

TANA WATER AND SANITATION COMPANY (TAWASCO) LIMITED

STRATEGIC PLAN 2025-2029



VISION

To be a water service provider that gives adequate and reliable water and sanitation services to residents of Tana River County

MISSION

To ensure provision of efficient and suitable water and sanitation services

CORE VALUES

- Consumer focused and demand driven
- Effectiveness and efficiency
- Creativity and innovation
- Responsiveness
- Teamwork
- Professionalism

FOREWORD:

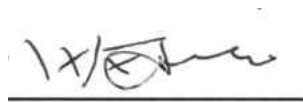
Tana River County Government' aspiration in relation to water and sanitation is to ensure the dependent population enjoys basic right to water. This should be achieved through access to clean and safe water in adequate quantities and reasonable standards of sanitation. These aspirations can be realized through efficiently managed Water Services Providers. With current access to water in TAWASCO's area of jurisdiction being 54.71% and sanitation of about 64% there is need for concerted efforts to make right investment to accelerate access to water and sanitation services.

Tana River County as a whole is a water stressed county and therefore this calls for prudent and efficient management of existing water resources. For instance, within the coverage area of TAWASCO there is a deficit of over 10,000 m³ per day as per 2025 demand levels. To realize vision 2030 and sustainable development goals related to water and sanitation target there is need to think outside the box on the ways to avail more water in addition to what is received from the existing water systems. To this effect the water department and other stakeholders are exploring possibilities of drilling boreholes, extending pipelines and enhancing other sources to meet the growing water demand through the departmental budgets and K-WASH funds.

The county utility has not been performing well over the years and this is demonstrated by the WASREB ranking. Therefore, as this strategy provides pathways to transforming the company, I believe in few years down the line, TAWASCO will regain its rightful position. I urge the Board of Directors and the management to institute all relevant measures and initiatives that would turnaround TAWASCO and make it a sustainable entity. My department will extend the necessary support ranging from resource mobilization for infrastructure investment and allowing TAWASCO to operate at arm's length.

On the same breadth, I would like to urge the Board of Directors to play their rightful role in over-sighting the company and developing appropriate policies that would catapult TAWASCO to better performance. As primary shareholder of TAWASCO, my expectation is to witness sustained growth in all aspect of the company and such growth can only happen if all of us are aligned to the vision, mission and core values of the Water Service Provider.

Lastly, I would like to acknowledge and appreciate the support extended to TAWASCO by HE. The Governor H.E Major (Rtd) Dr. Dhadho Godhana, the BOD, the management and other key stakeholders.



HON. HARUFA ALGI
COUNTY EXECUTIVE COMMITTEE MEMBER
DEPARTMENT OF WATER & ENERGY

FOREWORD FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

Provision of clean, adequate, reliable and convenient water and sanitation services continues to be a paramount priority for the Board of Directors. We are very much cognizant of the constitutional right to water and the standards that have been established to enhance attainment of this fundamental right. We are also very much alive to the fact that as one of the agents of Tana River County Government, we have an uphill obligation to contribute to the aspiration of the county of achieving universal access to water and sanitation services.

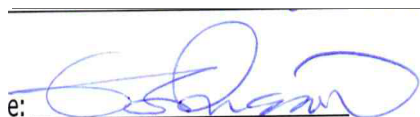
The journey of developing this strategic plan has been quite instrumental in laying foundation for better services delivery to our customers. It is fundamental to note the role our customers play to enhance sustainability of this company. Without “paying customers” TAWASCO wouldn’t be a viable entity. As highlighted in the strategic plan, we need to strive hard to increase access to clean and safe drinking water and put additional measures in place to guarantee quality supply.

I would like to rally all the stakeholders of the company especially the management, staff and other Board members behind the revamp vision of the company which aims to position the company as a premiere water and sanitation services provider. This vision cannot be realized unless the key stakeholders are aligned.

As we embark on implementation of the strategy, the board will effectively and efficiently play its role and provide leadership that would enhance better governance. The Board will endeavor to develop all the relevant policies and guidelines required to realize this strategic plan and also further engage in resource mobilization to fill the envisaged budgetary deficit.

I would like to thank the management and the staff of TAWASCO for the commitment demonstrated in delivery of services. I would like to give personal commitment to the management that the Board will limit its role to the cardinal functions as stipulated in the code of conduct and board charter and provide the management enabling environment to deliver on its management function.

Join us on this thrilling journey! To our internal stakeholders, we implore you to channel your energy and focus into our initiatives. To our external stakeholders and partners, we eagerly await your objective feedback to aid us in combating illegal connections and reducing non-revenue water. Dive into our strategic plan, engage with it, question it, and help us refine it - your input is invaluable. Together, let's elevate TAWASCO into a beacon of resilience, success, and cutting-edge technological innovation. Your support is crucial as we strive to make the next five years count, ensuring a sustainable water future for our coastal city and setting a benchmark for others to follow!



e: _____

Mr. Said Waldea

Chairman - Board of Directors’ – Tana Water & Sanitation Co. Ltd.

PREFACE FROM THE MANAGING DIRECTOR

Embracing Change: The Need for a Strategic Plan

As a public utility, Tana Water & Sanitation Company Limited (TAWASCO) has been facing the daunting challenge of fulfilling the water and sanitation needs of Tana River County. Recognizing the necessity of embracing change, the management has taken the initiative to embark on a transformative shift through this strategic plan. Our aim is to align with national standards within a devolved governance environment and adapt to emerging trends. This strategic plan is designed to elevate customer satisfaction and foster greater trust and loyalty so as to empower the company to deliver high-quality services and improve its financial sustainability.

The success of this journey will be hinged on the power of effective collaboration between internal and external stakeholders. This therefore is a call to action to foster a culture of collaboration and shared responsibility. Every stakeholder plays a part in shaping the future of our water and sanitation service delivery. The plan belongs to all of us - the Board, Management, and every member of staff. Together, we can ensure the provision of high-quality services to all citizens, contributing to the overall development and prosperity of our nation.

In this journey, TAWASCO envisions **“To be a water service provider that gives adequate and reliable water and sanitation services to residents of Tana River County”**. Our mission is clear and unwavering: **“To ensure provision of efficient and suitable water and sanitation services”**. Our strategy is based on **Process Improvement** where we will focus on re-engineering and improving our processes to enhance service delivery, quality management, and decision-making; and **Leveraging Technology** where we will harness the power of technology to improve customer experience and drive efficiency. These foundational strategies are expected to lead to the **reduction of non-revenue water (NRW), increasing revenue, and recovering costs** to ensure the success of the company.

We extend our heartfelt gratitude to the Board of Directors, and the dedicated team of management staff and consultants who guided us in this strategic planning process. We also applaud our zonal managers who, despite their busy schedules, took time to interact with the consultants, ensuring the success of this process. Their commendable input has helped us come up with clear thematic areas that now serve as our backbone.

As we look forward to a successful growth period, we are reminded of a Swahili proverb, *“Maji ni uhai”* - Water is life. Let’s work together to bring this life to every household in Tana River County. I look forward to the successful implementation of this Strategic Plan (2025-2029) with the invaluable stewardship of the Board of Directors and continued support from all our internal and external stakeholders.



