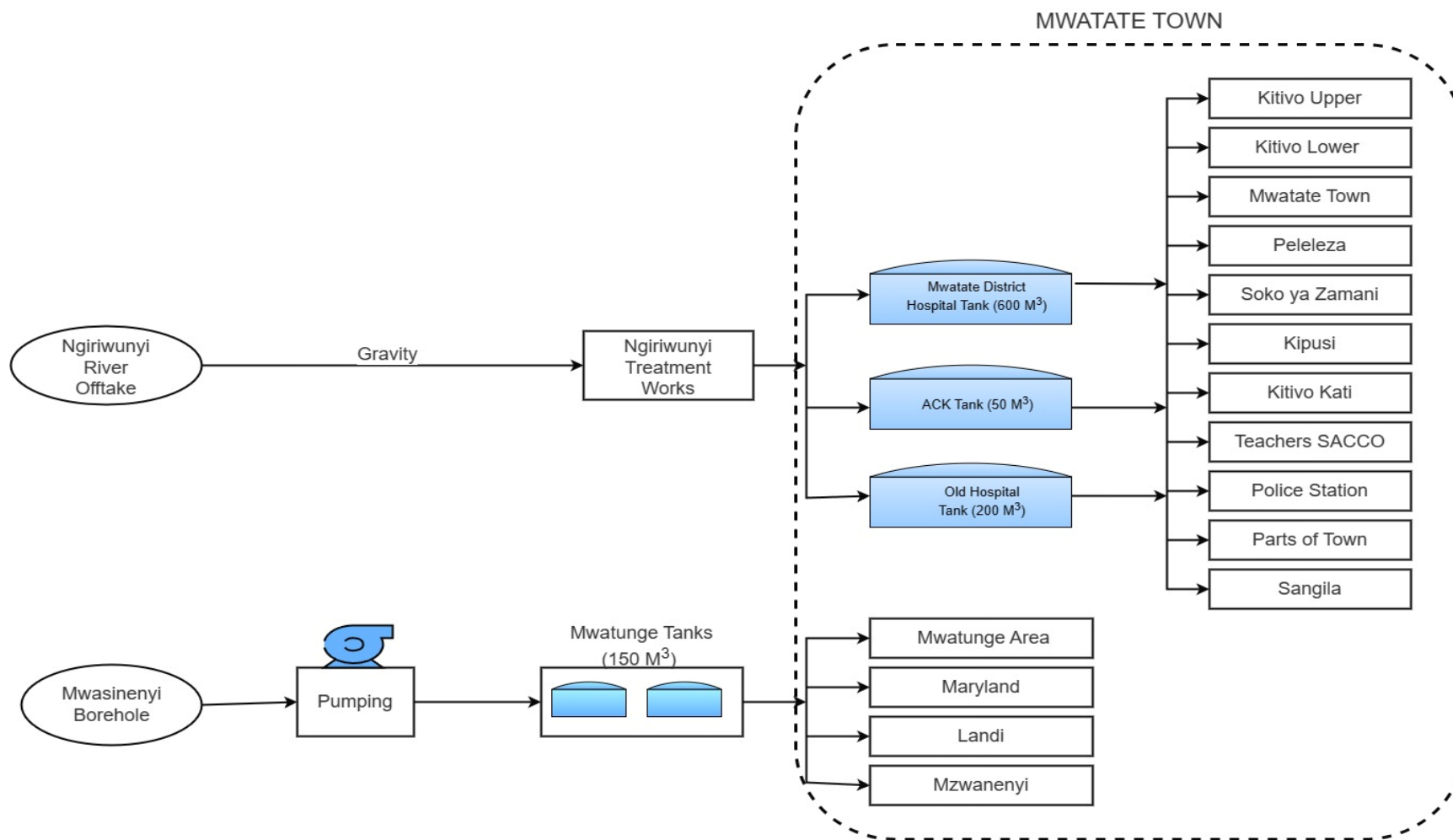


Figure 3: Mwatate Town Water Supply System

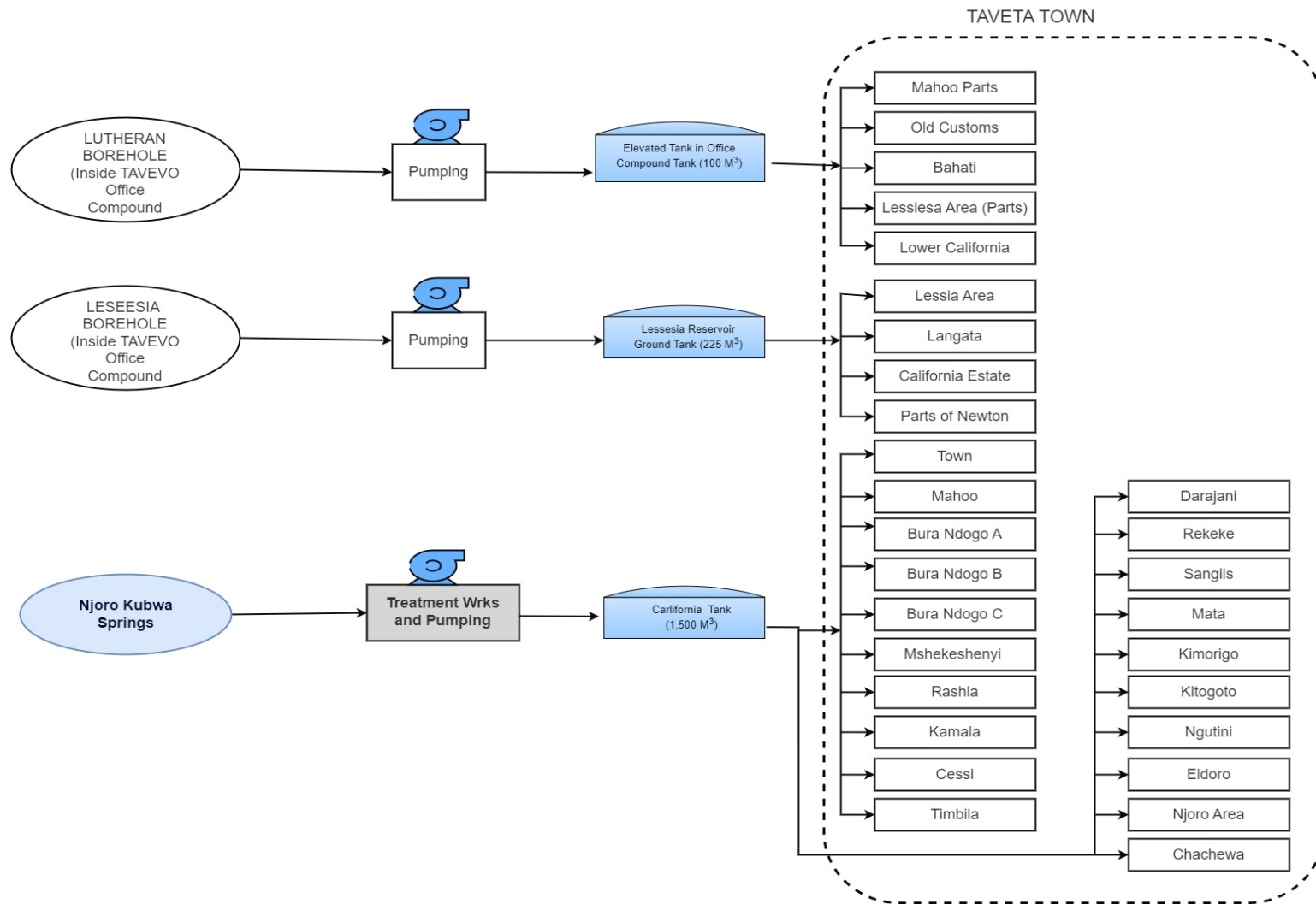


Figure 4: Taveta Town Water Supply System

1.3.2 Organizational Structure and Governance of TAVEVO

TAVEVO has a clear organization and reporting structure to the management team up to the staff level. The structure indicates the hierarchical relationships between the Board, departments and sections as well as the various job positions in the departments and their actual staffing.

Proper corporate governance ensures that companies are strategically and effectively directed in order to enhance service delivery. As such, good water governance aims at ensuring progressive realization of the right to water for all is attained. TAVEVO's Board of Directors are thus fully aware of the corporate governance guidelines as set out by WASREB and the Mwongozo Code of Conduct. With reference to WASREB guidelines, TAVEVO had performed very well in governance elements of information and control systems, service standards, HR and user consultations. However, there were gaps in elements like utility oversight and financial management where the company could improve on.

1.4 Methodology of Developing the Strategic Plan

The Strategic Plan was developed following the immediate revision of the 2023-2027 Guidelines for preparation of Fifth Generation Strategic Plans issued by the National Treasury and Economic Planning, State Department for Economic Planning. The process commenced with the Ministry of Water, Sanitation and Irrigation (MoWSI) developing Terms of References (ToRs) to guide and direct the strategic plan formulation exercise. The process involved moderating discussions for defining and articulating the vision, mission statement and core values of TAVEVO. In the development of this Strategic Plan, a consultative and participatory approach was adopted to ensure a well-informed and inclusive roadmap for the future of TAVEVO.

Firstly, a detailed context analysis of Strategic Plan was carried out, encompassing the relevant regional and national policies, legal and regulatory frameworks that influence the WASH sector and TAVEVO's roles and contributions towards the attainment of the goals of these frameworks and their alignment with Kenya's National Development initiatives and priorities. TAVEVO's strategic direction, including its vision, mission, goals, core values and quality policy statement was also defined. A detailed analysis of TAVEVO's external and internal contexts as well as its stakeholders was also conducted. The assessment provided invaluable insights into the opportunities and challenges faced by TAVEVO and the expectations and interests of key stakeholders.

Based on the situational and stakeholder analysis, strategic issues were isolated and the corresponding strategic goals were formulated. Key Result Areas (KRAs) to address the issues were also identified. Under each established KRA, strategic objectives that align with TAVEVO's vision and strategic choices to achieve these objectives were formulated. To operationalize these strategies and ensure smooth implementation of the plan, an implementation and coordination framework was developed. As regards risk management, a comprehensive framework that identifies, assesses, and mitigates potential challenges and risks was put in place. A detailed resource requirements and mobilization strategies to ensure the necessary elements are in place for effective and efficient plan implementation were also determined. Finally, a Monitoring, Evaluation, Accounting and Reporting Framework was put in place to ensure effective tracking of progress, evaluation of outcomes, and communication of the progress towards success.

As part of the Strategic Plan validation process, the Draft Plan was shared with internal and external stakeholders for their validation and feedback. This inclusive and participatory approach ensured that the perspectives and insights of relevant parties were taken into consideration, and the plan can be improved to better meet their needs.

In summary, the process of developing the strategic plan involved;

- Initiation – development of TORs for guiding the strategic plan formulation process;
- Internal reflections and brainstorming;
- Performance Review;
- Consultations with Management, Staff, BoD and external stakeholders;
- Internal and External environment analysis;
- Strategy Development Sessions;
- Board Validation Sessions;
- Stakeholder Validation Workshop.

CHAPTER 2

STRATEGIC DIRECTION

- Overview
- Mandate
- Vision and Mission Statements, Strategic Goals and Core Values
- Quality Policy Statement



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2. CHAPTER TWO: STRATEGIC DIRECTION

2.1 Overview

This chapter seeks to answer the question; where does the company want to go? It outlines the strategic aspirations of TAVEVO which comprise; the vision, mission, core values, quality policy statements, key strategic pillars, strategic objectives and initiatives. TAVEVO recognizes that it must anchor its operations on certain principles and values. The implementation of its objectives, strategies and activities will be guided by the Vision, Mission and Core Values of the company.

2.2 Mandate of TAVEVO

The Water Act 2016 mandates TAVEVO to supply safe, clean and reliable drinking water to the people of Taita Taveta County. The company is also mandated to manage assets handed over by the Coast Water Works Development Agency (CWWDA) and the County Government of Taita-Taveta. Further to this, TAVEVO oversees community-based water projects in the county.

The core functions of TAVEVO are drawn from the Water Act 2016 which include the following;

- a) Planning, design and development of water and sanitation infrastructure within Taita Taveta County.
- b) Sourcing for water, storage and supply to consumers.
- c) Management and rehabilitation of its water supply and sanitation infrastructure.
- d) Collection and treatment of fecal sludge.
- e) Preservation of water sources within Taita Taveta County.
- f) Proper financial management prudent allocation of company resources.
- g) Billing customers and collecting revenue.

2.3 Vision Statement

Our statement of intent stems from our ultimate Vision, which aims at energizing and steering our company and people to new heights and consistent achievement.

To be the leading service provider of quality, affordable water and sanitation services in Kenya

2.4 Mission Statement

Our mission statement defines the basic nature and scope of the company's operations; who is to be served, how to serve them and the relevant key stakeholders.

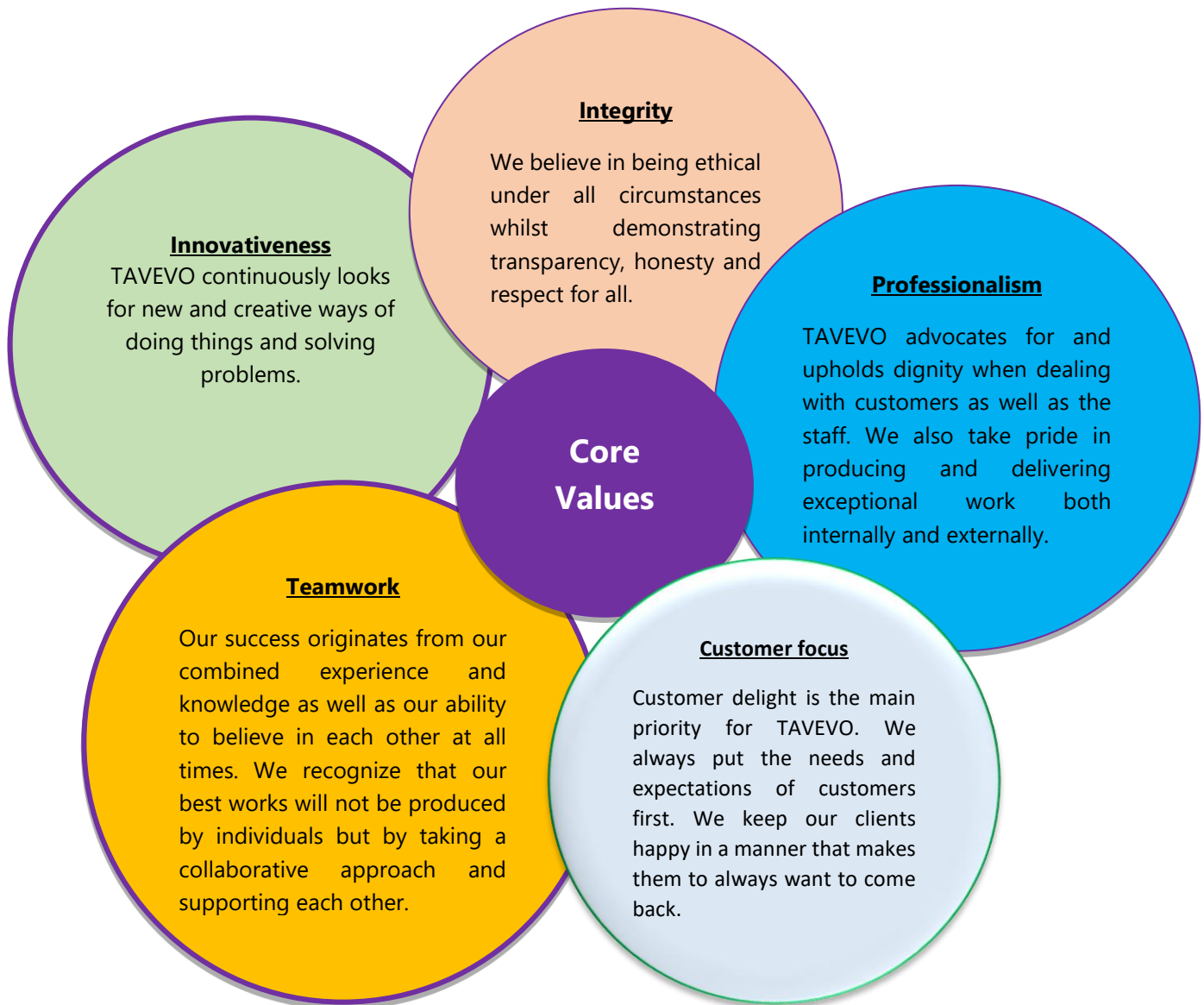
To provide adequate, reliable, safe, accessible and affordable water and sanitation services to the satisfaction of all stakeholders

2.5 Strategic Goals

In pursuit of its mission to provide reliable and adequate water and safe sanitation services for the satisfaction of all, TAVEVO has formulated five strategic goals as follows;

1. Ensure sustainable access and management of water and sanitation services for all;
2. Ensure financial sustainability of the company;
3. Strengthen the enterprise and risk management of the organization;
4. Improve billing and collection efficiency;
5. Strengthen legal, compliance and corporate governance of the organization.

2.6 Core Values



2.7 Quality Policy Statement

TAVEVO Water and Sewerage Company Limited is committed to providing quality, affordable and sustainable water and sanitation services through innovation and optimization of emerging technologies. Top Management of TAVEVO is committed to comply with National and County policies, directives, circulars, regulatory and statutory requirements, customer requirements and contractual obligations.

In pursuit of this commitment and in the spirit of our mission statement; to provide adequate, reliable, safe, accessible and affordable water and sanitation services, the Company shall;

- i) Comply with the identified customers' needs, contractual expectations and all applicable legal and statutory requirements.
- ii) Ensure members of staff uphold the following core values in their day-to-day activities: Integrity; Professionalism; Customer focus; Teamwork and Innovativeness.
- iii) Ensure Quality Objectives are established and reviewed annually for continual improvement and relevance.
- iv) Ensure that this Quality policy and associated documentation are communicated and understood by all employees.
- v) Ensure the Quality Management System is integrated in all operations to achieve ISO Certification;
- vi) Review and revise this Quality Policy whenever necessary to consider changes in the Quality Management System and emerging issues.

CHAPTER 3

SITUATIONAL & STAKEHOLDER ANALYSIS

- Internal and External Environment Assessment
- TAVEVO Stakeholder Analysis



STRATEGIC
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3. CHAPTER THREE: SITUATIONAL AND STAKEHOLDER ANALYSIS

This chapter provides an overview of the current landscape and key stakeholders of TAVEVO. It includes analyses of the current operation environment of the company and identifies the key stakeholders who will be directly or indirectly affected by the Strategic Plan. The analysis will help TAVEVO isolate its strengths and weaknesses, the opportunities and threats in the environment and the needs and expectations of its stakeholders.

3.1 Situational Analysis

TAVEVO's operations are affected by factors that exist in the external and internal environments. The external environment consists of macro and micro factors including: political, economic, social, technological, ecological and legal factors which determine how operations of TAVEVO are conducted. This calls for an analysis of strengths and weaknesses in the governance and administrative structures, internal business processes, resources, and capabilities of the company. It also necessitates an assessment of past performance to identify the key achievements, challenges and lessons learnt in order to improve the delivery of services by TAVEVO to the residents of Taita Taveta County.

3.1.1 External environment

The external environment is the set of factors that affect TAVEVO and are outside of its control. It includes the political, economic, social, technological, environmental, legal and competitive factors that shape the company's operating environment. TAVEVO will benefit from understanding the issues and developments in its external environment by identifying opportunities and threats. By establishing the opportunities and threats in the external environment, TAVEVO can devise strategic responses that will help it to achieve its goals.

To identify the developments in the external environment, TAVEVO conducted an analysis of the macro and micro environments. The macro environment includes wider economic, political, social, and technological factors that affect all organizations in an economy, whilst the micro environment includes specific factors that affect TAVEVO in particular, such as its competitors, suppliers, and customers.