William Jillo, GE, MIEK

Ag. Managing Director – Tana Water & Sanitation Co. Limited

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ABBREVIATIONS AND ACRONYMS

AFD	Agence France de Development
AFDB	African Development Bank
BUM	Business Unit Managers
CBO	Community Based Organization
CEO	Chief Executive Officer
CMT	Corporate Management Team
CWWDA	Coast Water Works Development Agency
ERP	Enterprise Resource Plan
GIZ	Deutsche Gesellschaft fur Internationale Zusammenarbeit
GM	General Manager
GMCS	General Manager Commercial Services
GME	General Manager Engineering
GMHR	General Manager Human Resource
GMF	General Manager Finance
HoD	Head of Department
HR	Human Resource
ICTM	Information Communication and Technology Manager
IPOO	Input Process Output Outcome
JICA	Japan International Cooperative Agency
KCGWU	Kenya County Government Workers Union
Kshs	Kenya Shillings
M&E	Monitoring and Evaluation
MD	Managing Director
TAWASCO	Tana Water and Sanitation Co. Ltd
NRW	Non-Revenue Water
NWMP 2030	National Water Master Plan 2030
RRi	Rapid Response Initiative
RRT	Rapid Response Team

SDG	Sustainable Development Goals
UNESCO	United Nations Education Scientific and Cultural Organization
USD	United States Dollar
WASPA	Water Services Providers Association
WASREB	Water Services Regulatory Board
WSP	Water Service Provider

DEFINITION OF TERMS

Cost Recovery	This is the ability of the company to meet its operating expenses
Financial Analysis	This is the process of evaluating our company business, budgets, and other finance- related transactions and determine their performance and suitability in implementation of the strategic plan
Non-revenue Water	Water that has been produced/treated but has not been billed to the consumer. Losses can be physical, for example through leaks, or apparent, through theft or metering inaccuracies.
Operational Efficiency	The ability of an organization to reduce waste in time, effort and materials as much as possible and strive to offer a high-quality service/ product with a few resources as possible.
Revenue Growth	This refers to the increase in a company's total revenue over a specific period can be computed monthly, quarterly or /and yearly
Risk Management	Is the practice of identifying, evaluating and preventing or mitigating uncertainties in implementing the strategic plan that impact the desired outcomes
Strategic direction	The plans that need to be implemented for an organization to progress towards its vision and fulfil its objectives
Strategic Implementation	Is the process of putting a strategic plan into action to produce deliverables
Strategic Imperative	A business goal that has the highest priority
Strategic Implications	This is the potential consequences or effects of decisions, actions, or events on an organization's long-term objectives, competitive advantage, and overall strategy.
Strategic Plan Rationale	The purpose of strategic planning which is to set overall objectives for the business and develop a plan that is achievable with the available resources
Water Service Provider	A company, public benefits organization or other person providing water services.

EXECUTIVE SUMMARY

Rationale

The national policies in Kenya including Constitution of Kenya 2010, Vision 2030 and Water Act 2016, among others, have affirmed access to clean adequate water as a basic human right. In positioning itself to meet this mandate for the Tana River people, Tana Water and Sanitation Company (TAWASCO) has been preparing Strategic Plans as tools to assist the company in moving forward with this agenda. The company developed a 5-year strategic plan for the period 2024/25 to 2028/29. This Strategic Planning provides the framework through which TAWASCO will align itself effectively to their operational environments.

This Strategic Plan will facilitate sustainable and efficient utilization of the company resources in the delivery of core services and attainment its company goals. The Plan will help TAWASCO position itself strategically in its operational environment by aligning itself effectively to the changes taking place in that environment. This will enable it to effectively discharge its mandate, enhance its performance, meet the expectations of its diverse stakeholder segments and align its projects and activities. The Plan has been developed through a participatory process involving the board of TAWASCO, the management, members of staff and other stakeholders. TAWASCO Strategic Plan looks at how the organization can be improved and how it can provide its services in a reliable way for its customers and its employees.

The Company and Its Mandate

Tana Water and Sanitation Company (TAWASCO), is located in Hola town, in Tana River County. The utility was incorporated under the Company's Act (Cap 486) of the Laws of Kenya as a public company limited by shares in 2006 and came into full operation in 2010. This was as a result of the enactment of Water Act 2002 (repealed by Water Act 2016), which brought about far-reaching water sector reforms in Kenya separating water resources management from services delivery. As a water service provider charged with the provision of water and sanitation services in Tana River, TAWASCO has the mandate to provide adequate quality water and proper sanitation services to its customers in the most efficient and affordable way. It's also responsible for the routine maintenance of water and sanitation services infrastructure. The company is engaged purely in providing water and sanitation services to the residents of Tana Delta, Tana River and Tana North sub-counties with an estimated water production of 2,300 m³/ day against a demand of 12,000 m³/day. TAWASCO has a license to supply water to a population of 132,652 persons. As at 2023, the coverage was about 54.71% for water and about 64% on sanitation.

Governance Structure

TAWASCO has established key governance structure which includes a Board of Directors comprising of members representing various stakeholders drawn from the County Government of Tana River and other stakeholders. The Board is composed of 7 Directors (3 male and 4 female) including an independent Chairman and also the Managing Director. 4 women sit in the Board, thus meeting the minimum of one third gender representation of any of the genders as required by the Constitution of Kenya. They have a wide range of skills and experience and each contributes independent judgment and knowledge to the Board's discussions.

WASREB has prepared Governance guidelines for cost effective, efficient and transparent management and operation of water services. Through the guidelines, WASREB communicates clearly on the need for good corporate governance, which also satisfies the requirements of the standards set in the Companies Act Cap 486 for the WSPs formed under that Act. Some of the highlights of these guidelines are roles and functions of the Board and Sub-Committees of the board, composition and appointment of the board, compliance and accountabilities as well as guidelines for evaluation on performance and impact of the board.

Management

The Company has a total staffing of 68 employees (10 Permanent employees seconded from the County Government– Management, 58 – contract employees) deployed across various sections in the organization with the productivity index of 19.44. Adequate efforts and resources will be dispensed towards attaining a ratio 5 staff per 1,000 connections by the end of the 5-year business planning period. The company has engaged professionally qualified technical and managerial departmental managers who are steered by a Managing Director.

Key Achievements

This Strategic Plan has recognized the key achievements of TAWASCO during the previous years as well as the major challenges faced. Notably, TAWASCO was rated the 81st position out of 87 companies in the overall ranking by the regulator, WASREB. The Company is currently faced with a challenge in provision of its mandate due to the high cost of power as it is mainly a pumping system. This has adversely contributed to the high cost of production per cubic meter of water compared to other water Companies that use gravity systems. The company is in the process on establishing sanitation infrastructure with support of Water Sector Trust Fund through the UBSUP Program. The company has a challenge of dilapidated infrastructure.

The Strategic Direction

This Strategic Plan has identified key strategic objectives that will drive the implementation of the Strategic Plan over the next five-year period. During the Plan period, TAWASCO will focus on four key result areas (KRAs). These strategic themes are (i) Water and sanitation infrastructure development (ii) Operational efficiency and customer service; (iii) financial sustainability, and (iv) Institutional and Capacity Strengthening. Arising from the above strategic themes and the strategic issues that need to be addressed in each thematic area, TAWASCO will pursue the goals and the following Strategic Objectives namely:

Theme 1: Water and sanitation infrastructure development

1. Increase access to safe and clean drinking water from 54.71% to 65% by 2028/2029.

Theme 2: Operational efficiency and customer service;

1. Increase the hours of supply from 10 to 18 hours per day by 2028/2029
2. Ensure drinking water quality compliance as stipulated by the regulator from the current 67% to 85% by 2028/2029.