3.1.1.1 Macro-environment

TAVEVO conducted a macro environment analysis using PESTEL to obtain insights into the external factors influencing its operations. The analysis included six key dimensions: Political, Economic, Social, Technological, Environmental, and Legal factors, each providing crucial information for the company's decision-making and performance.

a) Political Environment

TAVEVO enjoys extensive political goodwill from the County Government of Taita Taveta, in addition to the numerous collaborative frameworks with the National Government, local and international NGOs, private sector players as well as the local communities and institutions. The absence of violence/terrorism, governance effectiveness as well as regulatory quality and the general peace in the company's service area provide an opportunity for growth of the company. Despite the opportunities available, there also are challenges being faced by the company. These include: encroachment, misuse and in some instances grabbing of company property and political interference from the political class.

b) Economic Environment

Among the economic factors, the analysis revealed that TAVEVO benefits from favorable water and sanitation tariffs from the regulator. This enables the company to make adequate revenues which consequently enhances its financial and commercial sustainability. In addition, the rapid urbanization in the county has consistently widened the company's market size through increased demand for water and sanitation services. This, coupled with the monopoly enjoyed by the company being the sole reliable provider of water and sanitation services, presents a great avenue for the growth of the company. However, TAVEVO faces challenges of increasing cost of inputs, high water abstraction fees as well as high cost of purchasing bulk water. Despite the high urbanization, there still exists a huge rural population and given, the high cost of operation, provision of water and sanitation services to these areas sometimes becomes uneconomical.

c) Socio-cultural Environment

Among the factors affecting TAVEVO is the community acceptability and support towards infrastructural development and the general operations of the company. TAVEVO also hugely leverages on the availability of competent and skilled pool of manpower in the County whilst leveraging on the invaluable collaboration and coordination provided by the community established structures and groups such as WRUAs and Water Action Groups. TAVEVO faces the threat of pandemics like Covid, which could disrupt the accomplishment of its mandate. However, this could be mitigated by capitalizing on the support of development partners to secure not only funding but also technical assistance.

d) Technological Environment

The technological factors affecting TAVEVO include technological advancements and changes. As such, the company has the opportunity to enhance its operation effectiveness and efficiency. For instance, TAVEVO can apply technology in automation of its water and sanitation services provision. However, TAVEVO should be aware of the growing threats of cybercrime. Cyber criminals could target TAVEVO's systems and data. TAVEVO will thus take appropriate steps to protect itself from cybercrime by implementing security measures and training staff on cybersecurity.

e) Environmental

TAVEVO has continued to explore green sources of energy in the operation of its water systems. The company uses solar energy in some of its production sites. This promotes environmental conservation whilst cutting on electricity costs. However, the company is still affected by many ecological challenges, the main being climate change due to global warming. This affects aspects such as vegetation and forest cover which affects rainfall. The climatic changes bring about unpredictable changes resulting in droughts and floods which pose a threat to the water catchment areas as well as the sources such as rivers and lakes which are already drying up. The topography in the service area also including valleys, plains, hills and the general terrain affect installation of water and sewerage infrastructure.

f) Legal Environment

From the analysis, the legal factors affecting TAVEVO include changes in laws and regulations and high rates of litigation that may impact the company's operations in the discharge of its mandate of water and sanitation service provision. TAVEVO will thus monitor the changes in laws and ensure the company adapts to the changes in order to remain relevant. The clear legal and regulatory framework of the Kenyan water

sector provides for a collaborative framework and clear role separation among the different institutions and agencies in the sector enhancing effectiveness in water and sanitation services provision.

3.1.1.2 Micro-environment

The micro-environment of TAVEVO encompasses its immediate operational context, exerting influence over TAVEVO in the pursuit of its strategic objectives. Upon the analysis of this micro-environment, certain key findings were identified: The company is fully owned by the County Government of Taita Taveta which, through the department of Water and Sanitation, develops infrastructure and transfers them to the company for management and day-to-day operation; the company has over time improved its overall skillset by employing well educated and skilled workforce. In protecting the staff interests and needs the company has a welfare program. This is in addition to the employees being well represented in a trade union; TAVEVO enjoys Strong and growing customer base by virtue of being the only licensed water services provider in the county. In addition, all other water vendors are required to obtain approval and licensing by the company for it to operate. This ensures TAVEVO is able to ensure the residents get clean and safe water; despite the huge pending bills, TAVEVO has been able to continuously structure payment plans which has continued to improve the working relationships with suppliers and creditors.

3.1.1.3 Industry Environment

TAVEVO's industry environment has been analyzed using Porter's Five Forces Industry Analysis Model. It is an industry analysis framework that attempts to analyse the attractiveness of an industry and draws upon industrial organization (IO) economics to derive five forces that determine attractiveness of an industry. This theory is based on the concept that five forces determine the viability and attractiveness of a market. It helps identify where power lies in a business scenario. The analysis presented below focuses on the microenvironment which comprises forces close to a firm that affect its ability to serve its customers and being profitable.

a) Threat of New Entrants:

- Barriers to Entry – The industry exhibits significant barriers to entry due to high initial financial outlay for infrastructure development and management, stringent regulatory requirements and the economies of scale enjoyed by TAVEVO as a result of being a monopoly;
- Regulatory Environment – The Kenyan Government's legal and regulatory requirements, such as licensing requirements and sectoral standards set by WASREB create hurdles for new entrants limiting the threat of potential competitors.

b) Bargaining Power of Suppliers

- Water Sources – CWWDA being the bulk supplier in the Coastal region has a significant access to water sources which greatly impacts the bargaining power and bulk tariff negotiations. Further to this, TAVEVO hugely depends on the national grid for its electricity needs especially in pumping water. Given that the power supplier is a monopoly with little or no competition, the power tariffs are heavily determined by the individual supplier.
- Chemical and equipment suppliers – the suppliers of equipment and materials used in the treatment and distribution infrastructure possess enormous bargaining power especially where they provide proprietary technology or specialized products.

c) Bargaining power of Buyers

TAVEVO serves a diverse range of buyers including: government institutions, commercial enterprises, schools, domestic consumers and schools. While some large buyers could wield significant purchasing power, the market is generally fragmented with many small buyers. Further to this, given the necessity of water for industrial and commercial as well as residential use for daily life and economic activities, buyers have limited flexibility in negotiating prices or terms.

WASREB governs various aspects of TAVEVO's services including tariffs, quality standards and environmental compliance. Regulatory oversight constrains buyers' ability to negotiate prices but also ensures minimum service quality and reliability.

d) Threat of Substitute Products or Services

While some buyers could have access to alternative sources such as rainwater harvesting, groundwater wells or private water vendors, and bottled drinking water, viable substitutes are often limited. This is especially so due to the fact that capital investments, operating costs and long-term sustainability affect the economic viability of substitutes while stringent regulations establishing minimum water quality standards for drinking water and wastewater discharge may discourage alternative suppliers.

e) Rivalry Among Existing Competitors

There exists little or no rivalry in TAVEVO's area of service. The only competitors are the private water vendors within its service area. While competition exists, TAVEVO's established presence, regulatory oversight, and focus on service quality differentiate it from competitors. In addition, government regulations governing various aspects such as pricing, quality standards, environmental compliance and service obligations influence competitive behaviour, market entry barriers, and industry structure consequently shaping rivalry among the few competitors present.

3.1.1.4 Market Analysis

TAVEVO is responsible for provision for water and sanitation services in Taita Taveta County of Kenya serving both the urban and rural areas within its operational boundaries. The company's customer base consists of a diverse range of customers: households, commercial enterprises, government institutions, schools, water kiosks and hospitals. In an effort towards enhancing universal access, TAVEVO strives to ensure equitable access to water and sanitation services for all residents including the underserved and marginalized communities in its service area.

Generally, the company operates in a dynamic and competitive market environment, characterized by diverse customer needs, regulatory requirements, and infrastructure challenges. By focusing on service quality, customer satisfaction, and strategic investments, TAVEVO is able to competitively position itself for sustainable growth, while addressing the water and sanitation needs of communities within its service area.

3.1.2 Summary of Opportunities and Threats

Based on the assessment of the external environment, TAVEVO's summary of opportunities and threats are as shown in Table 3.

Table 2: Summary of Opportunities and Threats

| Environment | Opportunities | Threats |
|-----------------------|---|--|
| Political | <ul style="list-style-type: none"> Positive Government policies on water infrastructure development Favorable economic policies in provision of water for all. Collaboration with County and National Governments, international Non-Governmental Organizations, private sector stakeholders, and local communities. | <ul style="list-style-type: none"> Changes in Government policy on development priorities Competing stakeholder interests Intercounty water conflicts Negative Interference from the political class Encroachment and grabbing of the company property |
| Economic | <ul style="list-style-type: none"> Expansion of urban and peri-urban areas; Favorable tariff model by the regulator Market Monopoly Ready Demand for water and sanitation services Availability of financing partners in the sector | <ul style="list-style-type: none"> High taxation of key inputs used in production of quality drinking water High Abstraction fees and bulk water charges Rising cost of living affecting the consumer purchasing power. High Rural Market segment |
| Socio-cultural | <ul style="list-style-type: none"> Community support towards infrastructural development and operations Availability of skilled manpower Established Community structures such as WRUAs, Water Action Groups. | <ul style="list-style-type: none"> High costs of land compensation High levels of illiteracy and lack of civic awareness Pandemics and other natural and man-made calamities. Human Wildlife Conflict Vandalism of water supply infrastructure Pandemics i.e., COVID-19, droughts etc. |
| Technological | <ul style="list-style-type: none"> Increased availability of technological solutions in the market Availability of data and other Analytics tools Improved access to information and stakeholder interaction. Innovations in water supply infrastructure and operations management. | <ul style="list-style-type: none"> Cyber security threats High cost of automation High rate of technological obsolescence Uncontrolled social media space, misinformation and disinformation. |
| Environmental | <ul style="list-style-type: none"> Investments in green technologies Climate change financing Government policies on restoration and conservation of Water towers Existence of alternative sources of energy / green financing | <ul style="list-style-type: none"> Increased agricultural activities and use of agrochemicals Climate change impacts, natural disasters and calamities Environmental degradation Increased population and negative human activities |
| Legal | Established Legal framework on management of water and sanitation sector | <ul style="list-style-type: none"> Changes in laws and regulations Pressure to comply with Access to Information and Data protection Act. Increasing rate of litigation |

3.1.3 Internal Environment

The Internal environment comprises of factors that TAVEVO can control and exert influence on. These factors include TAVEVO's value chain activities, resource capabilities, skills, competencies, infrastructure and culture. To evaluate the impact of these factors on TAVEVO's overall performance, the company carried out an internal analysis. The tools employed for the analysis included Functional Analysis (FA) to identify strengths and weaknesses in each functional area, Comparative Analysis (CA) to establish areas to prioritize for improvement. The results of this analysis revealed TAVEVO's strengths and weaknesses.

3.1.3.1 Governance and Administrative Structures

TAVEVO Water and Sewerage Company limited is fully owned by the county Government of Taita Taveta and is headed by the Board of Directors with a chair and the Managing Director as the Secretary to the Board. The Board is blended with highly experienced members drawn from different professions, whose main role is strategic planning, development of policies and oversight. The day-to-day operations of the company is vested on the management led by the Managing Director and heads of departments. This model is critical as it helps distinguish oversight from management to the company in separation and control of political influence which can affect operations

To meet the company needs there are established departments which interdependently support each other in achieving the overall strategic objectives of the company. The main departments are the Technical, Commercial, Finance and Human Resource whilst the rest play supportive role such as the Procurement, Monitoring and Evaluation, Internal Audit, Legal and Board Affairs. The Technical departments plays a critical role in infrastructure development and maintenance of water and sanitation infrastructure while the Commercial department focuses majorly on revenue generation and collection. Human Resource and Administration Department handles the recruitment and welfare of the staff while the Finance functions to support the other departments through prudent allocation of financial resources to prioritized activities.

To the larger extent, the company has continuously developed its organization structure which has built a better relationship and solid organogram to maintain seamless flow of information for effective decision making. The main setback in that has derailed TAVEVO's growth and performance as regards governance is political interference, high staff turnover and huge pending bills.

3.1.3.2 Internal Business Processes

TAVEVO conducted a comprehensive evaluation of its processes, operational systems as well as Standard Operating Procedures (SOPs) in a bid to assess its overall efficiency and effectiveness. The evaluation covered various aspects in TAVEVO's value chain including water source management, abstraction, water treatment, distribution, storage, billing and customer service, infrastructure development and management as well as wastewater management.

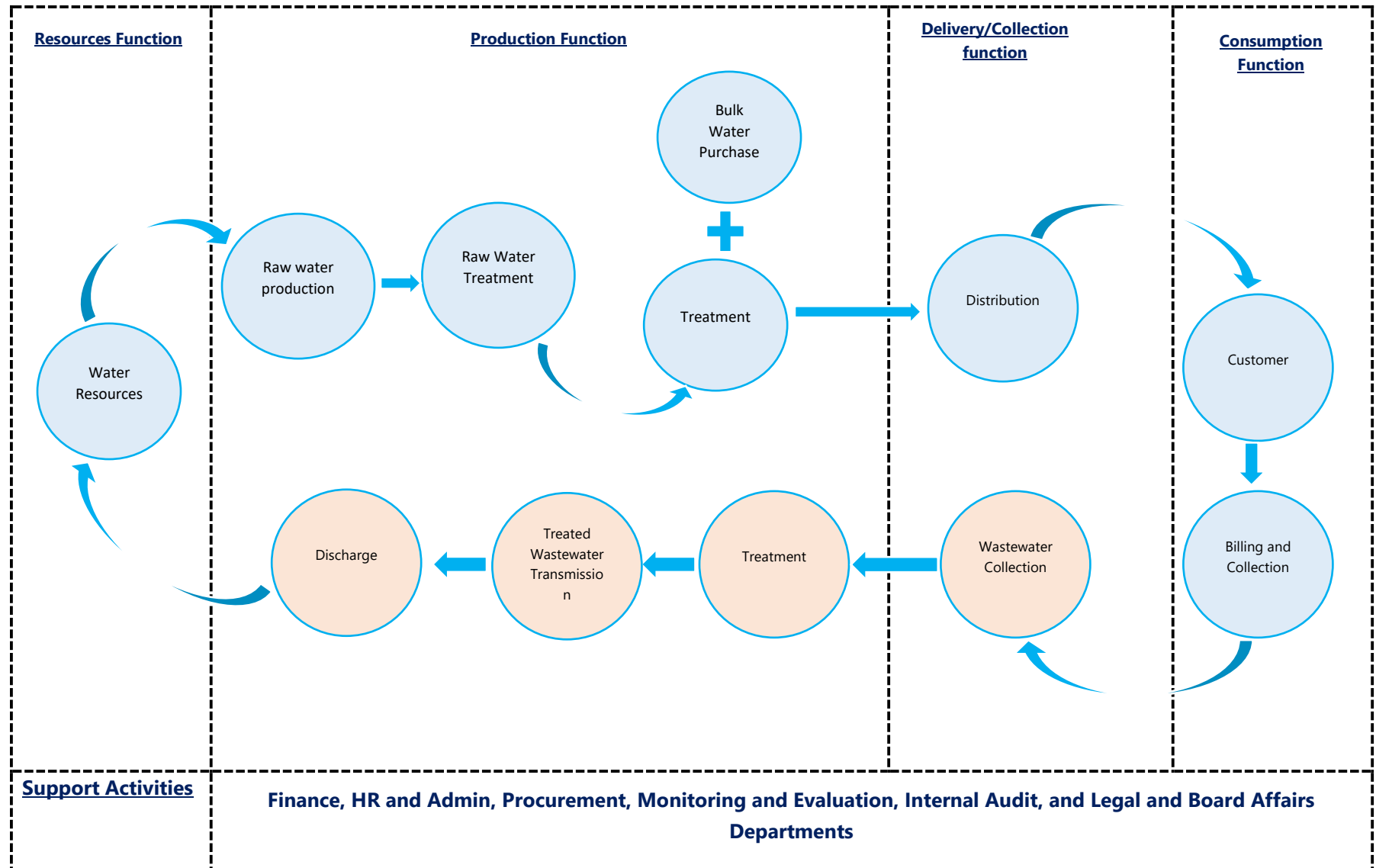
From the analysis, the several key findings were identified to have implications on TAVEVO's internal business processes. This included a supportive and committed workforce with diverse skill sets that jointly translate to the company's operational excellence. The company also recently acquired a modern and robust billing system for efficient commercial operations. In addition, TAVEVO has had its policies reviewed and new ones approved for enhanced service delivery. Further to this, the office of the M&E was recently established to enhance monitoring and reporting of the company operations and projects.

However, certain challenges were identified. These included high historical debts which posed significant threats to the relationship between the company and its suppliers. TAVEVO also lacks an ERP system with which the company can automate and integrate the various functions such as Finance, HR and Admin, procurement and technical operations. Further to this, TAVEVO lacks a proper record management system for effective record keeping which affects the flow and sharing of information in the company.

Through synthesis of the identified insights with the company's operational framework, TAVEVO obtained highlights of strengths and weakness thus identifying areas in need of improvement. Towards this, the value chain analysis played a critical role. The scrutiny of the processes and operations of TAVEVO allowed for the identification of potential inefficiencies and opportunities for saving time and cost. The value chain analysis enabled TAVEVO to plan for optimization of operations, elimination of redundant processes and ensure prudent allocation of company resources.

The value chain in Figure 6 presents TAVEVO's operational flow.

Figure 6: TAVEVO's Value Chain



3.1.3.3 Resource and Capabilities

In implementation of its mandate, TAVEVO possess capabilities and resources that can be considered as its strengths. TAVEVO's resource base was broken down into tangible, intangible and organizational capabilities.

TAVEVO's tangible resources include physical assets such as: office buildings, vehicles and equipment, a number water sources e.g., Njoro Kubwa and Mzima Springs; water infrastructure; available land for development of sewer and water treatment infrastructure; alternative sources of power such as solar energy. These assets can be used to provide water and sanitation services to the residents of Taita Taveta County. TAVEVO has a budget that it uses to finance its operations. The budget is hugely from sale of water and sanitation services and transfers from the national government through the county government of Taita Taveta. Through the budget, TAVEVO is able to hire staff, invest in equipment and minor infrastructural improvements as well as carry out the general operation and maintenance of its systems.

Some of TAVEVO's intangible resources include the huge support enjoyed from stakeholders such as WSTF, National Government, County Government, development partners as well as NGOs operating within the County. TAVEVO can use these relationships in sharing information, to partner in financing projects and to advocate for increased access to water and safe sanitation to all. In addition, the company has a pool of experienced and competent professionals who have a deep understanding of the water and sanitation sector. The company is able to leverage on this knowledge and expertise to provide high quality and reliable water and sanitation services in a sustainable manner.

The company has a strong strategic and business planning capability. This allows TAVEVO to establish clear goals and strategic objectives, devise strategies to attain these goals and monitor and evaluate implementation of the formulated strategies and the overall company performance. The capability enables TAVEVO to remain flexible and adaptable to the changes in its dynamic environment and consequently improve in service provision. TAVEVO is able to capitalize on its strong and strategic leadership team which is committed to ensuring provision of reliable and sustainable water and sanitation services to the residents.

3.1.4 Summary of Strengths and Weaknesses

Table 4 shows the summary of strengths and weaknesses, based on the analysis of TAVEVO's internal environment.

| Factor | Strengths | Weakness |
|--|--|---|
| Governance and Administrative structures | <ul style="list-style-type: none">○ Competent and experienced blend of Board Directors;○ Effective organization structure;○ Good stakeholder relationships | Periodic political interference |
| Internal business processes | <ul style="list-style-type: none">○ Supportive, committed and proficient staff;○ Moder and robust billing system;○ Newly developed policies to guide company operations;○ Established office of the M&E | <ul style="list-style-type: none">○ High historical debts○ Illegal connections through collusion with certain staff;○ Lack of proper record management; |

| Factor | Strengths | Weakness |
|-------------------------|--|--|
| | | <ul style="list-style-type: none"> o Lack of an approved risk and compliance framework; o Lack of an ERP system; o Undocumented standard operating procedures for certain procedures |
| Resource and capacities | <ul style="list-style-type: none"> o Physical assets (office buildings, equipment, vehicles, water and sanitation infrastructure etc.,) o Strong stakeholder relationships o Alternative sources of energy - solar power etc., o Available water sources such as Njoro Kubwa and Mzima Springs | <ul style="list-style-type: none"> o Lack of sewerage and sanitation services; o Obsolete and dilapidated infrastructure prone to bursts and leaks; o Inadequate financial resources; o Inadequate equipment and tools with which to respond to bursts and leaks; o Most assets are yet to be officially transferred. |

3.1.5 Analysis of Past Performance

The analysis of TAVEVO's past performance was undertaken and the findings captured included; overall performance assessment and key achievements, challenges and lessons learnt.