3. Enhance customer awareness of products and services through establishment of customer contact centre

Theme 3: Financial Sustainability;

1. Increase collection efficiency from the current 76% to 95% by 2028/29.
2. Reduce Non-Revenue Water from the current 61% to 40% by 2028/29

Theme 4: Institutional Capacity Strengthening

1. Ensure regulatory compliance
2. Establish a risk management plan
3. Establish automation of HRM system

Based on the strategic plan and in line with the MSL (Minimum Service Level) as per the Licensing application from WASREB, TAWASCO has set targets to be achieved during the planning period. The projections are based on demand, planned infrastructure and tariff charged and conditions of tariff. The improvement standards have been set out in the service provision agreement. TAWASCO will endeavour to continuously improve its performance. To be in line with sector requirement, TAWASCO will use the sector benchmark indicators used for performance assessment.

Plan Implementation

Clear strategies and detailed activities have been developed to help in achieving each of the Strategic Objectives. The implementation of the proposed strategies will enhance the institutional capacity of TAWASCO to enable it to build synergies to mitigate both external and internal challenges. In particular, the Implementation Matrix provides the actual framework through which the Strategic Objectives will be achieved during the Plan period. Through their operations, TAWASCO departments will translate the strategic goals into reality by developing and implementing departmental Plans which are aligned to the corporate Strategic Plan.

Resources

Cost estimates have been outlined for all the activities to be undertaken during the Plan period. These will be financed by both internally generated funds, from the County Government and National Government, through levies and support from development partners, while cost saving measures will be implemented to further strengthen the company's financial resource base. The raising of these resources will require a multi-pronged approach through tariff financing, central and county government subventions, borrowing from the bond markets as well as from banks, and donor support. The company is fully engaged with these various potential sources of funds with a view to raising enough resources to fund the various development initiatives. In order to meet its mandate, the company has estimated that it requires resources to the tune of Ksh. 4,039,181,236 per year over the next five-year period from 2024/2025 to 2028/2029 to finance its capital expenditure and operational requirements. The company has made plans to incur capital expenditure totalling Ksh. 2,389,842,847 per year, for CAPEX investments and incur O&M expenses accumulating to Ksh 1,649,338,389 per year during the five-year planning period. The Plan acknowledges that the ability of TAWASCO to implement its projects depends on the availability of adequate funding. In the event that the available financial resources do not meet the resource requirements of the Plan,

then TAWASCO will have to scale down its proposed activities and may therefore, not meet some of the set targets.

Monitoring, Evaluation and Reporting

TAWASCO recognizes the importance of Monitoring, Evaluation and Reporting in the achievement of the Plan's intended results. Progressive monitoring will be carried out based on the expected outputs and measurable indicators set out in the performance measurement framework and the detailed implementation matrix. All the departments will be involved in the Monitoring, Evaluation and Reporting process. Quarterly and Annual Monitoring and Evaluation reports of TAWASCO will be submitted to the Managing Director and shared with the Board.

CHAPTER 1: INTRODUCTION

1.1 Background information

Tana Water and Sanitation Company Limited (TAWASCO) is a limited liability company established in 2006. TAWASCO is further anchored under the Water Act of 2016 that was operationalized through a Gazette notice on 21st April 2017. The Act gives the responsibility for water and sanitation services provision to the County government which then establishes Water Services Providers (WSP). These WSP are then licensed by the Water Services Regulatory Board (WASREB).

TAWASCO is consequently mandated to provide cost-effective and affordable quality water and sanitation services to the residents of Tana River County. In discharging this mandate, the company is expected to undertake the following responsibilities:

- **Water and sanitation Services** – Provide quality and economical water and sanitation services to consumers, including water tanker services.
- **Billing** – Billing for water and sanitation services and ensure timely collection of dues.
- **Water and Sanitation Network Services** – Routinely maintain water and sanitation services and infrastructure.
- **Water Quality** – Ensure that standards and licensing requirements are complied with as stipulated by WASREB.

1.1.1 TAWASCO Service Provision

The constrained water availability in Tana River County compared to population growth necessitates that TAWASCO implements mechanisms to distribute the water to as many residents as possible and consistently explore new sources of potable water. TAWASCO has therefore invested in drilling of boreholes and rehabilitation works for existing pipelines. The primary focus is on minimizing Non-Revenue Water (NRW) - water that has been produced/treated but has not been billed to the consumer. NRW losses can be physical, for example through leaks, or apparent, through theft or metering inaccuracies. NRW has adverse effects, including reduced income for TAWASCO, reduced financial resource generation, slowing down the delivery of water to customers, increasing operating costs, and necessitating larger investments to expand network capacity.

Tana River County comprises of five distinct zones/ schemes: Hola, Garsen, Bura and Ngao. For better service delivery to Tana River residents in these zones, TAWASCO has decentralized its operations to these five (5) Business Units

The figure below shows TAWASCO's water sources and supply network as at 2024:

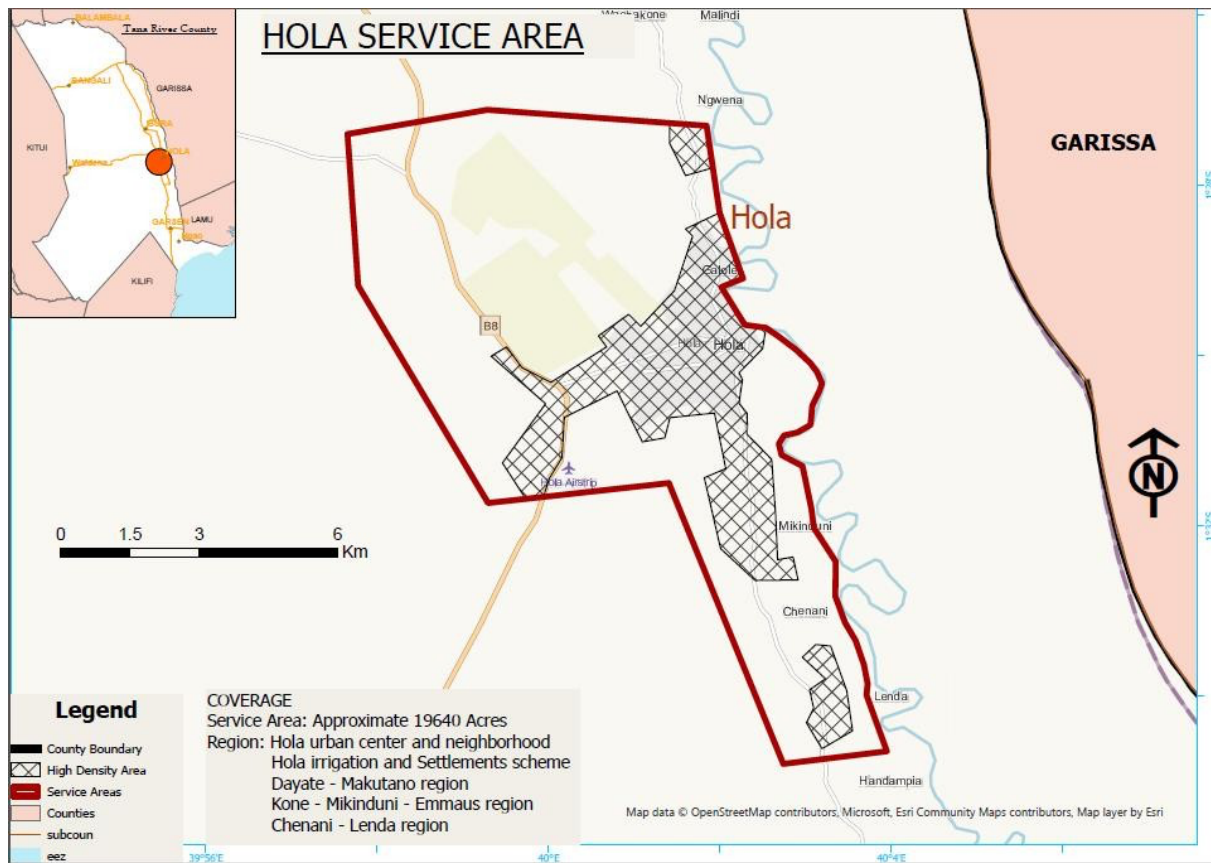


Figure 1: TAWASCO, Hola Water supply sources, 2020

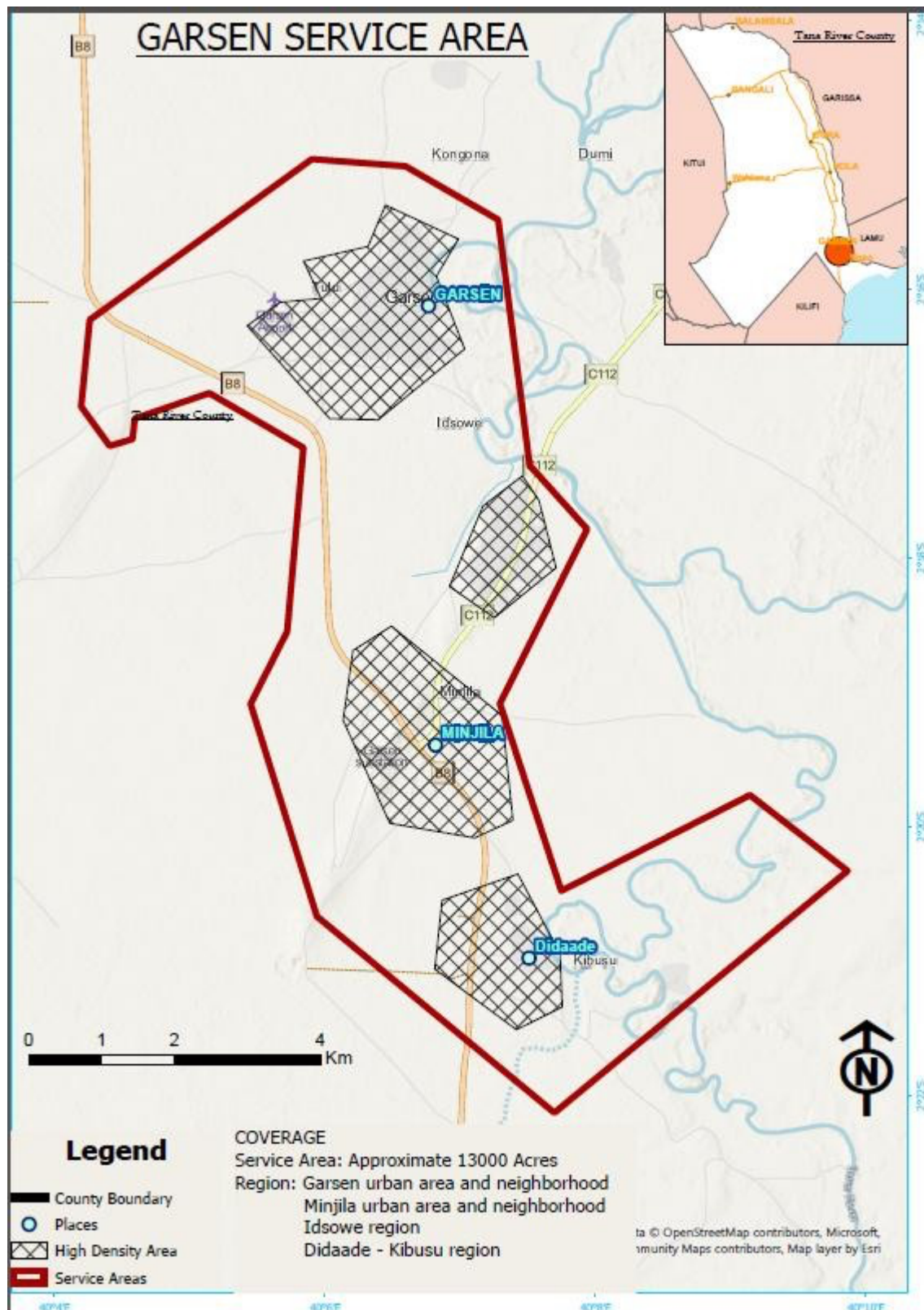


Figure 2: TAWASCO, Garsen Water supply sources, 2024

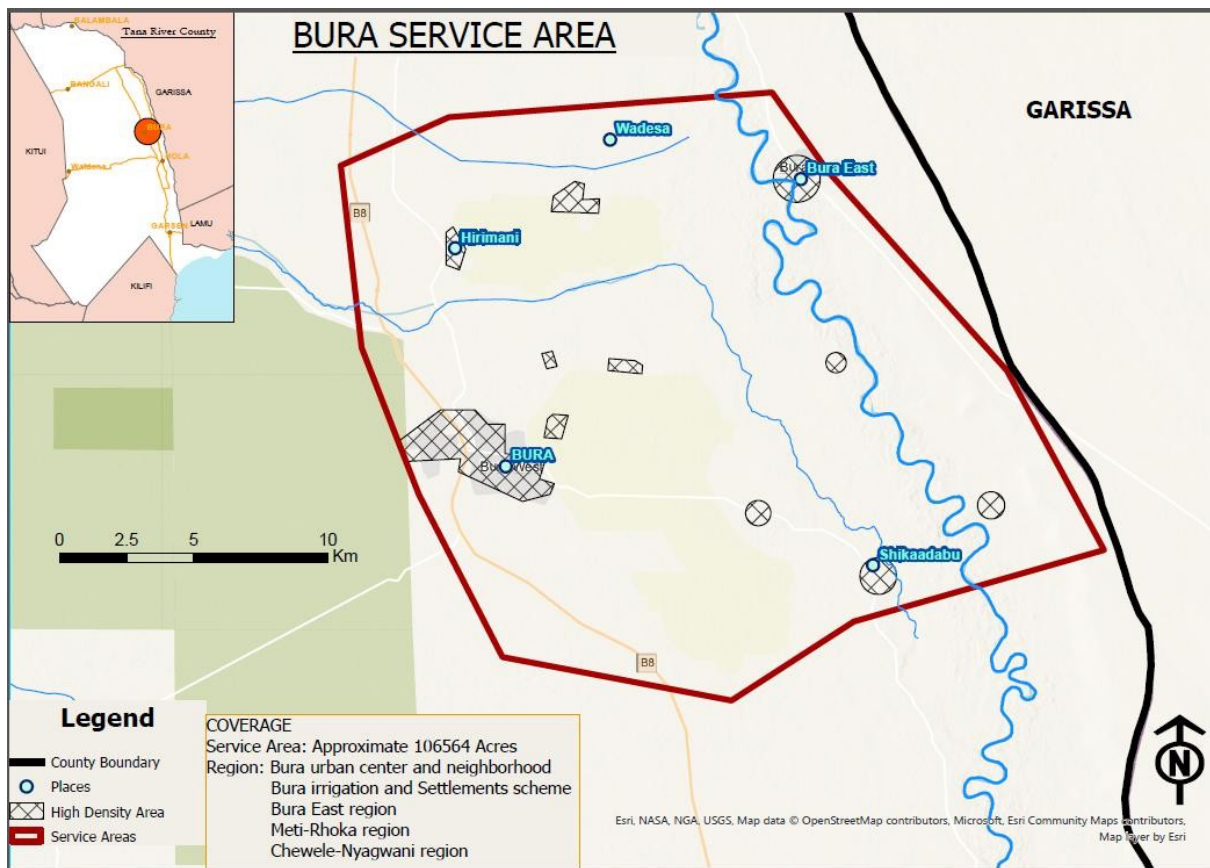


Figure 3: TAWASCO, Bura Water supply sources, 2024