Table 3: TAVEVO Overall Performance Assessment

| S/NO | (KPIs) | YEARS | | | | | | | |
|------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|
| | | 2016/2017 | 2017/2018 | 2018/2019 | 2019/2020 | 2020/2021 | 2021/2022 | 2022/2023 | 2023/24 |
| 1. | Personnel Expenditure as a Percentage of O&M Costs (%) | 25 | 27 | 25 | 26 | 27 | 25 | 29 | 28 |
| 2. | Operation and Maintenance Cost Coverage (%) | 75 | 90 | 97 | 90 | 80 | 66 | 76 | 85 |
| 3. | Revenue Collection Efficiency (%) | 93 | 90 | 96 | 95 | 91 | 93 | 100 | 98 |
| 4. | Non-Revenue Water (%) | 59 | 58 | 44 | 38 | 37 | 36 | 42 | 50 |
| 5. | Metering Ratio (%) | 99 | 99 | 100 | 100 | 100 | 100 | 100 | 100 |

| S/NO | (KPIs) | YEARS | | | | | | | |
|------|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|
| | | 2016/2017 | 2017/2018 | 2018/2019 | 2019/2020 | 2020/2021 | 2021/2022 | 2022/2023 | 2023/24 |
| 6. | Staff Productivity (No. of staff per 1000 connections) | 12 | 10 | 13 | 12 | 13 | 13 | 13 | 13 |
| 7. | Water Coverage (%) | 80 | 18 | 21 | 18 | 25 | 45 | 54 | 50 |
| 8. | Drinking Water Quality (%) | 68 | 90 | 93 | 93 | 93 | 95 | 85 | 94 |
| 9. | Hours of Supply | 13 | 14 | 14 | 18 | 14 | 18 | 15 | 16 |
| 10. | Turnover (Ksh. Millions) | 204 | 237 | 244 | 259 | 299 | 302 | 315 | 321 |
| 11. | Total Water Produced (m ³ '000) | 7,054 | 5,633 | 5,054 | 4,782 | 5,357 | 5,420 | 5,940 | 6,120 |
| 12. | Total No. of Connections (active + inactive) | 18,474 | 20,809 | 21,818 | 23,751 | 25,810 | 28,000 | 28,500 | 28,834 |
| 13. | Total No. of active connections | 11,577 | 13,170 | 13,416 | 15,469 | 17,523 | 19,000 | 18,500 | 18,946 |
| 14. | Percentage of active connections (%) | 82 | 63 | 61 | 65 | 68 | 68 | 67 | 67 |
| 15. | Sewerage coverage (%) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16. | Unit operating cost of water billed (Ksh. /m ³) | 95 | 94 | 110 | 98 | 77.81 | 90.8 | 85 | 135 |
| 17. | Average tariff (Ksh/m ³) | 66 | 84 | 96 | 82 | 84 | 89 | 85 | 145 |

Over the 2016/17-2023/24 period, TAVEVO generally performed fairly well. However, there is still room for improvement in certain elements like cost coverage. The company was not been able to fully meet its O&M cost over the assessment period. As such, TAVEVO will strive to enhance its operational efficiency in a bid to optimize costs in the new 10-year strategic planning period.

The NRW levels for TAVEVO for the last 5 years have also been above 25%, the acceptable benchmark by the regulator. This has been attributed to among others; highly dilapidated infrastructure prone to bursts and leaks, non-functioning meters, inadequate capacity of the NRW management unit, lack of proactive meter testing, lack of active leak detection equipment, faulty DMA meters as well as lack of documented NRW management strategies. As such, the company will craft appropriate strategies to address each of the identified challenges in order to manage and reduce the high NRW levels.

TAVEVO has also been operating with an expired water tariff, the impact of which has been the company's inability to cover its operation and maintenance costs due to the fact the company's selling price per m³ has been lower than its average tariff. As such, measures and procedures will be put in place for ensuring timely application for tariff reviews. This will be critical in ensuring the company is financially and commercially sustainable.

The company's staff productivity ratio (No. of staff per 1000 connections) over the years has also been higher than the allowable ratio by WASREB (<8/1000 connections). This has been attributed to poor human resources planning. The company will therefore need to develop and implement proper planning in recruitment to ensure full optimization of staff. This will enable TAVEVO to attain the recommended staff productivity ratio. To this end, the company will also need to develop strategies for increasing customer connections in order to ensure the available staff are fully utilized.

TAVEVO has not had sewer connections for the past 5 years. This is a viable revenue stream that the company could tap into. Given this, the company will formulate strategies for mobilizing funds for funding the planned sanitation infrastructure in the company's service area.

3.1.6 Challenges

The challenges encountered from the previous strategic planning period are as follows;

1. Lack of training and staff development resulting to inadequate technical staff capacity
2. Lack of documented standard operating procedures
3. Insufficient financing
4. Poor company governance due to poor leadership
5. High NRW levels due to;
 - a) Existence of obsolete and dilapidated infrastructure prone to leaks and bursts
 - b) Slow adoption of technology for managing NRW
 - c) Inadequate equipment with which to respond and manage bursts and leaks
 - d) Numerous spaghetti connections
 - e) Presence of non-functioning meters
 - f) Lack of pro-active meter testing
 - g) Lack of a documented NRW management strategy
 - h) Lack of active leakage detection equipment.
 - i) Faulty DMA meters

3.1.7 Lessons Learnt

The key lessons learnt from the review of past TAVEVO performance will help in ensuring successful implementation of the new 10-year strategic plan. These are as follows;

1. Mobilizing sufficient financial resources is important as these will be used to fund implementation of infrastructural projects proposed in the strategic plan.
2. A proper monitoring and evaluation (M&E) framework is critical for ensuring tracking of progress
3. To ensure successful implementation, the strategic plan should have a company-wide acceptance and ownership. The strategic plan therefore needs to be cascaded down to all company staff.

3.2 Stakeholder Analysis

A stakeholder is an individual, group or organization affected by the operations of the company and/or whose actions have the potential to positively or negatively influence its operations.

Stakeholder analysis forms part of stakeholder management and important tool for identifying stakeholders, analyzing their needs and establishing their expectations when formulating and operationalizing TAVEVO's strategic plan. A number of stakeholders were identified and an analysis carried out to establish the interests of different stakeholders as shown in the Table 3.

Table 4: Stakeholder Analysis of TAVEVO

| No. | Stakeholder | Role | Stakeholder Expectation | TAVEVO Expectation |
|-----|--|---|--|---|
| 1. | National Government (Ministry of Water, Sanitation and Irrigation) | <ul style="list-style-type: none"> Provide oversight and guidance to TAVEVO; Sets overall policies and regulations; Ensures enforcement of laws. Securing sufficient residual water; Overall sector investment planning and resource mobilization; Facilitate funding for water projects. | <ul style="list-style-type: none"> Fulfil its water provision mandate Compliance with the relevant laws i.e. The Water Act 2016 | <ul style="list-style-type: none"> Guiding policy direction Creating an enabling environment Law-making Funding |
| 2. | Coast Water Works Development Agency (CWWDA) | <ul style="list-style-type: none"> Provide technical services and capacity building to TAVEVO; Provide reserve capacity for purposes of providing water services; Undertake development of trans-county water and sanitation infrastructural projects; Development, maintenance and management of national projects | <ul style="list-style-type: none"> Management of water and sanitation infrastructure Timely payment for water Timely delivery of water services Compliance with the Water Act 2016 and other relevant regulations and laws | <ul style="list-style-type: none"> Supervise major water and sanitation infrastructure Provision of safe, adequate and quality water Providing information and reports on time |
| 3. | County Government of Taita Taveta (CGTT) | <ul style="list-style-type: none"> Supervision of water and sanitation service delivery by TAVEVO; Implementation of capital water and sanitation infrastructural projects. | <ul style="list-style-type: none"> Quality service delivery Partnerships in project planning and implementation. Proper financial management Compliance with statutory regulations, government policies | <ul style="list-style-type: none"> Enabling and conducive environment for operations of the company Financial and technical support in infrastructural development |

| No. | Stakeholder | Role | Stakeholder Expectation | TAVEVO Expectation |
|-----|--|---|---|---|
| | | | and guidelines i.e. The Water Act 2016 | <ul style="list-style-type: none"> ○ Collaboration in water and sanitation projects implementation ○ Formulating county water master plans |
| 4. | Water Services Regulatory Board (WASREB) | <ul style="list-style-type: none"> ○ Determine and prescribe national standards for the provision of water services and asset development for water services providers; ○ Evaluate and recommend water and sewerage tariffs; ○ Set license conditions and accredit water services providers; ○ Monitor and regulate licensees and enforce license conditions; ○ Monitor compliance with standards including the design, construction, operation and maintenance of facilities for the provision of water services; ○ Maintain a national database and information system on water services; ○ Report annually to the public on issues of water supply and sewerage services and the performance of relevant sectors; ○ Make recommendations on how to provide basic water services to marginalized areas. | <ul style="list-style-type: none"> ○ Compliance with legal and regulatory provisions and guidelines ○ Application for tariff adjustments ○ Registration with WASREB ○ Payment of regulatory levy | <ul style="list-style-type: none"> ○ Publication of reliable annual Impact Reports ○ Prompt approval of tariff requests ○ Smooth and effective tariff application and approval process |
| | The Water Sector Trust Fund (WSTF) | <ul style="list-style-type: none"> ○ Provision of conditional and unconditional grants to Taita-Taveta County; ○ Assisting in financing development and management of water services in marginalized areas or underserved areas; ○ Financing community level initiatives for the sustainable management of water resources; | <ul style="list-style-type: none"> ○ Preparation of feasible and viable project proposals; ○ Proper use of Fund's resources; ○ Effective and timely completion of projects; ○ Supporting implementation of water and sanitation projects in the | <ul style="list-style-type: none"> ○ Financial support ○ Equitable resource allocation ○ Distribution of resources in a timely manner |

| No. | Stakeholder | Role | Stakeholder Expectation | TAVEVO Expectation |
|-----|---|---|--|---|
| | | <ul style="list-style-type: none"> Research activities around water resources management and services, sewerage and sanitation. | <ul style="list-style-type: none"> marginal and underserved areas in Taita-Taveta County. | |
| | Water Resources Authority (WRA) | <ul style="list-style-type: none"> Protect, conserve, control and regulate the use of water resources; Flood mitigation through establishment of a National Water Resource Strategy; Protection of source water quality; Ensuring return flows do not cause deterioration in natural water quality; Resolves conflicts concerning water resource use at the community level; Formulation and enforcement of standards for water resources use and management; Formulation of procedures and regulations for management and use of water resources; Policy development; Planning and issuing water abstraction permits; Monitoring water abstractions to ensure compliance with agreed limits; Setting and collecting permits and water use fees. | <ul style="list-style-type: none"> Compliance with water permits rules and regulations Support in preservation and management effort Timely payment of statutory levies | <ul style="list-style-type: none"> Management and conservation of water catchment areas Preservation of water sources to enhance quality of water |
| 5. | Development Partners and NGOs e.g., USAID | <ul style="list-style-type: none"> Funding, technical assistance and capacity building to enhance water and sanitation services provision for sustainable development. | <ul style="list-style-type: none"> Proper governance Effective and proper financial management Uphold accountability and transparency Provision of timely and accurate reports | <ul style="list-style-type: none"> Financial support in implementation of projects Prompt release of funds Technical support in undertaking projects |
| 6. | Financial Institutions e.g., | <ul style="list-style-type: none"> Financing and guarantee of works, goods and services | <ul style="list-style-type: none"> Prompt payment of financial obligations Proper utilization of resources | <ul style="list-style-type: none"> Offering financial advisory services |

| No. | Stakeholder | Role | Stakeholder Expectation | TAVEVO Expectation |
|-----|--------------------|---|---|---|
| | Commercial Banks | | <ul style="list-style-type: none"> Proper record-keeping and reporting according to international standards | <ul style="list-style-type: none"> Availing affordable and favourable loans To support environmental conservation efforts |
| 7. | Customers | <ul style="list-style-type: none"> Consumption of water and sanitation services; Accessing information, participating in stakeholder consultations; and Raising concerns relating to water quality standards; Provision of manpower and goodwill. | <ul style="list-style-type: none"> Adequate, safe and quality water Favourable rates for water and sanitation services Accurate billing Prompt response to customer queries/complaints Proper lines of communication | <ul style="list-style-type: none"> Prompt payment of water bills Reporting water losses and any form vandalism of water infrastructure Protecting water and sanitation infrastructure Giving feedback on services delivered |
| 8. | Board of Directors | <ul style="list-style-type: none"> Implementation of the Board's mandate. | <ul style="list-style-type: none"> Operationalization of approved policies and adherence to rules and regulations Proper financial management Commitment to delivery of company mandate Successful implementation of the strategic plan Quality customer service Grow financially | <ul style="list-style-type: none"> Proper leadership Lobbying support including financial and technical support from donors, development partners and the government Aggressive resource mobilization Promoting the good image and name of TAVEVO to the public |
| 9. | Media | <ul style="list-style-type: none"> Disseminate information to the public. | <ul style="list-style-type: none"> Availing accurate and timely information Uphold transparency and accountability | <ul style="list-style-type: none"> Supporting TAVEVO's public awareness initiatives and campaigns Fair, independent and accurate reporting Partnership in environment conservation activities |

| No. | Stakeholder | Role | Stakeholder Expectation | TAVEVO Expectation |
|-----|---|---|--|--|
| 10. | Suppliers and Service Providers (e.g., Contractors and Consultants) | <ul style="list-style-type: none"> ○ Provide tools, materials, equipment and services; ○ Design and supervision of works. | <ul style="list-style-type: none"> ○ Equal opportunity in tendering ○ Timely payment for goods and/or services offered ○ Providing all relevant information | <ul style="list-style-type: none"> ○ Reliable and adequate supply of goods and services ○ Supply quality products and services ○ Timely delivery of products and services according to agreed timelines ○ Competitive yet affordable prices for goods and services ○ Strictly uphold contract terms |
| 11. | Learning and Research Institutions | <ul style="list-style-type: none"> ○ Promote quality water training, collaboration in research and capacity building to meet the needs of the water sector; ○ Human resource development. | <ul style="list-style-type: none"> ○ Provide opportunities for student attachments and internships ○ Partnerships in research and studies | <ul style="list-style-type: none"> ○ Collaboration in studies and research ○ Competent and productive manpower |
| 12. | TAVEVO Staff | <ul style="list-style-type: none"> ○ Implementation of the mandate of TAVEVO. | <ul style="list-style-type: none"> ○ Equal opportunities for professional development ○ Job assurance and sustainability of the Company ○ Conducive working environment ○ Competitive and fair remuneration ○ Capacity building through training ○ Proper communication channels ○ Compliance with set regulations on employment and labour | <ul style="list-style-type: none"> ○ Dedicated, quality and effective service delivery ○ Adherence to company rules and regulations ○ High levels of integrity to uphold the values of the company ○ Commitment to delivery of company mandate |
| 13. | Sector Associations (WASPA, IWA) | <ul style="list-style-type: none"> ○ Provide a platform for member WSPs to advocate for and undertake issues pertaining to their development and sustainability; ○ Support members in acquisition of funds for developments; ○ Advise members on training needs in collaboration with other actors and help establish staffing norms relevant to the sector. | <ul style="list-style-type: none"> ○ Participation and co-operation in all association's initiatives and activities ○ Compliance with terms and conditions of engagement ○ Prompt payment of annual membership fee | <ul style="list-style-type: none"> ○ Presentation of company's requests and grievances to WASREB ○ Advocating for the needs, interests and grievances of the company |

| No. | Stakeholder | Role | Stakeholder Expectation | TAVEVO Expectation |
|-----|---|--|---|--|
| 14. | Water Tribunal | <ul style="list-style-type: none"> ○ Hear and determine appeals; ○ Hear and determine any dispute concerning water resources or water services. | <ul style="list-style-type: none"> ○ Amicable conflict resolution amongst stakeholders | <ul style="list-style-type: none"> ○ Fair and independent adjudication of appeals |
| 15. | State Corporations/ Agencies e.g., KURA, KeNHA, Kenya Power, NEMA, NLC etc. | <ul style="list-style-type: none"> ○ Approval of Environmental Social and Impact Assessment (ESIA); ○ Issuance of licenses. | <ul style="list-style-type: none"> ○ Adherence to Act's rules and regulations | <ul style="list-style-type: none"> ○ Partnerships in project implementations |
| 16. | Trade Union/Employers Association | <ul style="list-style-type: none"> ○ Champion for decent and sustainable work environments; ○ Improve the welfare of workers; ○ Negotiate collective bargaining agreements between members and trade unions | <ul style="list-style-type: none"> ○ Conducive working environment ○ favourable terms and conditions of service | <ul style="list-style-type: none"> ○ Fair and reasonable grievances in negotiations |

CHAPTER 4

STRATEGIC ISSUES, GOALS AND KEY RESULT AREAS

- Strategic Issues
- Strategic Goals
- Key Result Areas



STRATEGIC PLAN

2024/25-2033/34

4. CHAPTER FOUR: STRATEGIC ISSUES, GOALS AND KEY RESULT AREAS

Arising from the situation analysis of the TAVEVO's operating environment, the company has identified strategic issues that will have to be addressed in the current strategic plan to so that the company is able to achieve its vision. The chapter outlines the strategic issues facing TAVEVO, the goals that have been set and the key result areas.

4.1 Strategic Issues

The success of TAVEVO relies on its ability to address the strategic issues it faces. These are the problems or opportunities that the company has to manage in order to fulfil its mandate and vision. To enhance implementation of its mandate, TAVEVO identified the following five key strategic issues that need addressing:

1. Development and management of water and sanitation infrastructure;
2. Financial and commercial sustainability;
3. Effective enterprise and risk management;
4. Efficient and effective billing and revenue collection;
5. Compliance and proper corporate governance.

4.2 Strategic Goals

Strategic goals are general qualitative statements on what TAVEVO is aiming to achieve in the long term and are linked to the strategic issues. They are aligned to the company's vision, mission and core values. The Strategic Plan outlines five key goals as follows;

1. Ensure sustainable access and management of water and sanitation services for all;
2. Ensure financial sustainability of the company;
3. Strengthen the enterprise and risk management of the organization;
4. Improve billing and collection efficiency;
5. Strengthen legal, compliance and corporate governance of the organization.

4.3 Key Result Areas

Key Result Areas (KRAs) are the broad areas in which TAVEVO is expected to deliver results. The KRAs for the planning period, as derived from TAVEVO's mandate, mission and situational analysis are;

1. Water And Sanitation Infrastructure Development and Management
2. Revenue Growth/Commercial Operations
3. Operational Efficiency and Financial Sustainability
4. Institutional Arrangement and Corporate Governance.

4.3.1 Water And Sanitation Infrastructure Development and Management

Water and sanitation infrastructure development is key to enabling TAVEVO achieve its vision. A large part of the rural water supply infrastructure is in need of rehabilitation and so to increase water supply

infrastructure TAVEVO aims at updating water supply pipeline base maps to identify gaps in water access. The company also envisions extending water supply pipelines to underserved and unserved areas.

For TAVEVO to increase water production, new infrastructure will be put in place in order to develop Njoro-Kubwa, Kitobo springs, Mzima II and local water sources and bulk water supply systems in TAVEVO's service area. Likewise, to increase its sanitation coverage, there will be need to develop sanitation infrastructure. To this end, TAVEVO will undertake construction of wastewater treatment facilities in Voi, Mwatate, Wundanyi and Taveta towns, construction of sewer lines in Voi, Mwatate, Wundanyi and Taveta towns, as well as installation of 13,000 sewer connections in Voi, Mwatate, Wundanyi and Taveta towns.

Under this pillar, TAVEVO will also focus on increasing water production for the core and peri-urban areas from 15,000m³/day to 60,000m³/day by the year 2034. It will increase its water coverage by increasing water pipeline infrastructure by 50km per year from 2023 to 2034. The company aims at tackling the challenge of NRW by reducing it from the current 50% to 40% by the year 2034. It will do this by enhancing water supply infrastructure efficiency.