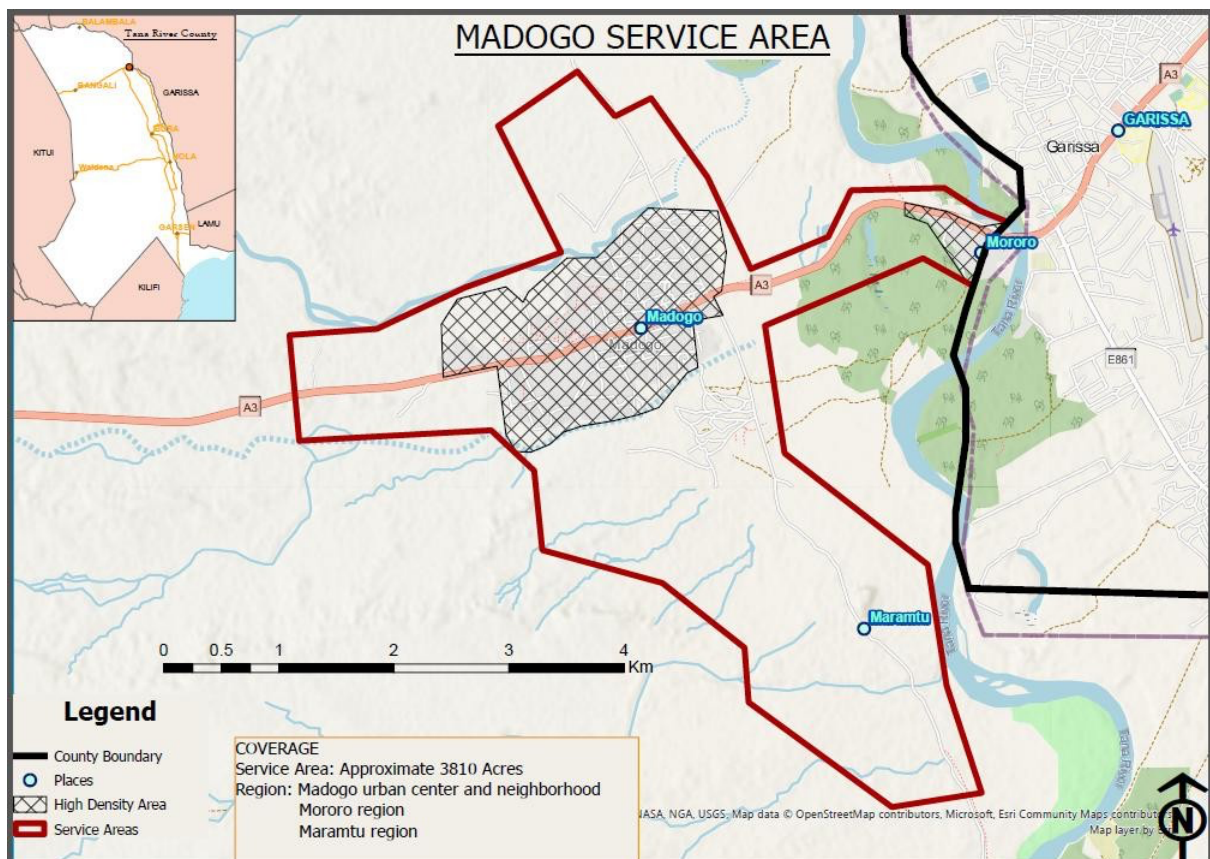


Figure 4: TAWASCO, Madogo Water supply sources, 2024

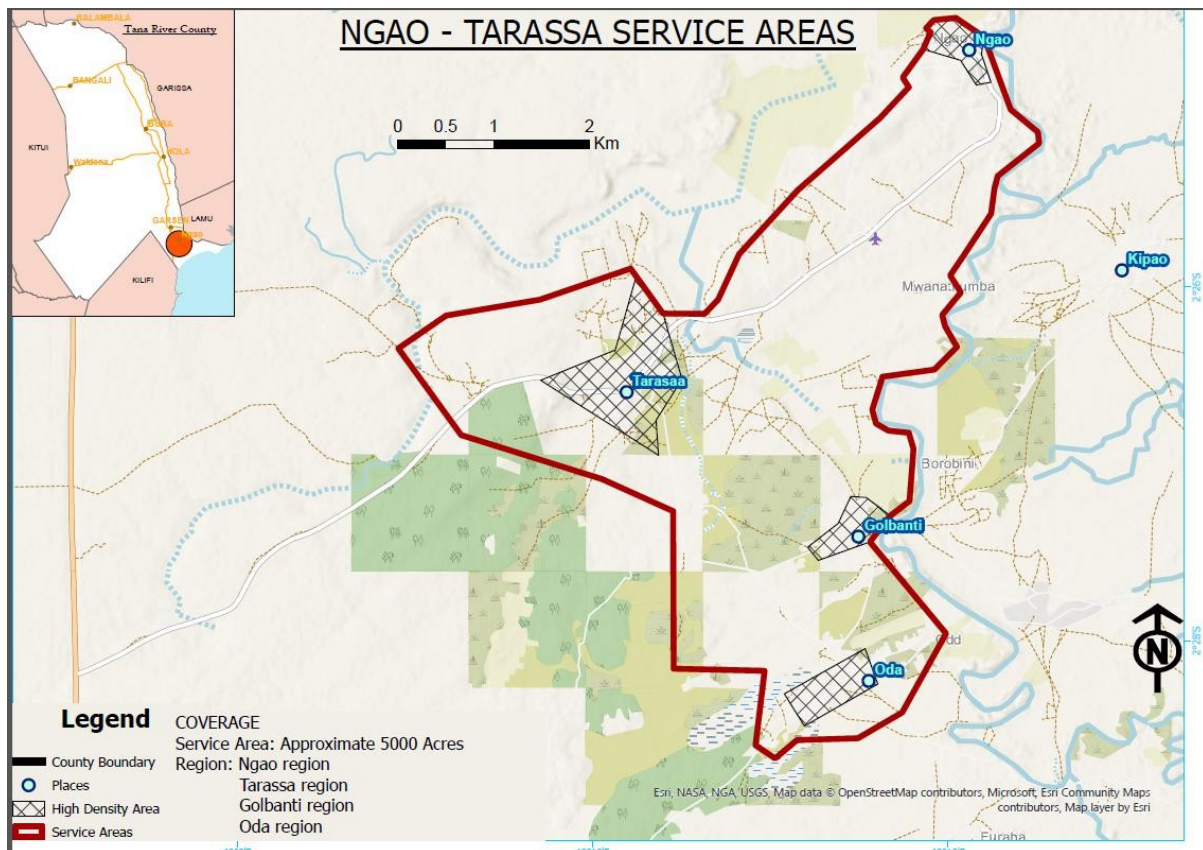


Figure 5: TAWASCO, Ngao Water supply sources, 2024

The Table below gives an overview of TAWASCO as a Water and Sanitation Utilities Provider.