4.3.2 Revenue Growth/Commercial Operations

To attain its objectives, TAVEVO will need sufficient resources to fund its operations. Therefore, there is need for the company to craft and implement appropriate strategies to increase its revenues. TAVEVO will thus aim towards increasing the number of water and sewer connections, increasing collection efficiency as well as increasing its annual billing by improving billing accuracy. Increased revenues ensure adequate finances for funding infrastructural projects. These in turn generate more revenues for the company through sale of increased water volumes enhancing the company's financial sustainability.

4.3.3 Operational Efficiency and Financial Sustainability

TAVEVO appreciates the fact that for the company to achieve its strategic objectives, and consequently enhance its financial sustainability, it needs to ensure efficiency in its operations and processes. The company will therefore focus on developing systems and procedures that allow for service delivery in an efficient manner. Efficiency of operations will enable the company to cut on costs in delivery of the company mandate. Enhanced operational efficiency translates to optimization of company resources and processes which in the long-term leads to reduced NRW levels, efficient low-cost water production through employment of appropriate technology.

4.3.4 Institutional Arrangement and Corporate Governance.

Good corporate governance is important as it will enable the company to operate more effectively, manage risks and project a good company image. Equally important are the support systems and enablers that facilitate strategy implementation. For TAVEVO, these are; skilled, productive and competent manpower which is crucial for effective delivery of the company mandate. To this end, TAVEVO will put in place measures aimed at building staff capacity, managing staff performance, recruiting and retaining competent staff as well creating a safe and conducive work environment that motivate staff to dedicate themselves towards realization of the company's mandate.

Table 5: Strategic Issues, Goals and KRAs

| Strategic Issue | Goal | KRAs |
|--|---|--|
| 1. Development and management of water and sanitation infrastructure | Ensure sustainable access and management of water and sanitation services for all | Water And Sanitation Infrastructure Development and Management |
| 2. Financial and commercial sustainability | Ensure financial sustainability of the company | Revenue Growth/Commercial Operations |
| 3. Efficient and effective billing and revenue collection | Improve billing and collection efficiency | Operational Efficiency and Financial Sustainability |
| 4. Compliance and proper corporate governance. | Strengthen legal, compliance and corporate governance of the organization. | Institutional Arrangement and Corporate Governance. |
| 5. Effective enterprise and risk management | Strengthen the enterprise and risk management of the organization | |

CHAPTER 5

STRATEGIC OBJECTIVES AND STRATEGIES

- Strategic Objectives
- Strategic Choices



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5. CHAPTER 5: STRATEGIC OBJECTIVES AND STRATEGIES

This chapter discusses the strategic objectives and strategic choices. Strategic objectives are the specific results that TAVEVO aims to achieve in order to fulfil its mission and vision. Strategic choices are the decisions that TAVEVO makes about how it will achieve its strategic objectives.

5.1 Strategic Objectives

Strategic objectives are the factors TAVEVO commits itself to accomplish in order to achieve its strategic goals. The objectives establish performance levels to be achieved on priority issues and measures of success in fulfilling critical mission statement elements. Strategic objectives for the planning period, are as shown below:

- a) To increase water production for the core and peri-urban areas from 15,000m³/day to 60,000m³/day by the 2034;
- b) To increase water pipeline infrastructure by 50km per year from 2024 to 2034;
- c) To develop a sewerage system of capacity of 20,000m³/day by the year 2034;
- d) To develop Fecal Sludge Treatment Plant of Capacity 2,000m³/day;
- e) To reduce Non-Revenue Water from the current 50% to 30% by the year 2034;
- f) To reduce cost water production from Ksh. 135/m³ to Ksh. 125/m³;
- g) To develop of alternative sources of energy (green) to cut down on electricity costs;
- h) To improve financial sustainability to cover direct and indirect costs and attain cost recovery;
- i) To increase funding for water and sanitation infrastructure from 2.6 billion to 10 billion;
- j) To enhance risk management and compliance with relevant agencies e.g., KRA, WRA, NSSF, NHIF, KIPSAS, IPSAS, PPRA, KISM, IFRAS etc.,
- k) To increase annual billing from 316M to 1000M by 2034;
- l) To increase collection efficiency from 93% to 98% by 2034;
- m) To improve corporate governance;
- n) To enhance Staff productivity;
- o) To improve overall efficiency and effectiveness.

Table 6: Outcome Annual Projections

| KRA 1: WATER AND SANITATION INFRASTRUCTURE DEVELOPMENT AND MANAGEMENT | | | | | | | | | | | | |
|---|---|---|-------------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| Strategic Objective | Outcome | Outcome indicator | Projections | | | | | | | | | |
| | | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| 1. Increase water production for the core and peri-urban areas from 15,000m ³ /day to 60,000m ³ /day by the 2034. | Increased water production from water sources | Water production volume | 15,000 | 16,000 | 17,000 | 25,000 | 30,000 | 35,000 | 40,000 | 50,000 | 55,000 | 60,000 |
| 2. Develop a sewerage system of capacity of 20,000m ³ /day by the year 2034 | Increased waste water treatment facilities | Volume of sewer treated | - | 100 | 1,250 | 5,000 | 7,500 | 10,000 | 12,500 | 15,000 | 17,500 | 20,000 |
| 3. Reduction of Non-Revenue Water from the current 50% to 40% by the year 2034 | Reduced NRW levels | NRW | 49 | 48 | 47 | 46 | 45 | 44 | 43 | 42 | 41 | 40 |
| 4. Reduce cost water production from Ksh. 135 /m ³ to Ksh. 125/m ³ | Reduction of water production cost | Cost of water production | 134 | 133 | 132 | 131 | 130 | 129 | 128 | 127 | 126 | 125 |
| 5. Development of alternative sources of energy (green) to cut down on electricity costs | solar hybrid source of power | % of energy used from Solar energy | 20 | 25 | 30 | 35 | 40 | 45 | 50 | 55 | 60 | 65 |
| 6. Protection and Improvement of water catchment areas | Water catchment preservation | Number of water catchments identified and preserved | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| | | | | | | | | | | | | |

| KRA 2: OPERATIONAL EFFICIENCY AND FINANCIAL SUSTAINABILITY | | | | | | | | | | | | |
|--|---------------------------------|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| Projections | | | | | | | | | | | | |
| Strategic Objective | Outcome | Outcome indicator | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| 1. To improve financial sustainability to cover direct and indirect costs and attain cost recovery. | Improved cost coverage | OCCR | 92 | 95 | 99 | 102 | 105 | 108 | 112 | 115 | 119 | 123 |
| 2. Increase funding for water and sanitation infrastructure from 2.6 billion to 10 billion | Increased funding | External funding | 2.6 | 3 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 3. Risk management and compliance with relevant agencies e.g., KRA, WRA, NSSF, NHIF, KIPSAS, IPSAS, PPRA, KISM, IFRAS etcetera | Improved compliance | % Compliance to policies and procedures | 95 | 95 | 95 | 95 | 95 | 95 | 95 | 95 | 95 | 95 |
| | | | | | | | | | | | | |
| KRA 3: REVENUE GROWTH | | | | | | | | | | | | |
| 1. Increase annual billing from 316M to 1,173M by 2034 | Increased annual billing | Annual billing revenue | 488 | 513 | 567 | 623 | 650 | 811 | 843 | 1,094 | 1,133 | 1,173 |
| 2. Increase collection efficiency from 93% to 98% by 2033 | Increased collection efficiency | Collection efficiency | 93 | 94 | 95 | 96 | 97 | 98 | 98 | 98 | 98 | 98 |
| 3. Reduce Commercial Losses from 25% to 20% | Reduced Commercial Losses | Commercial Losses | 25 | 24 | 24 | 23 | 23 | 22 | 22 | 21 | 21 | 20 |
| | | | | | | | | | | | | |

| KRA 4: CORPORATE GOVERNANCE AND INSTITUTIONAL ARRANGEMENT | | | | | | | | | | | | |
|---|---------------------------------|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| Projections | | | | | | | | | | | | |
| Strategic Objective | Outcome | Outcome indicator | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| 1. Improved corporate governance | Improved Compliance | % Compliance to policies and procedures | 95 | 95 | 95 | 95 | 95 | 95 | 95 | 95 | 95 | 95 |
| 2. Improve Staff productivity | Enhanced Staff productivity | Staff productivity | 12 | 12 | 11 | 11 | 10 | 10 | 9 | 9 | 9 | 9 |
| 3. Improve efficiency and effectiveness | Improved operational efficiency | Operational efficiency | 72 | 74 | 76 | 78 | 80 | 82 | 84 | 86 | 88 | 90 |

5.2 Strategic Choices

Strategies are broad abstractions which describe the means through which the strategic objectives are to be achieved. Table 6 presents TAVEVO's strategic choices.

| Strategic Theme/ Key Result Area | Strategic Objectives | Strategies |
|--|---|---|
| 1. Water and sanitation infrastructure Development and management | a. Increase water production for the core and peri-urban areas from 15,000m ³ /day to 60,000m ³ /day by the 2034. | <ul style="list-style-type: none"> i) Development of Taita Taveta County Integrated Water Supply Masterplan ii) Development of Njoro-Kubwa, Kitobo springs, Mzima II and local water sources and bulk water supply systems by 2033. iii) Adding extra water connections to the Mzima I bulk water supply system. |
| | b. Increase water pipeline infrastructure by 50km per year from 2024 to 2034. | <ul style="list-style-type: none"> i) Updating water supply pipeline base maps to identify gaps in water access. ii) Replacement of old and dilapidated water supply pipelines. iii) Extend water supply pipelines to underserved and unserved areas. iv) Rehabilitation of rural water supply pipeline networks. |
| | c. Develop a sewerage system of capacity of 20,000m ³ /day by the year 2034 | <ul style="list-style-type: none"> i) Construction of wastewater treatment facilities in Voi, Mwatate, Wundanyi and Taveta towns. ii) Construction of sewer lines in Voi, Mwatate, Wundanyi and Taveta towns. iii) Installation of 13,000 sewer connection in Voi, Mwatate, Wundanyi and Taveta towns |
| | d) Develop Fecal Sludge Treatment Plant of Capacity 2,000m ³ /day | <ul style="list-style-type: none"> i) Development of a county integrated sanitation masterplan. ii) Construction of 8No. Fecal Sludge Management facilities in Voi, Mwatate, Wundanyi and Taveta Town |

| Strategic Theme/ Key Result Area | Strategic Objectives | Strategies |
|---|--|--|
| | e) Reduction of Non-Revenue Water from the current 50% to 30% by the year 2034 | i) Documentation of Technical Standard Operating Procedures and best practices. ii) Documentation of TAVEVO NRW reduction strategy and plan. iii) Improvement of water supply infrastructure efficiency. iv) Implementation of meter management and asset replacement policy. |
| | f) Reduce cost water production from Ksh. 135/m ³ to Ksh. 125/m ³ | i) Review and feasibility study into the drivers of the high cost of the current water production per m ³ |
| | g) Development of alternative sources of energy (green) to cut down on electricity costs | i) Adoption of solar energy as an alternative source of energy ii) Energy audit assessments |
| | h) Protection and Improvement of water catchment areas | i) Water catchment area identification and mapping ii) Water catchment preservation |
| 2. Operational efficiency and financial sustainability | a) To improve financial sustainability to cover direct and indirect costs and attain cost recovery. | i) Reduce credit period for all organization creditors ii) Increase Turn over from 316 M to 1000 M iii) To reduce negative budget variances |
| | b) Increase funding for water and sanitation infrastructure from 2.6 billion to 10 billion | i) Strengthen partnerships and networks ii) Enhance Board capacity to mobilize funds iii) Lobby for increased county and national government funding |
| | c) Risk management and compliance with relevant agencies e.g., KRA, WRA, NSSF, NHIF, KIPSAS, IPSAS, PPRA, KISM, IFRAS etcetera | i) Strengthening internal controls ii) capacity Building |

| Strategic Theme/ Key Result Area | Strategic Objectives | Strategies |
|--|---|---|
| 3. Revenue growth | a) Increase annual billing from 316M to 1000 M by 2034 | i) Improve meter-reading and billing efficiency ii) Reduce meter-reading anomalies iii) Reactivate dormant accounts iv) Grow the number of high consumer accounts |
| | b) Increase collection efficiency from 93% to 98% by 2034 | i) Automation of billing systems, adoption of technology and smart meters ii) Provision of quality and reliable customer service iii) Reduce outstanding debt |
| 4. Corporate Governance and Institutional arrangement | a) Improved corporate governance | i) Enhancement to adherence to Board Instruments ii) Continuous capacity building of the Board iii) Adoption of risk management frameworks |
| | b) Improve Staff productivity | i) Recruitment and retention of competent Employees ii) Revamping performance management system iii) Capacity building of all staff iv) Policy development and deployment v) Improve work environment and welfare |
| | c) Improve efficiency and effectiveness | i) Automation of company processes |

CHAPTER 6

IMPLEMENTATION AND COORDINATION FRAMEWORK



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6. CHAPTER SIX: IMPLEMENTATION AND COORDINATION FRAMEWORK

This chapter discusses the implementation and coordination framework for the strategic plan. The implementation framework outlines the steps that TAVEVO will take to implement the strategic plan, and the coordination framework outlines how different stakeholders will work together to ensure the successful implementation of the plan.

6.1 Implementation Plan

This section outlines TAVEVO’s action plan, the annual work plan and a commitment to have the performance contracts delivered from the annual work plans.

6.1.1 Action Plan

Table 7 is the implementation plan which covers the strategic goals, strategic issues, KRAs, strategic objectives, strategies, proposed activities, expected outputs, output indicators, targets, budget for each activity and the implementing actors.

Table 7: TAVEVO 10-Year Implementation Matrix

| Strategy | Activities | Expected Output | Indicators | Target | Target | | | | | | | | | | Budget (Ksh. m) | | | | | | | | | | | | Responsibility | |
|---|---|--|-------------------------|----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------------|-----|-----|-----|-----|-----|-----|-----|-----|------|-------|------------------------------|---------------------------------|---------------------------------|
| | | | | 10 Years | Y 1 | Y 2 | Y 3 | Y 4 | Y 5 | Y 6 | Y 7 | Y 8 | Y 9 | Y 10 | Y 1 | Y 2 | Y 3 | Y 4 | Y 5 | Y 6 | Y 7 | Y 8 | Y 9 | Y 10 | Total | Lead | Support | |
| Strategic Issue: Development and management of water and sanitation infrastructure | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Strategic Goal: Ensure sustainable access and management of water and sanitation services for all | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| KRA 1: Water and sanitation infrastructure Development and management: | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Strategic Objective 1: Increase water production for the urban and peri-urban areas from 15,000m3/day to 60,000m3/day by the year 2032 and Increase water pipeline infrastructure by 50km per year from 2023 to 2033. | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Development of local water sources | Operationalization of Mwasinenyi BH2, Nyangoro WP, Nakuruto BH and Talio BH | Increased water production from local water sources | Water production volume | 60,000 | 15,000 | 16,000 | 17,000 | 25,000 | 30,000 | 35,000 | 40,000 | 50,000 | 55,000 | 60,000 | 20 | | 5 | | 5 | | | | | | | 30 | Engineering Services Manager | Water Demand Management Officer |
| Development of Njoro-Kubwa, Kitobo springs, | Preparation and review of feasibility studies, detailed designs, drawings and biddings documents for Njoro-Kubwa, Kitobo springs, | Increased water production from Njoro kubwa springs and Kitobo springs | Water production volume | 60,000 | 15,000 | 16,000 | 17,000 | 25,000 | 30,000 | 35,000 | 40,000 | 50,000 | 55,000 | 60,000 | | 3 | | | | | | | | | | 3 | Engineering Services Manager | Water Demand Management Officer |
| | Improvement (priority) Works for Njoro Kubwa | | Water production volume | 60,000 | 15,000 | 16,000 | 17,000 | 25,000 | 30,000 | 35,000 | 40,000 | 50,000 | 55,000 | 60,000 | | 20 | 10 | | | | | | | | | 30 | Engineering Services Manager | Water Demand Management Officer |
| | Taveta Priority works (Carlifonia-Lessesia Hill and Kitobo water supply works) Rising Main Pipeline | | Water production volume | 60,000 | 15,000 | 16,000 | 17,000 | 25,000 | 30,000 | 35,000 | 40,000 | 50,000 | 55,000 | 60,000 | | | 10 | | | | | | | | | | 10 | Engineering Services Manager |
| Construction Works for Njoro-Kubwa Bulk Water Supply System | Preparation and review of feasibility studies, detailed designs, drawings and biddings documents for Njoro-Kubwa, Kitobo springs, | | | 60,000 | 15,000 | 16,000 | 17,000 | 25,000 | 30,000 | 35,000 | 40,000 | 50,000 | 55,000 | 60,000 | | | 60 | 60 | | | | | | | | 120 | Engineering Services Manager | Water Demand Management Officer |
| | Construction of Njoro-Kubwa Bulk water headworks and bulk water pipeline from Taveta to Mwatate | Bulk Water production for Njoro-Kubwa Springs | Water production volume | 60,000 | 15,000 | 16,000 | 17,000 | 25,000 | 30,000 | 35,000 | 40,000 | 50,000 | 55,000 | 60,000 | | | | 75 | 75 | 200 | | 250 | 50 | 50 | 1200 | Engineering Services Manager | Water Demand Management Officer | |
| Development of Mzima I and II bulk water supply systems by 2032. | Preparation and review of feasibility studies, detailed designs, drawings and biddings documents for Mzima II and bulk water supply systems | Increased amount of water abstracted from Mzima supply system | Water production volume | 60,000 | 15,000 | 16,000 | 17,000 | 25,000 | 30,000 | 35,000 | 40,000 | 50,000 | 55,000 | 60,000 | | | 5 | | | | | | | | | 5 | Engineering Services Manager | Water Demand Management Officer |
| | Additional abstraction from Mzima I Bulk water supply for TTU | | Water production volume | 60,000 | 15,000 | 16,000 | 17,000 | 25,000 | 30,000 | 35,000 | 40,000 | 50,000 | 55,000 | 60,000 | 2 | | | | | | | | | | | 2 | Engineering Services Manager | Water Demand Management Officer |
| | Additional abstraction from Mzima I Bulk water supply points | | Water production volume | 60,000 | 15,000 | 16,000 | 17,000 | 25,000 | 30,000 | 35,000 | 40,000 | 50,000 | 55,000 | 60,000 | | | | | 20 | 20 | 20 | | | | | 60 | Engineering Services Manager | Water Demand Management Officer |
| | Construction works for Mzima II Bulk water supply system | | Water production volume | 60,000 | 15,000 | 16,000 | 17,000 | 25,000 | 30,000 | 35,000 | 40,000 | 50,000 | 55,000 | 60,000 | | | | | 150 | 50 | 300 | | 300 | 200 | 1000 | Engineering Services Manager | Water Demand Management Officer | |

| Strategy | Activities | Expected Output | Indicators | Target | Target | | | | | | | | | | Budget (Ksh. m) | | | | | | | | | | | Responsibility | |
|--|---|--|-------------------------|----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------------|-----|-----|-----|-----|-----|-----|-----|-----|------|-------|------------------------------|---------------------------------|
| | | | | 10 Years | Y 1 | Y 2 | Y 3 | Y 4 | Y 5 | Y 6 | Y 7 | Y 8 | Y 9 | Y 10 | Y 1 | Y 2 | Y 3 | Y 4 | Y 5 | Y 6 | Y 7 | Y 8 | Y 9 | Y 10 | Total | Lead | Support |
| Development of rural water supply systems. | Rehabilitation and Improvement of rural water supply water supply sources. (Kishenyi-Kishushe-Mlilo, Njoro-Kedong-Mata Mwamsha, Josa Modambogho, Ndilidau, Malkoriti, Mwamrachamwafunja, Kasigau-jora to include all 45 sswsps) | Increased water production from rural water sources | Water production volume | 60,000 | 15,000 | 16,000 | 17,000 | 25,000 | 30,000 | 35,000 | 40,000 | 50,000 | 55,000 | 60,000 | 10 | | 15 | 15 | 15 | 15 | 15 | 15 | | 15 | 115 | Engineering Services Manager | Water Demand Management Officer |
| Provide additional water storage reservoirs in Voi, Mwatate, Wundanyi and Taveta towns. | Conduct water demand studies and hydraulic analysis/modelling of water supply network for sizing and location of tanks and reservoirs. | Increased water storage capacity | Water production volume | 60,000 | 15,000 | 16,000 | 17,000 | 25,000 | 30,000 | 35,000 | 40,000 | 50,000 | 55,000 | 60,000 | | | 2 | | | | | | | | 2 | Water Demand | Water Demand Management Officer |
| | Prepare designs, drawings and bidding documents for procurement of works | | Water production volume | 60,000 | 15,000 | 16,000 | 17,000 | 25,000 | 30,000 | 35,000 | 40,000 | 50,000 | 55,000 | 60,000 | | | 5 | | | | | | | | 5 | Engineering Services Manager | Water Demand Management Officer |
| | Procurement and execution of works | | Water production volume | 60,000 | 15,000 | 16,000 | 17,000 | 25,000 | 30,000 | 35,000 | 40,000 | 50,000 | 55,000 | 60,000 | | | 50 | | | 50 | | | | | 100 | Procurement Manager | Water Demand Management Officer |
| Improve security of critical water supply installations/infrastructure in the County. | Prepare and adopt a water safety plan | Improved water safety planning | Safety level % | 95 % | 55 % | 60 % | 65 % | 70 % | 75 % | 80 % | 85 % | 90 % | 95 % | 95 % | 2 | | | | | | | | | | 2 | Engineering Services Manager | Water Demand Management Officer |
| | Protection of water sources, catchments, storage tanks and reservoirs etc. | | Safety level % | 95 % | 55 % | 60 % | 65 % | 70 % | 75 % | 80 % | 85 % | 90 % | 95 % | 95 % | | 5 | | 5 | | | | 5 | | | 15 | Engineering Services Manager | Water Demand Management Officer |
| | Deployment of security guards to man critical water supply installations/infrastructure | | Safety level % | 95 % | 55 % | 60 % | 65 % | 70 % | 75 % | 80 % | 85 % | 90 % | 95 % | 95 % | 2 | | | | | | | | | | 2 | Engineering Services Manager | Water Demand Management Officer |
| | Develop innovative ways of securing infrastructure from damage by wildlife | | Safety level % | 95 % | 55 % | 60 % | 65 % | 70 % | 75 % | 80 % | 85 % | 90 % | 95 % | 95 % | | 8 | | | | | 4 | | | | 12 | Engineering Services Manager | Water Demand Management Officer |
| | Secure wayleaves for critical pipelines | | Safety level % | 95 % | 55 % | 60 % | 65 % | 70 % | 75 % | 80 % | 85 % | 90 % | 95 % | 95 % | | | 10 | | | 5 | | | | | 15 | Engineering Services Manager | Water Demand Management Officer |
| Rehabilitate and expand water pipeline infrastructure by 50km per year from 2025 to 2034. | Updating water supply pipeline base maps to identify gaps in water access | Rehabilitated and expanded water supply infrastructure | Water production volume | 60,000 | 15,000 | 16,000 | 17,000 | 25,000 | 30,000 | 35,000 | 40,000 | 50,000 | 55,000 | 60,000 | 5 | | | | | | | | | | 5 | Engineering Services Manager | Water Demand Management Officer |
| | Upgrade of water distribution networks for Voi, Taveta, Mwatate and Wundanyi town (Contract No: KE-TAVEVO-151304-CW-RFB) | | Water production volume | 60,000 | 15,000 | 16,000 | 17,000 | 25,000 | 30,000 | 35,000 | 40,000 | 50,000 | 55,000 | 60,000 | 100 | | | | | | | | | | 100 | Engineering Services Manager | Water Demand Management Officer |
| | Extension of pipeline networks to unserved and underserved areas | | Water production volume | 60,000 | 15,000 | 16,000 | 17,000 | 25,000 | 30,000 | 35,000 | 40,000 | 50,000 | 55,000 | 60,000 | | | 20 | | 20 | | | 20 | | | 60 | Engineering Services Manager | Water Demand Management Officer |
| | Pipeline extensions, replacement and rehabilitations in Tavevo service area | | Water production volume | 60,000 | 15,000 | 16,000 | 17,000 | 25,000 | 30,000 | 35,000 | 40,000 | 50,000 | 55,000 | 60,000 | 10 | | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 90 | Engineering Services Manager | Water Demand Management Officer |
| Strategic Objective 2: Develop a sewerage system of capacity of 20,000m3/day by the year 2032. | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Strategy | Activities | Expected Output | Indicators | Target | Target | | | | | | | | | | Budget (Ksh. m) | | | | | | | | | | | | Responsibility | |
|--|---|---|-----------------------------------|----------|--------|------|-------|-------|-------|--------|--------|--------|--------|--------|-----------------|-----|-----|------|------|-----|------|-----|-----|------|------------------------------------|------------------------------------|------------------------------------|--------------------|
| | | | | 10 Years | Y 1 | Y 2 | Y 3 | Y 4 | Y 5 | Y 6 | Y 7 | Y 8 | Y 9 | Y 10 | Y 1 | Y 2 | Y 3 | Y 4 | Y 5 | Y 6 | Y 7 | Y 8 | Y 9 | Y 10 | Total | Lead | Support | |
| Construction of wastewater treatment facilities in Voi, Mwatate, Wundanyi and Taveta towns; | Preparation and review of feasibility studies, detailed designs, drawings and biddings documents for wastewater treatment facilities in Voi, Mwatate, Wundanyi and Taveta towns | Increased waste water treatment facilities | Volume of sewer treated | 20,000 | - | 100 | 1,250 | 5,000 | 7,500 | 10,000 | 12,500 | 15,000 | 17,500 | 20,000 | 10 | | 10 | | 8 | | 4 | | | | 32 | Engineering Services Manager | Sanitation Officer | |
| | Upgrading of the Sikujua lagoon and Railways lagoon | | Volume of sewer treated | 20,000 | - | 100 | 1,250 | 5,000 | 7,500 | 10,000 | 12,500 | 15,000 | 17,500 | 20,000 | | 30 | | | | | | | | | 30 | Engineering Services Manager | Sanitation Officer | |
| | Immediate Works for Proposed Voi Wastewater Treatment Plant | | Volume of sewer treated | 20,000 | - | 100 | 1,250 | 5,000 | 7,500 | 10,000 | 12,500 | 15,000 | 17,500 | 20,000 | | 140 | | | | | | | | | 140 | Engineering Services Manager | Sanitation Officer | |
| | Proposed construction of wastewater treatment plants for Mwatate, Wundanyi and Taveta towns | | Volume of sewer treated | 20,000 | - | 100 | 1,250 | 5,000 | 7,500 | 10,000 | 12,500 | 15,000 | 17,500 | 20,000 | | | | 89.3 | 68.7 | | 55.6 | | | | 213.6 | Engineering Services Manager | Sanitation Officer | |
| Construction of sewer lines in Voi, Mwatate, Wundanyi and Taveta towns | Preparation and review of feasibility studies, detailed designs, drawings and biddings documents for sewer line networks in Voi, Mwatate, Wundanyi and Taveta towns | Increased waste water conveying facilities | Volume of sewer treated | 20,000 | - | 100 | 1,250 | 5,000 | 7,500 | 10,000 | 12,500 | 15,000 | 17,500 | 20,000 | | 10 | | 10 | | 5 | | 5 | | | | 30 | Engineering Services Manager | Sanitation Officer |
| | Extension and replacement of sewer lines for Sikujua Estate Sewerage System | | Volume of sewer treated | 20,000 | - | 100 | 1,250 | 5,000 | 7,500 | 10,000 | 12,500 | 15,000 | 17,500 | 20,000 | | 10 | | | | | | | | | | 10 | Operations and Maintenance Manager | Sanitation Officer |
| | Immediate Works for Proposed Voi Sewer network | | Volume of sewer treated | 20,000 | - | 100 | 1,250 | 5,000 | 7,500 | 10,000 | 12,500 | 15,000 | 17,500 | 20,000 | | | 65 | 75 | | | | | | | | 140 | | Sanitation Officer |
| | Works for Proposed Taveta, Mwatate and Wundanyi Sewer network | | Volume of sewer treated | 20,000 | - | 100 | 1,250 | 5,000 | 7,500 | 10,000 | 12,500 | 15,000 | 17,500 | 20,000 | | | | | 70 | 50 | | 40 | | | | 160 | Engineering Services Manager | Sanitation Officer |
| | Implementation of non-sewered sanitation interventions (DTFs, SHFs etc.,) | | % implementation of interventions | 95% | 90% | 90% | 90% | 90% | 90% | 95% | 95% | 95% | 95% | 95% | | | 10 | | 7 | | 8 | | 4 | | | 29 | Engineering Services Manager | Sanitation Officer |
| | Construction of Public sanitation facilities (PSFs) | | Number of PSFs | | | | | | | | | | | | | 10 | | 10 | | 10 | | 10 | | 10 | 50 | Engineering Services Manager | Sanitation Officer | |
| | Capacity building of the technical sanitation team in sewer line maintenance | | % trained of staff | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 9 | Engineering Services Manager | Sanitation Officer |
| Installation of 13,000 sewer connections in Voi, Mwatate, Wundanyi and Taveta towns. | Capacity building of the technical sanitation team in sewer connection | Increased connectivity to waste water handling facilities | % trained of staff | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 7 | Engineering Services Manager | Sanitation Officer | |
| | Installation of 6,000 sewer connections in Voi | | Number of sewer connections | 6,000 | - | - | - | - | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | | 3 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 12 | Operations and Maintenance Manager | Sanitation Officer | |
| | Installation of 4,000 sewer connections in Taveta | | Number of sewer connections | 4,000 | - | - | - | - | - | - | 1,000 | 1,000 | 1,000 | 1,000 | | | | | 1 | 1 | 1 | 1 | 1 | 1 | 6 | Operations and Maintenance Manager | Sanitation Officer | |
| | Installation of 2,000 sewer connections in Wundanyi | | Number of sewer connections | 2,000 | - | - | - | - | - | - | - | 1,000 | 1,000 | | | | | | | 1 | 1 | 1 | 1 | 4 | Operations and Maintenance Manager | Sanitation Officer | | |
| | Installation of 1,000 sewer connections in Mwatate | | Number of sewer connections | 1,000 | - | - | - | - | - | - | - | - | - | 1,000 | | | | | | | | | 1 | 1 | 2 | Operations and Maintenance Manager | Sanitation Officer | |
| Strategic Objective 3: Reduction of Non-Revenue Water from the current 50% to 40% by the year 2034 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| DMA's operationalization | Establishment and mapping out of DMAs in Voi, Taveta, Makina, | Reduction of Non-revenue water | Number of DMAs established | 20 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 15 | 15 | 10 | | 10 | 10 | 10 | 10 | 10 | | 90 | Engineering Services Manager | NRW Officer | |

| Strategy | Activities | Expected Output | Indicators | Target | Target | | | | | | | | | | Budget (Ksh. m) | | | | | | | | | | | | Responsibility | | |
|--|--|------------------------------------|---|---------------------|--------|------|------|------|------|------|------|------|------|------|-----------------|-----|-----|-----|-----|-----|-----|-----|-----|------|-------|------------------------------|------------------------------|----------------------------|--|
| | | | | 10 Years | Y 1 | Y 2 | Y 3 | Y 4 | Y 5 | Y 6 | Y 7 | Y 8 | Y 9 | Y 10 | Y 1 | Y 2 | Y 3 | Y 4 | Y 5 | Y 6 | Y 7 | Y 8 | Y 9 | Y 10 | Total | Lead | Support | | |
| Active leakage management | Maungu, Mwatate, Wundanyi and Mbololo | | and mapped | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Meter replacement in the DMAs | | Number of meters replaced | 2100 | 300 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 15 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 105 | Engineering Services Manager | Meter Management Officer | | |
| | Capacity building of the staff in active leakage management | | % trained of staff | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 10 | Engineering Services Manager | NRW Officer | | |
| | Leak management equipment | | Number of equipment | | | | | | | | | | | | | 6 | | 3 | | | | | | | 9 | Engineering Services Manager | NRW Officer | | |
| | Pressure management | | Capacity building of the staff in pressure management | % trained of staff | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 10 | Engineering Services Manager | NRW Officer | | |
| | | | Pressure management equipment | Number of equipment | | | | | | | | | | | | | 5 | | | | | | | | 5 | Engineering Services Manager | NRW Officer | | |
| Strategic Objective 4: Reduce cost water production from Ksh. 135/m3 to Ksh. 125/m3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Reduce cost water production from Ksh. 135/m3 to Ksh. 125/m3 | Review and feasibility study into the drivers of the high cost of the current water production per m3. | Reduction of water production cost | Cost of water production | | | | | | | | | | | | 2 | | | | 2 | | | 2 | | | 6 | Engineering Services Manager | O&M Manager | | |
| | Implementation of the findings and recommendations of the report. | | | 135 | 134 | 133 | 132 | 131 | 130 | 129 | 128 | 127 | 126 | 125 | | 15 | 10 | | | 10 | 10 | | 10 | 10 | 65 | Engineering Services Manager | O&M Manager | | |
| Strategic Objective 5: Development of Alternative sources of energy (green) to cut down on electricity costs | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adoption of solar energy as an alternative source of energy | Feasibility study of use of solar hybrid systems as an alternative source of energy | solar hybrid source of power | % of energy used from Solar energy | 65% | 20% | 25% | 30% | 35% | 40% | 45% | 50% | 55% | 60% | 65% | 2 | | | | 2 | | | 2 | | | | 6 | Engineering Services Manager | Electro Mechanical Officer | |
| | Adoption of solar hybrid systems for water pumping and office use | | % of energy used from Solar energy | 65% | 20% | 25% | 30% | 35% | 40% | 45% | 50% | 55% | 60% | 65% | | 35 | 20 | | 20 | 20 | | | | | 95 | Engineering Services Manager | Electro Mechanical Officer | | |
| Management of electricity cost | Carrying out an energy audit and a condition assessment of all pumping stations | Energy audit | % of energy used from Solar energy | 65% | 20% | 25% | 30% | 35% | 40% | 45% | 50% | 55% | 60% | 65% | 5 | | | | 5 | | | 5 | | | | 15 | Engineering Services Manager | Electro Mechanical Officer | |
| | Implementation of recommendations of Energy Audit report | | % of energy used from Solar energy | 65% | 20% | 25% | 30% | 35% | 40% | 45% | 50% | 55% | 60% | 65% | | 20 | 35 | | 25 | 15 | | | 10 | 10 | 115 | Engineering Services Manager | Electro Mechanical Officer | | |
| Strategic Objective 6: Protection and Improvement of water catchment areas. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Water catchment area identification. | Mapping and demarcation of all water catchment areas | Water catchment preservation | Number of water catchments identified and preserved | 10 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 2 | | | | 1 | | | 2 | | | | 5 | Engineering Services Manager | GIS Officer | |
| | Fencing of water catchment areas | | | 10 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | 15 | 15 | | 10 | 10 | | 10 | 10 | | 70 | Engineering Services Manager | O&M Manager | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Totals | | | | | | | | | | | | | | | 204 | 363 | 392 | 375 | 463 | 515 | 453 | 454 | 422 | 323 | 4,464 | | | | |

| Strategy | Activities | Expected Output | Indicators | Target | Target | | | | | | | | | | Budget (Ksh. m) | | | | | | | | | | Responsibility | | |
|--|---|---|------------|----------|--------|-----|-----|-----|-----|-----|-----|-----|-----|------|-----------------|------|------|------|------|------|------|------|------|------|----------------|---------------------------|-----------------------|
| | | | | 10 Years | Y 1 | Y 2 | Y 3 | Y 4 | Y 5 | Y 6 | Y 7 | Y 8 | Y 9 | Y 10 | Y 1 | Y 2 | Y 3 | Y 4 | Y 5 | Y 6 | Y 7 | Y 8 | Y 9 | Y 10 | Total | Lead | Support |
| Strategic Issue: Efficient and effective billing and revenue collection | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Strategic Goal: Improve billing and collection efficiency | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| KRA 2: Operational efficiency and financial sustainability | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Outcome: Improved cost coverage | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Strategic Objective 1: To improve financial sustainability to cover direct and indirect costs and attain cost recovery and surplus; | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Reduce credit period for all organization creditors offering Good, Works and services to the organization. | Identify and prepare the list of all company creditors | Updated list of company creditors | | | | | | | | | | | | | | | | | | | | | | | - | Finance Manager | Management Accountant |
| | Analyze and prepare an aged analysis report to identify creditors with period above 90 days | Timely payment to the creditors | | | | | | | | | | | | | | | | | | | | | | | - | Finance Manager | Management Accountant |
| | Prepare payment plans for individual creditors and strictly adhere to the same | Reduce the amounts to be paid to creditors at any given time | | | | | | | | | | | | | | | | | | | | | | | - | Finance Manager | Management Accountant |
| | Have continuous engagements with creditors and follow up reviews on agreed outcomes | Building relationship with suppliers. | | | | | | | | | | | | | 0.1 | | | 0.1 | | | | 0.1 | | | 0.3 | Finance Manager | Financial Accountant |
| Increase Turn over from Ksh 302 million in 2023 to Kshs.612 million by 2033 | Liaise with business development department Support procurement of new meters for new connections to increase number of metered connections and | Increase in customer base. | | | | | | | | | | | | | | | | | | | | | | | - | Finance Manager | Commercial Manager |
| | Allocate budget for customer sensitization and new connection clinics | Increase in customer base. | | | | | | | | | | | | | | | | | | | | | | | - | Finance Manager | Commercial Manager |
| | Allocate budget to for procurement of meters as well as disconnection plugs. | No stock out for meters | | | | | | | | | | | | | | | | | | | | | | | - | Finance Manager | Commercial Manager |
| To reduce negative budget variances from 30% in 2023 to 0% by 2033 | Establish the causes of the negative variances | Reduce / control Cost | | | | | | | | | | | | | | | | | | | | | | | - | Finance Manager | Management Accountant |
| | Ensure factors identified are considered in the budget preparation | Considers budgets for all the department s. | | | | | | | | | | | | | | | | | | | | | | | - | Finance Manager | Management Accountant |
| | Introduce priority budgeting to cut on non-priority costs. | Budget allocation based on important activities. | | | | | | | | | | | | | | | | | | | | | | | - | Finance Manager | Management Accountant |
| Strategic Objective 2: To increase funding for water and sanitation infrastructure from 2.8 Billion from year 2023/24 to 15 Billion by 2033/34 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Strengthening partnership network and financial mobilization (Donors, National and County Government) | Identify areas that need funding from partners; | Situation Analysis report preparation to identify the need areas. | | | | | | | | | | | | | 1 | 1 | 1 | | | 1 | 1 | 1 | | 1 | 7.0 | Corporate Management Team | Finance Manager |
| | Identify prospective partners | List of prospective partners and donors. | | | | | | | | | | | | | | | | | | | | | | | - | Corporate Management Team | Finance Manager |
| | Preparation and submission of proposals with the identified needs | Resource mobilization. | | | | | | | | | | | | | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 1.0 | Corporate Management Team | Finance Manager |
| | Negotiation with the partners; | Resource mobilization. | | | | | | | | | | | | | | | | | | | | | | | - | Corporate Management Team | Finance Manager |
| | Receive funding; | Resource mobilization. | | | | | | | | | | | | | | | | | | | | | | | - | Corporate Management Team | Finance Manager |
| | Public participation | Meetings, social media, questionnaires etc., | | | | | | | | | | | | | | | | | | | | | | | - | Corporate Management Team | Finance Manager |
| Expanding and updating the capacity of the current accounting system | Source ERP to have an interface with billing, accounts, procurement, technical and HR | Accurate, reliable and timely reporting | | | | | | | | | | | | | | 2.6 | | | | | | | | | 2.6 | Finance Manager | ICT Manager |
| Board capacity to mobilize funds; | Training needs assessment | Capacity building | | | | | | | | | | | | | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 0.5 | Corporate Management Team | HR Manager |
| | Initiate the relevant training; | Capacity building | | | | | | | | | | | | | | | | | | | | | | | - | Corporate Management Team | HR Manager |
| | Training | Capacity building | | | | | | | | | | | | | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 1.0 | | HR Manager |
| Strategic Objective 3: Risk management and compliance with relevant agencies e.g., KRA, WRA, NSSF, NHIF, KIPSAS, IPSAS, PPRA, KISM, IFRS | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Strategy | Activities | Expected Output | Indicators | Target | Target | | | | | | | | | | Budget (Ksh. m) | | | | | | | | | | Responsibility | | |
|------------------------------------|--|--|------------|----------|--------|-----|-----|-----|-----|-----|-----|-----|-----|------|-----------------|------|------|------|-----|------|------|------|------|------|----------------|------------------------|----------------------|
| | | | | 10 Years | Y 1 | Y 2 | Y 3 | Y 4 | Y 5 | Y 6 | Y 7 | Y 8 | Y 9 | Y 10 | Y 1 | Y 2 | Y 3 | Y 4 | Y 5 | Y 6 | Y 7 | Y 8 | Y 9 | Y 10 | Total | Lead | Support |
| Strengthening internal controls | Identify control weaknesses; and strengthen procurement/Tender committee | Proper authorization of transactions, segregation of duties etc. | | | | | | | | | | | | | | | | | | | | | | | - | Internal Audit Manager | Internal Auditor |
| | Develop financial management systems and procedures | SOPs | | | | | | | | | | | | | | | 0.2 | | | | | 0.2 | | | 0.4 | Finance Manager | Financial Accountant |
| | Implementation | | | | | | | | | | | | | | | | | | | | | | | | - | Finance Manager | Financial Accountant |
| | Review of the risk management framework – every 3 years | | | | | | | | | | | | | | | | | | | | | | | | - | Internal Audit Manager | Internal Auditor |
| | Assessment of the effectiveness of the internal audit department | | | | | | | | | | | | | | | | | | | | | | | | - | Internal Audit Manager | Internal Auditor |
| Capacity Building of finance staff | Training needs assessment | Individual assessment | | | | | | | | | | | | | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 1.0 | Human Resource Manager | HR Officer |
| | Initiate the relevant training; | Training programs for the different roles | | | | | | | | | | | | | | | | | | | | | | | - | Human Resource Manager | HR Officer |
| | Training | Training materials. | | | | | | | | | | | | | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 3.0 | Human Resource Manager | HR Officer |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | | | 1.65 | 4.35 | 1.65 | 0.85 | 0.8 | 1.65 | 1.65 | 1.95 | 0.65 | 1.65 | 16.8 | | |