Table 1: Data on TAWASCO as a Water and Sanitation Utilities provider- 2022/2023

Total Population in Service Area	121,807
Total Population Served	41,639
Total No. of connections (active & inactive)	7,039
Total No. Active Connections	5,139
No. of towns served	3
Turnover (Kshs)	28,000,000
Total Water Produced in m ³	184,000
Domestic + Kiosks billed volume in m ³	398,000
Total billed volume in m ³	651,000
Non-Revenue Water (%)	65%
Production per capita (l/c/d)	121
Consumption per capita (l/c/d)	26

Total No. Of Staff	76
Validity of Tariff	Approved Tariff in place (August 2023)

1.2 Rationale for the Strategic Plan

Tana River county has limited sources of potable water. The freshwater used in the county is sourced from the River Tana and also boreholes drilled along the river. The amount of water these sources can provide to the customers is about 57% than what the county needs to supply its growing population of people, offices, and industries. As of December 2023, the daily freshwater needed was 23,000 cubic meters, but prevailing sources could only supply 10,500 cubic meters.

To address these water sector challenges, TAWASCO over time developed and implemented several plans. The last remarkable strategic direction for TAWASCO was based on Tariff Negotiation minutes between Water Service Regulatory Board, the County Government of Tana River and Tana Water & Sanitation Company developed in 2022. With the 2024 – 2029 plan, TAWASCO was due to develop a strategic plan that would address the various emerging external factors in the water sector such as the new tariff as well as internal factors such as procurement that would have huge impacts on the operations and service delivery of TAWASCO.

As such the underlying principles for this new strategic plan are:

- To establish the extent of achievement of the goals and objectives of the tariff negotiation minutes and identify the performance gaps and key lessons learnt by the company,
- To ensure that the strategic plan objectives and performance management are aligned to the mandate of the company and ensure that the NRW is reduced significantly.
- Clarify way forward for the organizational growth and development
- Provide an enhanced framework for optimal utilization of resources

1.3 Context of the Strategic Plan

1.3.1 Link to Global, National and County Water and Sanitation Goals and Plans

1.3.1.1 The Sustainable Development Goals (SDG)

Kenya fully subscribes to the global SDGs. Specifically, Sustainable Development Goal 6: Ensure access to water and sanitation declares the importance of achieving clean water and sanitation for all. Access to safe water, sanitation and hygiene is the most basic human need

for health and well-being. The goal has eight targets to be achieved by 2030 covering the main areas of water supply and sanitation and sustainable water resource management. The targets address: Safe and affordable drinking water; end open defecation and provide access to sanitation, and hygiene, improve water quality, wastewater treatment and safe reuse, increase water-use efficiency and ensure freshwater supplies, implement Integrated water resources management, protect, and restore water-related ecosystems.

1.3.1.2 Kenya Vision 2030

The Water and Sanitation Agenda in Kenya under the Vision 2030, the country's national development plan, aims to ensure that improved water and sanitation services are available and accessible to all by 2030. The National Water Master Plan 2030, based on Kenya Vision 2030, also recognizes water as an enabler in the country's socio-economic development.

Additionally, vision 2030 considers matters of sanitation and states the aim of universal access to sanitation by 2030. It proposes a few strategies for urban areas such as Hola, Garsen, Bura and Madogo towns including improving community sanitation and encouraging public-private partnerships in the development and management of sanitation systems.

Finally, Kenya's Vision 2030 recognizes that Kenya is a water-scarce country and therefore emphasizes water conservation and the prudent use of water given the limits of available potable water. The National Water Resources Strategy and the National Water Services Strategy aim to ensure that water resources are conserved and maintained and Non-Revenue Water (NRW) at water supply and sanitation systems is reduced to acceptable levels.

1.3.1.3 The Coast Water Works Development Agency Master Plan 2020-2030

The Coast Water Works Development Agency master plan 2020-2030 provides the long-term plan for Tana River County and highlights the following aspects relating to water and sanitation:

- a. **Water:** 24 hours per day continuous supply, comply with WHO guidelines for drinking water, all production and consumers should have a metered supply, Water supply distribution network to increase coverage, Repair of old pipelines for reduction of Non-Revenue Water losses. The master plan has 2 major projects; the expansion of Hola water Supply and the Garsen – Lamu Water Project.

1.3.1.4 Tana River CIDP 2023-2027

The Tana River County Integrated Development Plan (CIDP) 2023-2027, focuses on ten key pillars aimed at transforming the lives of Tana River residents, out of which pillar two is on water and sanitation i.e. providing all citizens with access to clean water, sewer, and storm water services.

1.3.2 Legal and Policy Operational Framework for TAWASCO

Kenya's 2010 Constitution provides for the decentralization of resources and responsibilities to subnational county governments, including delivery of water and sanitation services. Devolution, a key component of the Constitution, set the stage for devolving many resources and services, including water/sanitation and urban services. Relevant articles under the constitution include articles 6, 10 (2), 21, 43, 62, 174, 175, 176 and 204,

Alongside the Constitution, the overarching policy framework for urban sanitation is set by Kenya Vision 2030 and the Kenya Environmental Sanitation and Hygiene Policy (KESHP) 2016-2030. At the national level, policy and strategy development for the sector is shared between the three main ministries – Health, Water, and the Environment. The Ministry of Health oversees the whole sanitation portfolio but has primary responsibility for coordinating rural sanitation activities. The Ministry of Water and Irrigation is the key institution in charge of formulating policies and strategies relating to urban water and sewerage and investment planning. The Ministry of Environment and Natural Resources is responsible for environmental regulation through the National Environmental Management Authority.

WASREB is the national water regulator. It determines formulas and mechanisms for tariff setting and approves tariffs agreed upon by the WSBs and the WSPs; it is also responsible for setting service standards. The regulatory structure is a hybrid in that much of the performance monitoring occurs locally under the service provision agreement between the WSB and the WSP (regulation by contract). WASREB has also developed model forms of service provision agreements (SPA) for WSPs, which fall into three categories related to the size of the areas being served. WASREB and the Water Appeals Board take up disputes between the parties. The regulation and monitoring of urban sanitation services is the responsibility of the Water Services Regulatory Board (WASREB). WASREB issues licenses to service providers, approves service provision agreements and develops tariff guidelines, among other functions.