| Strategy | Activities | Expected Output | Indicators | Target | Target | | | | | | | | | | Budget (Ksh. m) | | | | | | | | | | Responsibility | | |
|--|---|--|--|----------|--------|------|------|------|------|------|------|-------|------|------|-----------------|-----|-----|-----|-----|-----|-----|-----|-----|------|--------------------|--------------------------|--------------------------|
| | | | | 10 Years | Y 1 | Y 2 | Y 3 | Y 4 | Y 5 | Y 6 | Y 7 | Y 8 | Y 9 | Y 10 | Y 1 | Y 2 | Y 3 | Y 4 | Y 5 | Y 6 | Y 7 | Y 8 | Y 9 | Y 10 | Total | Lead | Support |
| Strategic Issue: Financial and commercial sustainability | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Strategic Goal: Ensure financial sustainability of the company | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| KRA 3: Revenue Growth | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Outcome: Increased annual billing and collection efficiency | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Strategic Objective 1: Increase Annual Revenue from 360 to 612 (Increase the number of active water connections from 18,000 to 30,000: Average Price billed price divided by billed volume: Increase the number of active sewerage connections from 166 to 5,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Intensified Marketing | Use of media to sensitize customers on products and services | Increased customer awareness | Customer product awareness survey Report | 95% | 50% | 55% | 60% | 65% | 70% | 75% | 80% | 85% | 90% | 95% | 1 | 1 | 1 | 1 | 1.2 | 1.2 | 1.4 | 1.4 | 1.5 | 1.5 | 12.2 | Commercial Manager | Customer care officer |
| | Digital resolution of customer complaints | Enhanced digitally resolved complaints | Digitized customer complaints resolution | 95% | 30% | 37% | 44% | 52% | 59% | 66% | 73% | 81% | 88% | 95% | 1 | 0.2 | 0.2 | 0.4 | 0.2 | 0.2 | 0.4 | 0.2 | 0.2 | 0.4 | 3.4 | Commercial Manager | Customer care officer |
| Tariff Review | Price Indexing (Annually) | Approved/justified tariff | No. of Indexations | 10 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 10 | Commercial Manager | | |
| Reactivation of Dormant Accounts | Identification of dormant accounts and data clean up | Updated Customer data base | No. of dormant accounts activated | 17% | 30% | 27% | 24% | 22% | 21% | 20% | 19% | 18.5% | 18% | 17% | 2 | 2 | 1.5 | 1 | 1 | 0.8 | 0.7 | 0.6 | 0.5 | 0.4 | 10.5 | Commercial Manager | Customer care officer |
| Strategic Objective 2: Improve collection efficiency from 93% to 98% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Reviewing and adhering to Credit Policy, Customer Service Charter & Commercial Policies | Development of Credit Policy, Customer Service Charter & Commercial Policies | Improved collection efficiency | Collection Efficiency | 0% | 93% | 94% | 95% | 96% | 97% | 98% | 98% | 98% | 98% | 0% | 0.5 | | | 0.5 | | | | 0.5 | | | 1.5 | Commercial Manager | Debt Collection Officer |
| | Implementation of Credit Policy, Customer Service Charter & Commercial Policies | Improved Customer customer satisfaction | Customer satisfaction level | 96% | 78% | 80% | 82% | 84% | 86% | 88% | 90% | 92% | 94% | 96% | | | | | | | | | | 0 | Commercial Manager | Customer care officer | |
| | Monitoring and Evaluation | Enhanced compliance | Percentage of compliance to the monitoring framework | 99% | 90% | 91% | 92% | 93% | 94% | 95% | 96% | 97% | 98% | 99% | | | | | | | | | | 0 | Commercial Manager | M&E Officer | |
| Utilization of ICT to improve collection efficiency/ service delivery | Provide alternative revenue collection means through electronic networks | Improved collection efficiency and customer satisfaction | Collection Efficiency | 0% | 93% | 94% | 95% | 96% | 97% | 98% | 98% | 98% | 98% | 0% | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 1 | Commercial Manager | ICT Officer |
| | Outsource an Enterprise Resource Planning System | Enhanced collection efficiency | Collection Efficiency | 0% | 93% | 94% | 95% | 96% | 97% | 98% | 98% | 98% | 98% | 0% | 10.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 15 | Commercial Manager | ICT Officer |
| Strategic Objective 3: To reduce Commercial Losses from 25% to 14% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Engage Meter Readers in Commercial Water Losses Management | Correct Meter Reading (Avoid Transfer Errors) | Enhanced Meter reading accuracy | Meter Reading Accuracy | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | | | | | | | | | | 0 | Commercial Manager | Meter Management Officer | |
| | Confirmation of Correct meter connection | Enhanced Meter Connection Accuracy | Meter Connection Accuracy | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | | | | | | | | | | 0 | Commercial Manager | Meter Management Officer | |
| | Reporting of suspicious illegal connection / Meter Tampering | Reduced commercial losses | Commercial Losses | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 15 | Commercial Manager | Meter Management Officer |
| | Continuous monitoring of disconnected accounts | Reduction of dormant accounts | Percentage of dormant accounts | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | | | | | | | | | | | | Commercial Manager | Meter Management Officer |
| | Replacement of meter-reading gadgets | Enhanced Meter reading accuracy | Meter Reading Accuracy | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | | | | | | | | | | | | Commercial Manager | Meter Management Officer |
| TOTALS | | | | | | | | | | | | | | | 17.6 | 6.3 | 5.8 | 6 | 5.5 | 5.3 | 5.6 | 5.8 | 5.3 | 5.4 | 68.6 | | |

| Strategy | Activities | Expected Output | Indicators | Target | Target | | | | | | | | | | Budget (Ksh. m) | | | | | | | | | | | | Responsibility | | |
|--|---|--|---|----------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----------------|------|------|------|------|------|-----|-----|-----|------|-------|-----------------------------|-----------------------------|-----------------------------|--|
| | | | | 10 Years | Y 1 | Y 2 | Y 3 | Y 4 | Y 5 | Y 6 | Y 7 | Y 8 | Y 9 | Y 10 | Y 1 | Y 2 | Y 3 | Y 4 | Y 5 | Y 6 | Y 7 | Y 8 | Y 9 | Y 10 | Total | Lead | Support | | |
| Strategic Issue: Compliance and proper corporate governance and Effective enterprise and risk management | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Strategic Goal: Strengthen legal, compliance and corporate governance of the organization. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| KRA 4: Corporate Governance and Institutional arrangement | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Outcome: Improved Compliance, Enhanced Staff productivity and Improved operational efficiency | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Strategic Objective 1: Improved corporate governance. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Enhance ment to adheren ce to Board Instru ments | Develop /review board charter | Reviewed Board Charter | % Complianc e to policies and procedure s | 95% | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 0. 5 | | | | | 0. 3 | | | | | | 0.8 | Corporat e Manage ment Team | | |
| | Deploy board charter | Approved board charter | % Complianc e to policies and procedure s | 95% | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | | | | | | | | | | | | - | Corporat e Manage ment Team | | |
| | Develop board evaluation tool | Board evaluation tool | % Complianc e to policies and procedure s | 95% | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 0. 5 | | | | | 0. 3 | | | | | | | 0.8 | Corporat e Manage ment Team | |
| | Carry out the evaluation annually | Developed evaluation tool | % Complianc e to policies and procedure s | 95% | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | | | | | | | | | | | | - | Corporat e Manage ment Team | | |
| | Develop board code of conduct | Developed code of conduct | % Complianc e to policies and procedure s | 95% | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | | | | | | | | | | | | - | Corporat e Manage ment Team | | |
| | Deploy board code of conduct | Approved code of conduct | % Complianc e to policies and procedure s | 95% | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | | | | | | | | | | | | - | Corporat e Manage ment Team | | |
| Continuo us capacity building of the Board | Carry out training needs assessmen t | Board members trained | % of board members trained | 100 % | 10 0% | 10 0% | 10 0% | 10 0% | 10 0% | 10 0% | 10 0% | 10 0% | 10 0% | 10 0% | 0. 2 | | | | | | | | | | | 0.2 | Corporat e Manage ment Team | | |
| | Implemen t training for board e.g., corporate governanc e and financial statement s interpretation among others identified. | Training plan in place | Implemen tation of the training plan | 95% | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 2 | 2 | 2. 5 | 2. 5 | 2. 5 | 3 | 3 | 3 | 3 | 3 | 26. 5 | Corporat e Manage ment Team | | | |
| Adoption of risk manage ment framewo rks | Develop a Risk Managem ent Policy | Developed policy in place | % Complianc e to policies and procedure s | 95% | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 0. 5 | | | | | | | | | | | 0.5 | Corporat e Manage ment Team | | |
| | Develop Framewor k | Reviewed policies and procedure s | % Complianc e to policies and procedure s | 95% | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | | | | | | | | | | | - | Corporat e Manage ment Team | | | |
| | Classify Risk | Rated risks (low, medium, high) | % Complianc e to policies and procedure s | 95% | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 0. 5 | 0. 5 | 0. 5 | 0. 7 | 0. 7 | 0. 7 | 1 | 1 | 1 | 1 | 7.6 | Corporat e Manage ment Team | | | |
| | Managem ent of the Risk | Reports on risks issues to managem ent and board | % Complianc e to policies and procedure s | 95% | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | | | | | | | | | | | - | Corporat e Manage ment Team | | | |
| | Monitorin g and Evaluation of the Risk | Complianc e to policies and procedure s | % Complianc e to policies and procedure s | 95% | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | 95 % | | | | | | | | | | | - | Corporat e Manage ment Team | | | |
| Strategic Objective 2: Improve Staff productivity | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Conduct Staffing Needs Analysis | Enhanced Staff productivi ty | Staff productivi ty | 0 | 12 | 12 | 11 | 11 | 10 | 10 | 9 | 9 | 9 | 0 | | | | | | | | | | | - | Corporat e Manage ment Team | HR Offic er | | |

| Strategy | Activities | Expected Output | Indicators | Target | Target | | | | | | | | | | Budget (Ksh. m) | | | | | | | | | | | | Responsibility | |
|--|---|---|------------------------|----------|--------|-----|-----|-----|-----|-----|-----|-----|-----|------|-----------------|-----|-----|-----|-----|-----|-----|-----|-----|------|-------|---------------------------|----------------|--|
| | | | | 10 Years | Y 1 | Y 2 | Y 3 | Y 4 | Y 5 | Y 6 | Y 7 | Y 8 | Y 9 | Y 10 | Y 1 | Y 2 | Y 3 | Y 4 | Y 5 | Y 6 | Y 7 | Y 8 | Y 9 | Y 10 | Total | Lead | Support | |
| Recruitment and retention of competent Employees | Development of staff establishment and organogram for approval by the board | Approved staff establishment and organogram | Staff productivity | 0 | 12 | 12 | 11 | 11 | 10 | 10 | 9 | 9 | 9 | 0 | 0.4 | | | | | | | | | | 0.4 | HR Manager | HR Officer | |
| | Development of competency framework | Improved Staff satisfaction | Staff satisfaction | 0% | 79% | 80% | 82% | 83% | 84% | 85% | 86% | 88% | 90% | 0% | | | | | | | | | | | - | HR Manager | HR Officer | |
| | Advertisement of vacant positions | Improved staff productivity | Staff productivity | 0% | 79% | 80% | 82% | 83% | 84% | 85% | 86% | 88% | 90% | 0% | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 8.0 | HR Manager | HR Officer | |
| | Interviews and placements of competent employees | Improved staff productivity | Staff productivity | 0% | 79% | 80% | 82% | 83% | 84% | 85% | 86% | 88% | 90% | 0% | | | | | | | | | | | - | HR Manager | HR Officer | |
| | Carry out Gender and disability mainstreaming | Gender rule and disability ratio | Gender % | 42% | 33% | 34% | 35% | 36% | 37% | 38% | 39% | 40% | 41% | 42% | 0.3 | | | | | | | | | | 0.3 | HR Manager | HR Officer | |
| Revamping performance management systems | Develop performance management policy | Performance management policy in place | Operational efficiency | 90% | 72% | 74% | 76% | 78% | 80% | 82% | 84% | 86% | 88% | 90% | 0.5 | | | | | | | | | | 0.5 | Corporate Management Team | HR Officer | |
| | Setting of performance targets for all staff | Performance targets | Operational efficiency | 90% | 72% | 74% | 76% | 78% | 80% | 82% | 84% | 86% | 88% | 90% | | | | | | | | | | | - | Corporate Management Team | HR Officer | |
| | Develop performance contracts for all staff | % Improvement in performance | Operational efficiency | 90% | 72% | 74% | 76% | 78% | 80% | 82% | 84% | 86% | 88% | 90% | | | | | | | | | | | - | Corporate Management Team | HR Officer | |
| | Carry out bi annual staff appraisals | Staff appraisal forms | Operational efficiency | 90% | 72% | 74% | 76% | 78% | 80% | 82% | 84% | 86% | 88% | 90% | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 4.0 | Corporate Management Team | HR Officer | |
| | Develop recognition and motivational schemes and implement | Recognition schemes | Operational efficiency | 90% | 72% | 74% | 76% | 78% | 80% | 82% | 84% | 86% | 88% | 90% | | | | | | | | | | | - | Corporate Management Team | HR Officer | |
| Capacity building of all staff | Carry out staff training needs assessment annually | Enhanced staff productivity | Staff productivity | 0 | 12 | 12 | 11 | 11 | 10 | 10 | 9 | 9 | 9 | 0 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 3.0 | HR Manager | HR Officer | |
| | Develop training plan | Enhanced staff productivity | Staff productivity | 9 | 12 | 12 | 11 | 11 | 10 | 10 | 9 | 9 | 9 | 9 | | | | | | | | | | | - | HR Manager | HR Officer | |
| | Implement training plan | Enhanced staff productivity | Staff productivity | 9 | 12 | 12 | 11 | 11 | 10 | 10 | 9 | 9 | 9 | 9 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 20.0 | HR Manager | HR Officer | |
| | Evaluation of training after a determined period | Enhanced staff productivity | Staff productivity | 9 | 12 | 12 | 11 | 11 | 10 | 10 | 9 | 9 | 9 | 9 | | | | | | | | | | | - | HR Manager | HR Officer | |
| Policy development and deployment | Develop and review of policies (HR, Finance, Commercial, Technical, Procurement among others) | Improved staff performance | Operational efficiency | 90% | 72% | 74% | 76% | 78% | 80% | 82% | 84% | 86% | 88% | 90% | 0.3 | | | | | 0.2 | | | | | 0.5 | Corporate Management Team | HR Officer | |
| | Implement Policies | Improved staff performance | Operational efficiency | 90% | 72% | 74% | 76% | 78% | 80% | 82% | 84% | 86% | 88% | 90% | | | | | | | | | | | - | Corporate Management Team | HR Officer | |
| Improve work environment and welfare | Carry out work environment survey annually | Improved staff satisfaction | Staff satisfaction | 0% | 79% | 80% | 82% | 83% | 84% | 85% | 86% | 88% | 90% | 0% | 0.3 | | | | | | | | | | 0.3 | HR Manager | HR Officer | |
| | Implement outcome of the surveys | Implementation plan | % of implementation | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | | | | | | | | | | | - | HR Manager | HR Officer | |
| | Provision of working tools and equipment (Transport , Computers, Printers, Safety | Improved staff satisfaction | Staff satisfaction | 0% | 79% | 80% | 82% | 83% | 84% | 85% | 86% | 88% | 90% | 0% | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 25.0 | HR Manager | HR Officer | |

| Strategy | Activities | Expected Output | Indicators | Target | Target | | | | | | | | | | Budget (Ksh. m) | | | | | | | | | | | Responsibility | | |
|---|--|---|---|----------|--------|-----|-----|-----|-----|-----|-----|-----|-----|------|-----------------|-----|-----|-----|-----|------|------|------|------|------|-------|----------------|---------------------|-------------|
| | | | | 10 Years | Y 1 | Y 2 | Y 3 | Y 4 | Y 5 | Y 6 | Y 7 | Y 8 | Y 9 | Y 10 | Y 1 | Y 2 | Y 3 | Y 4 | Y 5 | Y 6 | Y 7 | Y 8 | Y 9 | Y 10 | Total | Lead | Support | |
| | gears among others) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Carryout Fire and Safety Audits and implement | Improved Compliance to fire and safety programs | Compliance levels to fire and safety programs | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | | | | | | | | | | | - | HR Manager | HR Officer | |
| | Develop welfare programs e.g., Medical Scheme, Car loans, Mortgage, Bonus schemes among others) | Improved staff satisfaction to developed welfare programs | Staff satisfaction | 0% | 79% | 80% | 82% | 83% | 84% | 85% | 86% | 88% | 90% | 0% | 12 | | | | | | | | | | | 12.0 | HR Manager | HR Officer |
| | Implement welfare programs | Implementation plan welfare programs | Compliance levels to implemented welfare programs | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | | | | | | | | | | | | - | HR Manager | HR Officer |
| Strategic Objective 3: Improve efficiency and effectiveness | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Automation of company processes | Developing of system specifications • payroll systems; • finance systems; • HR systems; • procurement systems, use of biometrics | Automation of essential processes | Operational efficiency | 90% | 72% | 74% | 76% | 78% | 80% | 82% | 84% | 86% | 88% | 90% | | | | | | | | | | | | - | ICT Manager | ICT Officer |
| | Procurement and implementation of the systems, commercial and technical systems | Automation of essential processes | Operational efficiency | 90% | 72% | 74% | 76% | 78% | 80% | 82% | 84% | 86% | 88% | 90% | 5 | | | | | | | | | | | 5.0 | Procurement Manager | ICT Officer |
| | Integration of the systems | Automation of essential processes | Operational efficiency | 90% | 72% | 74% | 76% | 78% | 80% | 82% | 84% | 86% | 88% | 90% | | | | | | | | | | | | - | ICT Manager | ICT Officer |
| Totals | | | | | | | | | | | | | | | 29.0 | 8.5 | 9.0 | 9.2 | 9.2 | 10.5 | 10.0 | 10.0 | 10.0 | 10.0 | 115.4 | | | |

6.1.2 Annual Workplan and Budget

In an effort to track progress and ensure that the implementation matrix is progressively implemented, TAVEVO will develop annual institutional workplans which will be cascaded to the functional departments. The workplans will be aligned to the company's approved budget and procurement plan. The annual work plans are detailed in a separate document. The separation ensures clarity and convenient access to the dynamic operational aspects of the plan, enabling stakeholders to access to review the strategic objectives and activities independently from the intricate financial and operational details.

6.1.3 Performance Contracting

The Kenyan Government is committed to ensuring that public entities are properly managed and that they are effective in delivering quality services to the public in accordance with the provisions of the Constitution of Kenya. The Government appreciates the key role played by TAVEVO in the provision of water and sanitation services.

The performance contract for TAVEVO is prepared annually to establish the basis for ensuring that effective and efficient services are delivered to residents in line with the provisions of the Constitution. TAVEVO's Performance Contract provides a platform for continuous performance improvement in order to meet the needs and expectations of the Kenyan people. The annual workplan, approved procurement plan and the approved budget shall form the basis for TAVEVO's annual performance contracting. Further, as a management tool the performance contract will accord TAVEVO the opportunity to track Vision 2030 initiatives and interventions that are key in driving the BETA.

6.2 Coordination Framework

TAVEVO shall coordinate the implementation of the strategic plan activities and programs by ensuring sufficiency of the institutional framework, leadership, systems, staffing levels, procedures, competencies and skill sets.

6.2.1 Institutional Framework

TAVEVO is managed through a Board of Directors which serves to govern the company by overseeing all company operations and guiding policy direction. The BOD is tasked with ensuring absolute control over the operational, financial and strategic activities of TAVEVO. It is made up of 7 directors. The day-to-day operations are delegated to the Managing Director with the assistance of the Heads of Departments. TAVEVO is organized in 7 departments as indicated below:

1. Engineering Services Department;
2. Business Development and Commercial Services Department;
3. Human Resources and Administration Department;
4. Finance Department;
5. Legal and Board Affairs Department;
6. Procurement Department;
7. Internal Audit Department

The management structure of TAVEVO includes the following:

a) The Managing Director

The MD is tasked with the responsibility of overseeing the daily operations of TAVEVO. He leads and manages communication between the BOD, management and staff and other external stakeholders with a view to improving the company's image. The Managing Director also serves to coordinate implementation, monitoring, evaluation and review of the company's strategic plan.

b) Departments

TAVEVO's approved organization structure will provide institutional and functional mechanisms to allow for successful implementation of the 10-year strategic plan. The BOD and management will provide the required guidance to ensure the strategic plan is successfully implemented. A well-structured organization is aimed at optimizing stakeholder value.

The department managers head their respective functional areas and they report directly to the Managing Director.

i) Technical Department (Engineering Services Department)

This function carries out planning, designing and construction of new water and sanitation infrastructure in Voi, Taveta, Maungu, Mwatate, Wundanyi, Mbololo and Makina within Taita Taveta County. The engineering services department also sources for water and collects and treats sewer. It is also tasked with the role of maintaining water and sanitation infrastructure.

This department also provides an oversight role on TAVEVO's technical operations. It ensures the assets and infrastructure of the company are obtained, maintained and managed as per specifications contained in the SPA with CWWDA and county government of Taita Taveta.

ii) Commercial Department (Business Development and Commercial Services Department)

This department functions to manage the commercial activities of the company. It also formulates and implements strategies for effective service delivery and revenue generation in line with standard specifications in the SPA with CWWDA and county government of Taita Taveta.

The business development and commercial services department crafts departmental policies, procedures and activities that are aligned to the company's vision, mission and core values. In addition, the department is required to provide proper commercial information systems and regularly update the company's customer database. Further to this, this department is tasked with the responsibility of carrying out customer satisfaction surveys and propose and adopt interventions according to findings of the study. Critical part played by the department is in setting tariffs and costs for the company.

iii) Human Resources and Administration Department

The Human Resources and Administration department manages a very important asset of the company; the workforce. As such the department supervises the human aspect of the company. It provides a structure with which the company is able to meet its HR needs by proper and careful people management. It ensures this through recruitment of the right people for the right tasks, creating a conducive work environment, providing proper leadership and appropriate opportunities for training and professional development to staff.

The department also guides HR management policies and strategies to ensure the company runs smoothly. It ensures the policies, procedures and guidelines are developed, implemented and properly updated. Further to this, it ensures optimal staffing levels for the company; competent personnel of the right skills mix. The department plays a crucial role of periodically revising the terms of service and remuneration to ensure compliance to labour and employment laws.

It is the department's responsibility to procure safety equipment and gears for staff, attending to industrial relations matters, properly and frequently maintaining and updating of staff records, appropriate and independent recruitment and selection of new employees, undertaking staff training needs assessments and coordinating the company's PMS.

iv) Finance Department

The finance department is responsible for ensuring proper financial management practices. It ensures the company's finances are sourced, allocated and utilized in the most optimal manner and properly reported to enhance transparency and accountability. The finance department also crafts financial strategies and closely monitors and evaluates progress to ensure successful implementation.

The department ensures there is proper corporate governance through risk identification. After risk identification, the department is expected to develop and operationalize appropriate controls to minimize the identified risks. This it does by formulating, implementing and reviewing the company's financial policies, systems and procedures in order to ensure TAVEVO's financial sustainability. Further to this, it also provides advisory services to the company on the commercial and financial viability of anticipated projects. It ensures accurate and timely reporting and accounting in order to improve management decision-making. The finance department also prepares periodic reports on financial performance and budgets for presentation to the BOD.

v) Legal and Board Affairs Department

The legal department is responsible for providing management with effective legal advice on commercial issues and company strategies, selecting and supervising the works of outsourced counsel, drafting commercial agreements and generally ensuring the company operates in compliance with rules and regulations. In addition, the department also provides assistance in preparation of briefs, complaints, motions and other court documents. It also serves to advise the HR department on employment laws and labour and benefits matters and provision of litigation support.

Further to this, the department ensures efficient operations of the BOD's decision-making process, provision of inputs for the formulation and review of policies, procedures and governance matters. The department is also tasked with the responsibility of establishing appropriate measures for smooth transitions and on-boarding of new members.

vi) Procurement (Supply Chain Department)

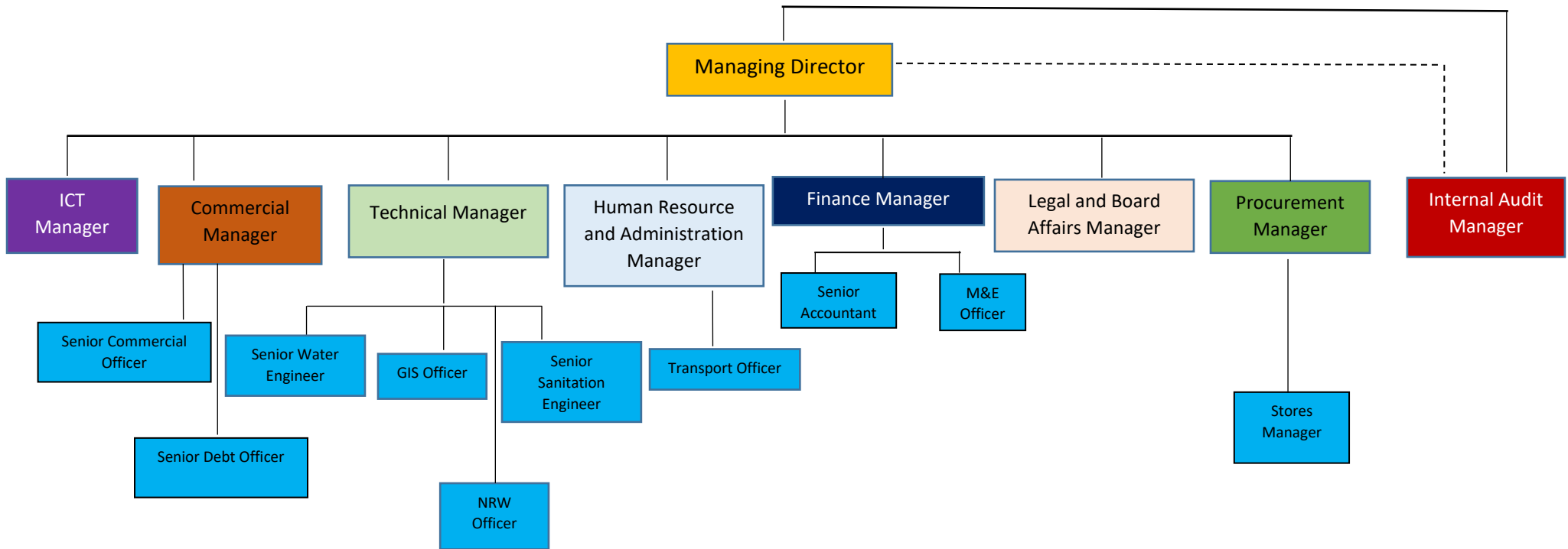
The role of the supply chain department is ensuring procurement of goods, works and services of the proper quality, quantity and from the right vendors to ensure company's continued realization of value for money. In addition, the department is tasked with the responsibility of preparing effective annual procurement plans.

vii) Internal Audit Department

The main role of the internal audit department is to assess the sufficiency of the company's risk management systems, governance and internal control procedures and guidelines established by TAVEVO. It gives an independent and reasonable assurance designed to improve the company operations by assisting the MD and the Board to effectively discharge their duties.

In addition, it ensures there are effective company systems and procedures in place in order to improve the company's effectiveness and efficiency in risk management, ensure adherence to company regulations and absolute compliance with legal requirements.

Figure 7: Proposed Organization Structure



6.2.2 Staff Establishment, Skills Set and Competence Development

TAVEVO needs an optimum staffing level to achieve the set strategic objectives in this strategic plan. The approved staffing levels shall be effective in facilitating the implementation of the plan.

Table 8: TAVEVO Staff Establishment

| Office | Approved Establishment | Optimal Staff Level | In Post | Variance |
|---|------------------------|---------------------|---------|-----------|
| | (a) | (b) | (c) | d = b - c |
| Managing Director | 1 | | 1 | |
| Office Administrator | 1 | | 1 | |
| Office Administrative Assistant | 1 | | 1 | |
| Monitoring and Evaluation Officer | 1 | | 1 | |
| Internal Audit Manager | 1 | | 1 | |
| Internal Audit Assistant | 1 | | 0 | |
| Legal and Board Affairs Officer | 1 | | 0 | |
| Human Resource and Administration Manager | 1 | | 1 | |
| Human Resource Officer Administration Staff Welfare and Payroll | 1 | | 1 | |
| Human Resource Officer Recruitment Training and Performance | 1 | | 1 | |
| Transport Officer | 1 | | 1 | |
| Drivers | 13 | | 13 | |
| Bowser/Exhauster Operator | 2 | | 2 | |
| Human Resource Assistant | 1 | | 1 | |
| Security Guards | | | | |
| Registry Assistant | 1 | | 1 | |
| Office Assistant (Cleaners + Kitchen Staff) | 6 | | 6 | |
| Supply Chain Management Officer | 1 | | 1 | |
| Supply Chain Management Officer Procurement | 1 | | 1 | |
| Supply Chain Management Officer Stores | 1 | | 1 | |
| Finance Manager | 1 | | 1 | |
| Financial Accountant | 1 | | 0 | |
| Management Accountant | 1 | | 1 | |
| Accountant Assistant Payables | 1 | | 1 | |
| Accountant Assistant Receivables | 1 | | 1 | |
| Technical Manager | 1 | | 1 | |

| Office | Approved Establishment | Optimal Staff Level | In Post | Variance |
|---|------------------------|---------------------|---------|-----------|
| | (a) | (b) | (c) | d = b - c |
| Operation and Maintenance Manager Water | 1 | | 1 | |
| Technical Officer Water Quality Assurance | 1 | | 1 | |
| Technical Officer Meter Management | 1 | | 1 | |
| Technical Officer Operation and Maintenance | 6 | | 6 | |
| Technical Officer Electro- Mechanical | 1 | | 1 | |
| Sanitation Officer | 0 | | 0 | |
| Clerk of Works | 1 | | 1 | |
| GIS Officer | 1 | | 1 | |
| Water Quality Assurance Officer | 1 | | 1 | |
| Meter Management Officer | 0 | | 0 | |
| Electro- Mechanical Officer | 1 | | 1 | |
| Artisans (Meter Management) | 0 | | 0 | |
| Artisans (Operation & Maintenance) | 66 | | 66 | |
| Artisans (Water Demand and Supply) | 46 | | 46 | |
| Non-Revenue Water Officer (Technical) | 0 | | 0 | |
| Non-Revenue Water Officers | 4 | | 4 | |
| Water Operators | 2 | | 2 | |
| Attendant Sewerage System | 4 | | 4 | |
| Public Toilet Attendants | 7 | | 7 | |
| Commercial Services Manager | 1 | | 1 | |
| Operation Manager -Commercial Services | 1 | | 1 | |
| Non-Revenue Water Officer Commercial | 1 | | 1 | |
| Branch Managers | 6 | | 6 | |
| Rural & Under Served Areas Officer | 1 | | 1 | |
| Head Of Customers Service | 1 | | 1 | |
| Billing and Verification Officer | 2 | | 2 | |
| Commercial Officer | 2 | | 2 | |
| Customer Service Officers | 10 | | 10 | |
| Meter Readers | 29 | | 29 | |
| Debt Collection Officer | 4 | | 4 | |
| ICT Manager | 1 | | 0 | |
| ICT Officer | 1 | | 1 | |

| Office | Approved Establishment | Optimal Staff Level | In Post | Variance |
|-----------------------|---------------------------|------------------------|------------|-----------|
| | (a) | (b) | (c) | d = b - c |
| Assistant ICT Officer | 1 | | 1 | |
| Totals | 247 | | 243 | |

An assessment of the existing staffing levels, skill sets and competencies to determine their sufficiency and relevance towards supporting execution of the strategy was carried out and Table 9 indicate the skills set and competencies of the staff.

Table 9: TAVEVO Skill Set and Competence Development

| S/No | Cadre | Skill Set | Skill Gap | Competence Development |
|------|--|--|--|--|
| 1. | Engineers (Electrical and Mechanical) | (i) Have Bachelor's Degree in Electrical Engineering, Mechanical Engineering, Mechatronics Engineering or its equivalent qualification from a recognized institution; (ii) Have Master's Degree in Electrical Engineering, Mechanical Engineering, Mechatronics Engineering or its equivalent qualification from a recognized institution; (iii) Be registered by the Engineers Board of Kenya (EBK) as a Professional Engineer; (iv) Have Certificate in Management Course lasting not less than four (4) weeks from a recognized institution (v) Certificate in Supervisory Course lasting not less than two (2) weeks from a recognized institution | Disciplines of (i) Mechatronics (ii) Electricals (iii) Mechanical (iv) Leadership (v) Supervisory (vi) Computer skills | Undertake resource mobilization and recruit the appropriate cadre of staff in the strategic period |
| | | | | |
| | | | | |

6.2.3 Leadership

The Board of Directors will provide strategic leadership in the implementation of the strategy to contribute to Kenya's vision of universal access to water and sanitation for socio-economic development and enhance implementation of the plan. Management under the leadership of the Board will execute the strategy to support effective and efficient accomplishment of the national development agenda whilst focusing on the specific priority areas of TAVEVO and the sector as a whole.

To enhance responsibility and accountability for leading and coordinating the execution of the activities relevant to each KRA have been clearly identified, TAVEVO has formed teams for each strategic theme aligned to the identified strategic issues.

6.2.4 Systems and Procedures

The section outlines the key elements of TAVEVO's internal systems and procedures, focusing on those necessary for the implementation of the plan. By evaluating existing processes and adopting best practices, TAVEVO aims to enhance efficiency of operations and maximizing value to stakeholders.

TAVEVO has developed various policies, manuals, standard operating procedures and software systems necessary for the effective and efficient implementation of the 2023/24 – 2032/33 strategic plan. ISO 9001:2015 Standard specifies requirements for a quality management system where an organization requires to demonstrate capability to reliably provide products and services that meet customer needs and the applicable regulatory and statutory requirements.

To promote a culture of excellence and continuous performance improvement, TAVEVO has developed a framework for performance evaluation, encompassing key performance indicators (KPIs) that are aligned to the strategic objectives and measures to monitor progress. Responsible persons shall be held accountable for their contributions to the strategic plan's implementation.

To ensure successful implementation of the strategic plan, TAVEVO has to ensure proper resource allocation. The company will develop clear systems for resource planning, budgeting and allocation whilst ensuring optimal utilization of financial, technological and human resources. As such, periodic assessments will be conducted to identify resource gaps and reallocate resources as necessary. TAVEVO will also execute a comprehensive risk management strategy to proactively identify possible risks, threats and uncertainties.

6.3 Risk Management Framework

The company faces potential risks that may hinder successful implementation of the strategic plan. To ensure successful implementation of the proposed strategies, TAVEVO has developed and integrated into the plan a risk management strategy. The strategy shall ensure that risks are identified in a timely manner and mitigation measures are promptly implemented to minimize the negative impacts. The risk assessment matrix and key potential risks are outlined in Table 10.

| RISK ASSESSMENT MATRIX | | | IMPACT/CONSEQUENCE | | |
|------------------------|---|--------|--------------------|------------|------------|
| | | | 3 | 2 | 1 |
| | | | High | Medium | Low |
| LIKELIHOOD | 3 | High | High (9) | Medium (6) | Medium (3) |
| | 2 | Medium | Medium (6) | Medium (4) | Low (2) |
| | 1 | Low | Medium (3) | Low (2) | Low (2) |

| Risk Rating | Score |
|-------------|-------|
| High | 7 - 9 |
| Medium | 3 - 6 |
| Low | 1 - 2 |

Table 10: Risk Management Framework

| Possible risks | Risk Likelihood (L/M/H) | Severity (L/M/H) | Overall Risk Level | Mitigation action |
|--------------------------------|-------------------------|------------------|--------------------|--|
| Insufficient volumes of water | High (3) | High (3) | High (9) | <ul style="list-style-type: none"> Establish and implement disaster preparedness plans |
| Inadequate financial resources | High (3) | High (3) | High (9) | <ul style="list-style-type: none"> Mobilize financial and technical support from donors and other private institutions Lobby for financial support from the county government of Taita Taveta as well the National Government Engage development partners for financial and technical support |

| Possible risks | Risk Likelihood (L/M/H) | Severity (L/M/H) | Overall Risk Level | Mitigation action |
|--|-------------------------|------------------|--------------------|---|
| Inadequate storage facilities for storing additional water produced | Medium (2) | Medium (3) | Medium (6) | <ul style="list-style-type: none"> Development of water storage facilities with capacity to accommodate additional anticipated water volumes Rehabilitation of dilapidated storage facilities |
| Inability to obtain proper approvals from relevant regulatory bodies and authorities | Low (1) | Low (2) | Low (2) | <ul style="list-style-type: none"> Ensure absolute compliance with environmental and legal requirements |
| Inability to get appropriate approvals from relevant authorities | High (3) | Medium (2) | Medium (6) | <ul style="list-style-type: none"> Ensure there is full compliance with regulatory and legal requirements |
| Increased commercial losses | High (3) | High (3) | High (9) | <ul style="list-style-type: none"> Establishment of DMAs Ensure 100% metering Carry out regular meter servicing Establish and implement measures for dealing with corrupt staff |
| Increased bad debts | High (3) | High (3) | High (9) | <ul style="list-style-type: none"> Encourage customers to pay their bills to ensure continued water supply Improve service delivery |
| Delays in payments by customers | Medium (2) | High (3) | Medium (6) | <ul style="list-style-type: none"> Implement appropriate billing system to enhance accuracy in billing |

| Possible risks | Risk Likelihood (L/M/H) | Severity (L/M/H) | Overall Risk Level | Mitigation action |
|---|-------------------------|------------------|--------------------|---|
| | | | | <ul style="list-style-type: none"> Improve service delivery |
| Misuse of company resources | Medium (2) | High (3) | Medium (6) | <ul style="list-style-type: none"> Improve and strengthen internal controls |
| Reluctance of investors and donors to partner with the company in implementing projects | Medium (2) | High (3) | Medium (6) | <ul style="list-style-type: none"> Ensure preparation of feasible and viable project proposals |
| Inability to obtain tariff increments from the regulator | Low (1) | High (3) | Medium (3) | <ul style="list-style-type: none"> Immediately apply for tariff reviews when it is due Apply for justifiable tariff rates |
| Increased NRW levels through commercial losses | High (3) | High (3) | High (9) | <ul style="list-style-type: none"> Implement proper billing systems Implement mechanisms for reducing NRW levels Regular meter servicing prevents meter stalling |
| Company mismanagement | Medium (2) | High (3) | Medium (6) | <ul style="list-style-type: none"> Continuous training of the Board and management on corporate governance Ensuring there are proper selection and recruitment policies to shield against political interference in selection processes |
| Inadequate staff skills mix and competence | Low (1) | Medium (2) | Low (2) | <ul style="list-style-type: none"> Carry out staff training needs assessment |

| Possible risks | Risk Likelihood (L/M/H) | Severity (L/M/H) | Overall Risk Level | Mitigation action |
|----------------------------|-------------------------|------------------|--------------------|---|
| | | | | <ul style="list-style-type: none"> Establish and implement appropriate staff training programs Provide opportunities for professional development |
| Out-datedness/obsolescence | Medium (2) | Medium (2) | Medium (4) | <ul style="list-style-type: none"> Adopt and implement flexible systems such as smart meters and an efficient billing system Establishment of a fully equipped IT unit with the right people. |

CHAPTER 7

RESOURCE REQUIREMENTS AND MOBILIZATION STRATEGIES

- TAVEVO Financial Requirements
- Resource Mobilization Strategies
- Resource Management



**STRATEGIC
PLAN**

2024/25-2033/34

7. CHAPTER SEVEN: RESOURCE REQUIREMENTS AND MOBILIZATION STRATEGIES

This section looks at the financial requirements for implementing the strategic plan. It focuses on the identification of resource needs, allocation strategies and mobilization techniques to ensure TAVEVO acquires the necessary assets to efficiently accomplish the strategic objectives.