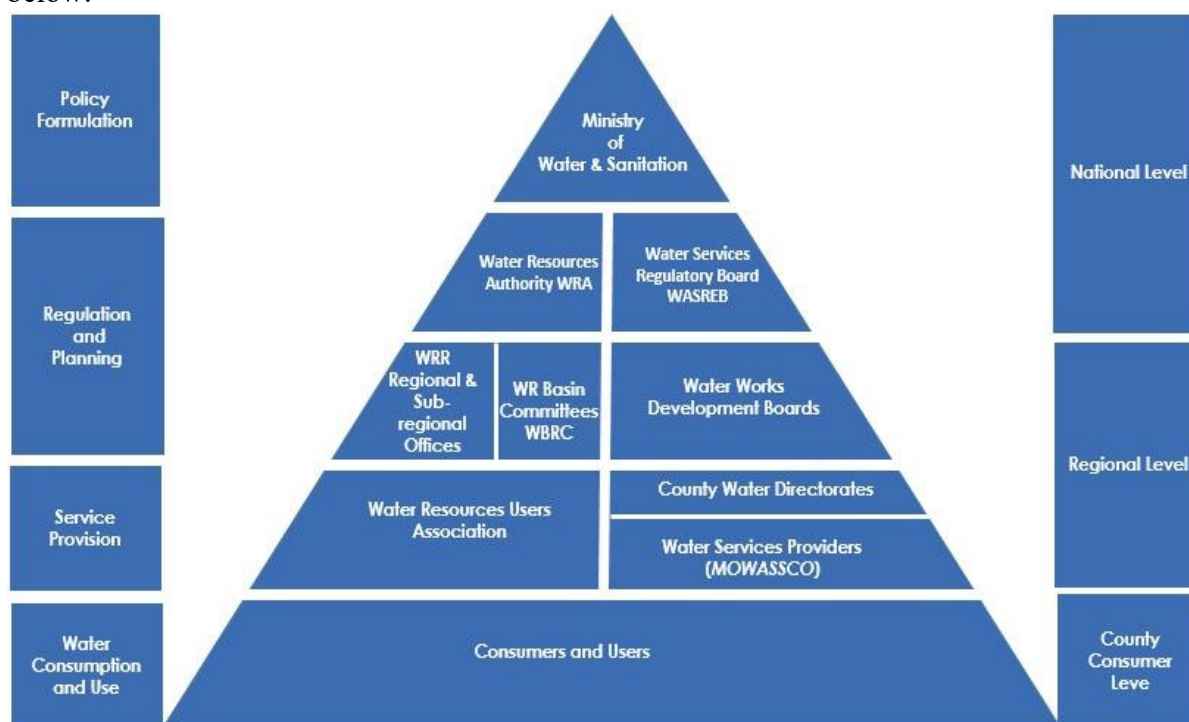
The Water Act 2016 under Section 72 (c) gives WASREB the mandate of setting license conditions and accrediting Water Service Providers. The license is, therefore, a statutory requirement which gives the WSPs the power to provide water services in the Counties. As a tool for regulating the sector, the license sets out the conditions and targets of performance to be observed by WSPs to ensure quality in service provision. WASREB has revised the license document into three categories, namely: License for the Commercially Viable WSPs, License for Small Scale WSPs and License for Bulk Water Supply

1.3.3 The Institutional Framework for the Kenya Water Sector - The Water Act (2016)

TAWASCO receives its water from the River Tana and boreholes in five distinct production zones. The areas are Hola, Madogo, Garsen, Ngao and Bura. TAWASCO is under the area of jurisdiction of the Coast Water Works Development Agency covers (6) six counties namely Mombasa, Kwale, Kilifi, Taita, Tana River and Lamu. CWWDA partners with seven Water Service Providers in the region, which includes TAWASCO. Within the regulatory framework in the supply chain, WSPs are charged with:

- New water supply connections for households and institutions
- Disconnections and re-connections of water supply.
- Issuing of licenses to operate water kiosks.
- Water meter reading, relocation, replacement, or testing
- Attending to leaks and bursts along water pipelines.
- Water quality testing

The institutional implementation framework for the water act is depicted below:



1.3.4 Company Governance and Organizational Structure

TAWASCO is governed by a Board of directors who provide overall leadership and oversight of the Company operations. The Board is composed of seven members, whose positions are competitively filled through advertisement, and going through interview to be confirmed in position. However two (2) of the directors are appointed based on the positions they are holding as County Executive committee member officer in charge of water and County Executive committee member - finance and economic planning. To effectively discharge its mandate, the Board has the following Board committees: the finance and operations committee, the human resource committee, and the audit and risk committee.

The Managing Director sits in the Board of Directors as the secretary, and he is responsible for the day-to-day running of the company's operations. The MD chairs the cooperate management team (CMT) and ensures the set objectives are achieved. The CMT is comprised of the heads of division and heads of departments.

1.3.5 Experience, Challenges and Lessons Learnt from the 2018-2022 Strategic Plan

Recurring issues emerging from TAWASO's operations included a low public image, inadequate revenue collection, high non-revenue water, low water volumes, and low staff productivity.

The strategic plan for the period 2024- 2029 thus had the following key intentions:

- Reduction of Non - Revenue Water.
- Exploring PPP options to improve collection and billing efficiency.

- Tariff adjustment to ensure full cost recovery to make TAWASCO financially sustainable.
- Improving staff productivity creates a culture of performance and accountability at TAWASCO.

Consequently, TAWASCO, in the strategic period 2024/2025- 2028/2029 focused on the following strategic pillars: (1) Financial sustainability, (2) Customer Centricism, (3) Process Efficiency, (4) Responsive Human Capital, and (5) Safety and Environmental Stewardship.

An analysis of TAWASCO's performance in the last strategic plan period brings out the following achievements, challenges and constraints and the lessons learned:

1.3.5.1 Achievements

- The government- initiated water and sanitation project increased metering by 723 meters and the Malindi ya Ngwenya Water Project increased water production by 280 M³ per day which made work efficient and enabled TAWASCO to have an increased portable water supply.
- Increase in number of external supporters and collaboration with stakeholders. E.g. WB, WSTF, Welthungerhilfe and Tana River County government
- Improvement in use of technology that reduced paper costs and expenditure – automation of billing through use of USSD as well as adopting a cashless payment system.
- Recognition of customers as an essential factor in TAWASCO business with better customer response and timely resolution of customer issues.
- Improved governance structures with a competent board in place. In the last 4 years, there has been consistency in governance, leading to improvement in organizational ranking.
- The regulator licensed TAWASCO.
- The regulator approved TAWASCO's tariff
- Expanded the fleet with the addition of 16 motorbikes significantly improving TAWASCO's service delivery capabilities and responsiveness to both staff and customer concerns.

1.3.5.2 Challenges and Constraints

- High non-revenue water due to non metered connections, illegal connections, vandalism, meter tampering, leaks and bursts leading to revenue loss
- The lack of coordination among implementing agencies results in duplicated efforts and challenges in achieving desired goals, objectives, and priorities. Multiple projects implement by diverse agencies and different partners may not always align with each other, leading to disjointed efforts and missed opportunities for impact.