7.1 TAVEVO Financial Requirements

The activities and programmes in this strategic plan will be funded through a blend of internal and external sources. Own-source revenue, exchequer, development and private partners will be the main source of financial resources to implement the plan. The company will partner with the County Government of Taita Taveta to mobilize resources through Public-Private Partnerships (PPPs) as well as commercial financing arrangements. Table 10 presents a summary of the cost of implementation of the FY 2024/2025 – 2033/2034 while the resource gaps are captured in Table 11.

Table 11: TAVEVO 10-Year Financial Requirements

| S/No | Key Result Area (KRA) | Budget by Plan Year (Kshs. Millions) | | | | | | | | | | Total |
|--------------|---|--------------------------------------|---------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | 2024/ 2025 | 2025/ 2026 | 2026/ 2027 | 2027/ 2028 | 2028/ 2029 | 2029/ 2030 | 2030/ 2031 | 2031/ 2032 | 2032/ 2033 | 2033/20 34 | |
| 1. | Water Supply and Sanitation Infrastructure Management | 204 | 363 | 392 | 375 | 463 | 515 | 453 | 454 | 422 | 323 | 3,963.6 |
| 2. | Financial Management and Sustainability | 1.65 | 4.35 | 1.65 | 0.85 | 0.75 | 1.65 | 1.65 | 1.95 | 0.65 | 1.65 | 16.8 |
| 3. | Revenue Growth | 17.6 | 6.3 | 5.8 | 6 | 5.5 | 5.3 | 5.6 | 5.8 | 5.3 | 5.4 | 68.6 |
| 4. | Corporate Governance and Institutional Strengthening | 29 | 8.5 | 9 | 9.2 | 9.2 | 10.5 | 10 | 10 | 10 | 10 | 115.4 |
| 5. | Administration Costs | 528 | 538 | 575 | 613 | 619 | 749 | 755 | 949 | 954 | 957 | 7,238 |
| Total | | 780.25 | 920.15 | 983.45 | 1,004.05 | 1,097.45 | 1,281.45 | 1,225.25 | 1,420.75 | 1,391.95 | 1,297.05 | 11,402.4 |

Table 12: Resource Gaps

| Financial Year | Estimated Financial Requirements (Ksh. M) | Resource Allocations (Ksh Millions) | Variance (Ksh. Millions) |
|----------------|---|-------------------------------------|--------------------------|
| 2024/2025 | 780 | 488 | (292.18) |
| 2025/2026 | 920 | 513 | (406.66) |
| 2026/2027 | 984 | 567 | (416.93) |
| 2027/2028 | 1,004 | 623 | (381.00) |
| 2028/2029 | 1,098 | 650 | (447.90) |
| 2029/2030 | 1,282 | 811 | (470.20) |
| 2030/2031 | 1,225 | 843 | (382.01) |
| 2031/2032 | 1,421 | 1094 | (327.01) |
| 2032/2033 | 1,392 | 1133 | (258.45) |
| 2033/2034 | 1,297 | 1173 | (124.32) |
| Total | 11,402.36 | 7,895.71 | (3506.65) |

7.2 Resource Mobilization Strategies

The projects and programmes the Strategic Plan will be financed by both internal and external sources. The anticipated sources of finance include:

7.2.1 Tariff revenue

Through the approved tariff structure for the period 2023/2024 to 2025/2026 for water services, TAVEVO aims to collect revenue resources to finance implementation of the Strategic plan and discharge its mandate of providing the residents of Taita Taveta County with adequate water and sanitation services.

7.2.2 Development Partners

TAVEVO will reach out to various Development Partners both existing and new development partners who will contribute resources for purposes of financing water and sewerage projects. TAVEVO will develop a resource mobilization strategy that will be used to market project proposals on socio economic development and investment opportunities for donor funding.

7.2.3 Public-Private Partnerships.

TAVEVO will implement Public Private Partnership Act, 2021 which provides for the participation of the private sector in the financing, construction, development, operation or maintenance of infrastructure to develop and finance projects. This will be done through the three (3) models of PPP; Build Operate and Transfer (BO&T), Engineering Procurement Construction (EPC), and Handover and Design Build and Finance (DB&F).

7.2.4 Other Financial Sources

TAVEVO will take advantage of existing sources of finance such as climate fund which will be applied on climate proofing of existing and new water infrastructure. Additionally, TAVEVO will liaise with the Taita Taveta County government to support the implementation of the last mile connection.

7.3 Resource Management

Given the scarce nature of financial resources, there is need for the company to ensure they are used efficiently. To this end, TAVEVO will establish the following measures to ensure prudent resource management:

- a) Implement mechanisms for monitoring and evaluating resource utilization and performance;

- b) Identify avenues for process automation and optimization to enhance efficiency and reduce wastage;
- c) Establish and implement proper financial controls and oversight systems to ensure prudent resource utilization;
- d) Promote partnerships and resource sharing initiatives in the Board and with other external stakeholders. This will improve cost saving and more effective utilization of resources;
- e) Implement a transparent system to ensure resources are allocated on the basis of priorities and cost effectiveness while enhancing accountability.

CHAPTER 8

MONITORING, EVALUATION AND REPORTING FRAMEWORK

- **Monitoring Framework**
- **Performance Standards**
- **Evaluation Framework**
- **Mid-Term Evaluation**
- **End-Term Evaluation**
- **Reporting Framework and Feedback Mechanisms**



**STRATEGIC
PLAN**

2024/25-2033/34

8. CHAPTER EIGHT: MONITORING, EVALUATION AND REPORTING FRAMEWORK

This Chapter covers the systematic approach adopted by TAVEVO to monitor its activities, gauge their effectiveness and consequently report on the achievements. M&E plays a pivotal role in projects, plans and programmes implementation. A monitoring, evaluation, learning and reporting framework has been developed and is detailed in this chapter.

8.1 Monitoring Framework

Monitoring is critical as it will help track implementation of the strategic plan and establish any challenges that may necessitate adjustments. This will call for routine data collection and analysis on the strategic plan implementation progress. The findings of the analyses shall be used in decision-making, including taking remedial initiatives where deviations in implementation are identified. The M&E Officer shall be tasked with the responsibility of coordination data collection, analysis and reporting. The Officer shall work closely with the other departments to facilitate monitoring, evaluation and reporting.

The monitoring of financial resources shall also constitute part of the monitoring, evaluation and reporting framework to ensure all company resources are employed in line with the approved work plans, budgets, procurement plans as well as financial management guidelines and regulations to ensure compliance and accountability.

The monitoring activities shall encompass preparation of annual workplans by each head of department. These shall be linked to the strategic objectives, strategies and initiatives as outlined in the implementation plan. Further to this, the departmental workplans shall be cascaded to individual staff workplans which shall then be linked to TAVEVO's performance management system. The strategic plan shall be monitored on a quarterly and annual basis.

8.2 Performance standards

The monitoring and evaluation framework that will be implemented by TAVEVO to evaluate performance is based on relevance, efficiency, effectiveness, success and sustainability. The company has aligned its strategic objectives and initiatives to the established needs of the target customers as well as the national policies. In a bid to enhance efficiency, the plan optimizes resource allocation through enhanced operational efficiency and effectiveness. Routine evaluations shall also be undertaken to determine achievement and establish whether outcomes result in lasting impactful change. Further to this, in enhancing sustainability of the company, TAVEVO shall enhance the Board's capacity to create sustainable financing.

8.3 Evaluation Framework

Evaluation will be critical for establishing the effectiveness with which the strategic plan was implemented and in so doing isolate any gaps between the planned and the achieved results. Through evaluation, the company shall also be able to assess the level of attainment of the planned strategic objectives, in addition to establishing any changes in the company's performance as a result of the initiatives being undertaken.

Evaluation of the Plan implementation shall be conducted during and after implementation in a bid to establish the level of achievement of the intended outcomes. This shall be carried out quarterly and

annually against the activities identified within the annual work plans and the KPIs. The result of the quarterly monitoring will be a strategic plan review report whereas the output of the annual review shall be an annual report for the period.

8.3.1 Mid-Term Evaluation

A mid-term review will be undertaken at the end of the FY 2028/2029 to evaluate the statuses of implementation of the various planned activities. Feedback will then be provided and this shall be used to effect the necessary changes in the strategic objectives and initiatives based on new information regarding the company Half-term evaluations will include data collection, analysis and preparation and presentation of reports. The recommendations obtained from the mid-term review will be implemented in the remaining period of the strategic plan.

8.3.2 End-Term Evaluation

In the FY 2033/2034, and end-term evaluation to examine the level of success in implementation of the strategic plan as well as the impact of the executed strategic initiatives. The end-term evaluation report will highlight the key achievements, challenges faced, lessons learnt and recommendations for performance improvement. The end-term evaluation will also entail data collection, analysis, preparation and presentation of reports as well as drafting of the management response. The findings and results of the end-term evaluation will inform the development of the next strategic plan.

Table 13: Outcome Performance Matrix

| KRA | Outcome | Outcome Indicator | Baseline | | Target | |
|---|--|--|-------------------------------------|-------------------|----------------------------|-------------------------------------|
| | | | Value | Year | Mid-Term Period | End of Plan Period |
| KRA 1: WATER AND SANITATION INFRASTRUCTURE DEVELOPMENT AND MANAGEMENT | <i>Increased water production from water sources</i> | <i>Water production volume</i> | <i>15,000 m³ per day</i> | <i>FY 2023/24</i> | <i>30,000</i> | <i>60,000 m³ per day</i> |
| | <i>Increased waste water treatment facilities</i> | <i>Volume of sewer treated</i> | <i>0 m³</i> | <i>FY 2023/24</i> | <i>7,500 m³</i> | <i>20,000 m³</i> |
| | <i>Reduced NRW levels</i> | <i>NRW</i> | <i>50%</i> | <i>FY 2023/24</i> | <i>45%</i> | <i>40%</i> |
| KRA 2: OPERATIONAL EFFICIENCY AND FINANCIAL SUSTAINABILITY | <i>Improved cost coverage</i> | <i>OCCR</i> | <i>85%</i> | <i>FY 2023/24</i> | <i>105%</i> | <i>123 %</i> |
| | <i>Increased funding</i> | <i>External funding</i> | <i>2.6</i> | <i>FY 2023/24</i> | <i>5</i> | <i>10</i> |
| | <i>Improved compliance</i> | <i>% Compliance to policies and procedures</i> | <i>95</i> | <i>FY 2023/24</i> | <i>95</i> | <i>95</i> |

| KRA | Outcome | Outcome Indicator | Baseline | | Target | |
|--|--|--|----------|------------|-----------------|--------------------|
| | | | Value | Year | Mid-Term Period | End of Plan Period |
| KRA 3: REVENUE GROWTH | <i>Increased annual billing</i> | <i>Annual billing revenue</i> | 380 | FY 2023/24 | 650 | 1,173 |
| | <i>Increased collection efficiency</i> | <i>Collection efficiency</i> | 93 | FY 2023/24 | 97 | 98 |
| | <i>Reduced Commercial Losses</i> | <i>Commercial Losses</i> | 25 | FY 2023/24 | 20 | 10 |
| KRA 4: CORPORATE GOVERNANCE AND INSTITUTIONAL ARRANGEMENT | <i>Improved Compliance</i> | <i>% Compliance to policies and procedures</i> | 95% | FY 2023/24 | 95 | 95 |
| | <i>Enhanced Staff productivity</i> | <i>Staff productivity</i> | 13 | FY 2023/24 | 10 | 9 |

8.4 Reporting Framework and Feedback Mechanism

The Heads of Departments (HODs) shall prepare quarterly reports for their respective departments on the status of implementation of the strategic plan and submit the same to the M&E Officer for consolidation. The heads of departments shall hold quarterly management review meetings to review the strategic plan implementation status and submit a report to the Managing Director for approval. The MD shall on a quarterly basis table a report on the implementation of the strategic plan to the Board of Directors. The M&E Officer shall on a quarterly basis also prepare a strategic plan implementation scorecard and submit to the MD for presentation before the Board. Further to this, the Board shall also carry out mid-term and end-term reviews to ensure that the necessary changes on the strategic objectives, strategies and initiatives are appropriately effected as informed by the emerging issues, trends and the operating environment.

In the course of implementing the strategic plan, the quarterly, annual, mid-term and end-term evaluations will be undertaken using the templates presented in Tables 13, 14 and 15.

Table 14: Quarterly Progress Reporting Template

| Expected Output | Output Indicator | Annual Target (A) | Quarter for Year... | | | Cumulative to Date | | | Remarks | Corrective Intervention |
|-----------------|------------------|-------------------|---------------------|------------|----------------|--------------------|------------|----------------|---------|-------------------------|
| | | | Target (B) | Actual (C) | Variance (C-B) | Target (E) | Actual (F) | Variance (F-E) | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |

Table 15: Annual Progress Reporting Template

| Expected Output | Output Indicator | Achievement for Year... | | | Cumulative to Date | | | Remarks | Corrective Intervention |
|-----------------|------------------|-------------------------|------------|----------------|--------------------|------------|----------------|---------|-------------------------|
| | | Target (A) | Actual (B) | Variance (B-A) | Target (D) | Actual (E) | Variance (E-D) | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

Table 16: Evaluation Reporting Template

| Key Result Area | Expected Output | Output Indicator | Baseline | | Mid-Term Evaluation | | End Plan Period Evaluation | | Remarks | Corrective Intervention |
|-----------------|-----------------|------------------|----------|------|---------------------|-------------|----------------------------|-------------|---------|-------------------------|
| | | | Value | Year | Target | Achievement | Target | Achievement | | |
| KRA 1 | | | | | | | | | | |
| KRA 2 | | | | | | | | | | |
| KRA 3 | | | | | | | | | | |
| KRA 4 | | | | | | | | | | |

8.5 Key Performance Indicator Targets

The KPI targets for the 10-Year Strategic plan period are shown in Table 17.

Table 17: KPIs for the period 2024/25-2033/34

| (KPIs) | | | | | | | | | | | | | | |
|--|--------------------------|--------------------------|-------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------------------|
| CATEGORY 1: REGULATORY | Actual for 2021/22 | Actual for 2022/23 | Actual 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 | SECTOR BENCHMARK |
| Personnel Expenditure as a Percentage of O&M Costs (%) | 27 | 29 | 28 | 27 | 27 | 26 | 26 | 25 | 25 | 24 | 24 | 23 | 23 | < 30 |
| Operation and Maintenance Cost Coverage (%) | 65 | 76 | 85 | 92 | 95 | 99 | 102 | 105 | 108 | 112 | 115 | 119 | 123 | >100 |
| Revenue Collection Efficiency | 109 | 100 | 98 | 93 | 94 | 95 | 96 | 97 | 98 | 98 | 98 | 98 | 98 | 95 |
| Payable days | 90 | | 85 | 80 | 70 | 65 | 60 | 50 | 45 | 40 | 45 | 30 | 30 | <30 |
| Non-Revenue Water (%) | 36 | 42 | 50 | 49 | 48 | 47 | 46 | 45 | 44 | 43 | 42 | 41 | 40 | 20 |
| Metering Ratio (%) | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Staff Productivity (No. of staff per 1000 connections) | 14 | 13 | 13 | 12 | 12 | 11 | 11 | 10 | 10 | 9 | 9 | 9 | 9 | 7 |
| Water Coverage (%) | 45 | 54 | 50 | 55 | 60 | 65 | 75 | 80 | 85 | 90 | 95 | 95 | 95 | 80 |
| Drinking Water Quality (%) | 93 | 85 | 94 | 94 | 95 | 95 | 96 | 96 | 97 | 97 | 98 | 98 | 98 | 95 |
| Hours of Supply | 15 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 24 | 24 | 21-24 |
| Annual Water production volumes from | 1,602 | 1,602 | 1,740 | 2,400 | 2,607 | 3,177 | 3,260 | 3,447 | 4,493 | 4,701 | 6,504 | 6,748 | 6,983 | |

| (KPIs) | | | | | | | | | | | | | | |
|---|--------------------------|--------------------------|-------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------------------|
| CATEGORY 1: REGULATORY | Actual for 2021/22 | Actual for 2022/23 | Actual 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 | SECTOR BENCHMARK |
| Internal sources (‘000 m3) | | | | | | | | | | | | | | |
| Annual Volume of water purchased from CWWDA (‘000 m3) | 3,818 | 3,818 | 4,200 | 4,200 | 4,200 | 4,200 | 4,700 | 4,700 | 5,500 | 5,500 | 6,500 | 6,500 | 6,500 | |
| Total Volume of Water produced (‘000m3_) | 5,420 | 0 | 5,940 | 6,600 | 6,807 | 7,377 | 7,960 | 8,147 | 9,993 | 10,201 | 13,004 | 13,248 | 13,483 | |
| Sanitation coverage (%) | 0% | 1% | 1% | 2% | 3% | 7% | 11% | 16% | 22% | 28% | 32% | 35% | 40% | |
| Number of active connections | 18,000 | 18,500 | 19,400 | 20,492 | 21,552 | 22,552 | 23,552 | 24,552 | 25,552 | 26,552 | 27,552 | 28,552 | 29,552 | |
| Sewer Connections | 166 | 200 | 200 | 250 | 500 | 1,000 | 2,500 | 5,000 | 7,000 | 9,000 | 12,000 | 14,500 | 17,000 | |
| Average collection period (Debtor Days) | 420 | 400 | 390 | 360 | 330 | 300 | 270 | 240 | 210 | 180 | 150 | 120 | 90 | <90 |
| O&M Costs as a percentage of total revenues (%) | 69 | 69 | 70 | 75 | 80 | 85 | 87 | 90 | 93 | 95 | 98 | 98 | 98 | >100 |
| Revenue collection (Ksh. millions) | 360 | 375 | 380 | 488 | 513 | 567 | 623 | 650 | 811 | 843 | 1094 | 1133 | 1173 | |
| Operational Efficiency | 69 | | 70 | 72 | 74 | 76 | 78 | 80 | 82 | 84 | 86 | 88 | 90 | |

| (KPIs) | | | | | | | | | | | | | | |
|---|--------------------------|--------------------------|-------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------------------|
| CATEGORY 1: REGULATORY | Actual for 2021/22 | Actual for 2022/23 | Actual 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 | SECTOR BENCHMARK |
| Customer Satisfaction levels (%) | 76 | 76 | 76 | 78 | 80 | 82 | 84 | 86 | 88 | 90 | 92 | 94 | 96 | |
| Length of Water Pipeline rehabilitated (km '000) | 2 | 4 | 4 | 9 | 15 | 15 | 20 | 25 | 25 | 30 | 30 | 30 | 30 | |



TAVEVO WATER AND SEWERAGE COMPANY

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