- Old and dilapidated infrastructure such as aging buildings and structures directly contributes to poor service delivery e.g. old pipes lead to water loss which in the long run contribute to NRW.
- Finance - liquidity issues and cash flow constraints as well as high uncollectable debts.
- Poor/low staff morale – attributed to inadequate rewards and recognition system, Inadequate Staff training and development opportunities, absence of a structured succession plan and high management staff turnover.
- Cash flow constraint affecting timely procurement of goods and services that affect service delivery.
- Lack of policies and procedures such as a disposal policy, meter management policy; and inadequate implementation of policies e.g. the kiosk policy

1.3.5.3 Lessons Learned

- To ensure the company can fulfill its obligations effectively, TAWASCO must establish mechanisms to generate revenue for self-reliance and sustainability. Diversifying revenue streams beyond traditional sources like water supply and billing is crucial. The sanitation department (the decentralized treatment facility) can enhance its services by regulating private exhauster services and other businesses within its mandate, necessitating a thorough review and development of sanitation sewer policies. By adopting these measures, TAWASCO can strengthen its financial stability, improve service delivery, and ensure the sustainability of its operations in the long term.
- Unity of purpose enhances teamwork and leads to organizational success. As such Staff motivation and commitment are key drivers for organizational performance
- To address the challenge of unsteady and inadequate water supply, TAWASCO needs to plan strategically and coordinate with service providers and other relevant stakeholders to enhance water availability and reliability.
- Prudent management of finances is important. Proper prioritization helps to improve organizational performance by reducing costs and expenses.
- TAWASCO needs to better manage external stakeholders.
- Effective implementation of policies and directives is important. There needs to be more ownership of the policies, procedures, and guidelines by the users.
- The transformations sector and regulatory framework information and knowledge should be cascaded to all levels of the company.
- It is essential to conduct annual planning sessions and mid-term reviews regularly to ensure ongoing evaluation of progress and to maintain strategic alignment.
- Success is measured by how well TAWASCO thrives despite the challenges – how it picks up from where it is currently and how it moves on despite challenges.

- For TAWASCO to respond well to emerging trends and players, it must foster mutually sustainable partnerships and collaborations.

CHAPTER 2: STRATEGIC ANALYSIS

2.1 Introduction

Following the tariff negotiation meeting in 2022, it became apparent that there was a crucial need to develop a strategic plan. This plan takes into account the milestones achieved thus far, the challenges encountered, and the evolving operating environment. It provides an opportunity for us to look at where we are, re-engineer our activities and set where we would like to be in the next five years (2024/2025 to 2028/2029) having in mind the changes in the operating environment.

In this chapter we present TAWASCO's SWOT analysis, starting with a water situation report, followed by the internal and external assessments that provide input into the SWOT, and lay the foundation for the new strategic plan 2024/2025-2028/2029.

2.2 Situational Analysis

2.2.1 Water Deficit, Scarcity, and Demand

According to WASREB Performance Impact reports, water supplies to Tana River County have been at 32%. This has also been coupled by the collapse of three boreholes in 2018 at Garsen and Madogo water supplies. To cope with the future water deficit, the following actions will be required:

- a) Water resource development should be promoted to the maximum to meet the future water demand as much as possible.
- b) Water demand management such as water saving and effective and efficient water use, recycling of water, etc. should be fully introduced to control water demand increase, and especially it is important to control the irrigation water demand making up 80% of the total water demand in the catchment area which has insufficient water resources for water demand; and
- c) Water resources development balanced with the available quantity of water resources should be made.

To this end, the county government should develop a Water Master Plan for Tana River County.

2.2.3 The CIDP 2023-2027 challenges and strategies for water, sanitation, and sewerage

The situational analysis of the new county integrated development plan highlights the following challenges:

Water supply services	Sanitation/Sewerage Services
• Dilapidated intake infrastructure • Catchment degradation • Poor water conservation and management	• Low infrastructure coverage • Poor sanitation management • Rural urban Migration

• Limited technology uptake • Minimal research and development	• Low awareness • Pollution of water bodies
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Following the above challenges and constraints, the county government has outlined the following strategies in response. The goals and initiatives are outlined in the table below.

Table 3: CIDP Water and Sanitation Sector Strategic Initiatives 2023-2027

Goal	Strategies 2023-2027
To improve access of clean and safe water	• Increase bulk water supply. • Maximize exploitation of existing water sources • Conserve water catchment areas • Improve the governance in the management of water resources and infrastructure. • Adopt and utilize new technology to make use of existing water sources in the county. • Develop sector policies, legislation and regulations. • Enhance the capacity of service providers in the provision of water services. • Increase water supply storage capacity. • Create awareness on better practices in water supply use conservation and management. • Controlled abstraction of ground water • Reduce non-revenue water. • Increase water tanker facilities. • Upscale the adoption of water technologies • Facilitate and fund research and development in water sector
To improve access to sewerage and sanitation services	• Construct sewerage network and waste water treatment plants. • Improve Sanitation Governance. • Enhance the capacity of service providers in provision of sanitation services. • Create awareness of better practices in sanitation and sewerage services. • Increase Public ablution blocks. • Develop sector policies, legislation and regulations. • Facilitate and fund research and development in the sanitation sector. • Increase wastewater exhausting facilities.

Source: Compiled from CIDP 2023-2027

2.3 Internal analysis

2.3.1 Financial analysis

Based on the financial reports provided below, TAWASCO's top priorities include implementing a non-revenue reduction strategy, driving revenue growth, and enhancing cost recovery measures.

The following key metrics depict the financial situation of TAWASCO as at June 2023:

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>2023/24</i>	<i>2022/23</i>
	Kshs	Kshs
Revenue		
Operating Revenue	34,830,266	27,758,702
Grants Income	31,009,481	21,044,504
Total Revenue	65,839,747	48,803,206
Expenses		
Staff Costs	9,473,216	10,456,600
General and Operations expenses	54,347,676	32,112,123
Board Expenses	495,200	371,200
Maintenance Expenses	3,353,480	7,195,304
Depreciation and Amortization expenses	831,378	785,178
Total Expenses	68,500,950	50,920,405
Profit/(Loss) Before Taxation	(2,661,203)	(2,117,199)
Income Tax Expense/(Credit)	-	-
Profit/(Loss) After Taxation	(2,661,203)	(2,117,199)
Total Comprehensive Income for The Year	(2,661,203)	(2,117,199)

Statement of financial position as of 30th June 2023

	2023/2024	2022/2023
	Kshs	Kshs
Assets		
Non-current assets		
Property, plant and equipment	2,451,850	2,780,227
Total non-current assets	2,451,850	2,780,227
Current assets		
Trade and receivable	68,833,517	60,752,157
Bank and cash balances	10,583,201	23,339,032
Total non-current assets	79,416,718	84,091,189
Total Assets	81,868,568	86,871,415
Equity and liabilities		
Capital and Reserves		
Ordinary share capital	5,000,000	5,000,000
Retained earnings	(714,719)	1,946,483
Capital/Development fund	8,673,038	26,187,319
Capital and Reserves	12,958,318	33,133,802
Current liabilities		
Trade and other payables	8,646,915	7,487,082
Refundable deposits and Prepayments	45,890,520	45,644,420
Taxation	606,111	606,111.00
Provisions	13,766,703	-
Total current liabilities	68,910,249	53,737,613
Total equity and liabilities	81,868,568	86,871,415

2.3.4 Summary of TAWASCO's Strengths and Weakness

The organizational capacity assessment, and the culture audit, together with additional probing on TAWASCO's value chain, led to the distillation of the company's strengths and weaknesses as shown in the table below:

Table 4: Strengths and weakness

STRENGTH	STRATEGIC IMPLICATION	STRATEGIC ACTION/RESPONSE
Diversity of dedicated staff and experienced workforce	Enhanced capacity for innovation and problem-solving	Foster a culture of continuous learning and development
Government support	Stability and backing for organizational initiatives	Strengthen partnerships and collaborations with government entities
Already existing and operating water network	Infrastructure foundation for service provision	Invest in maintenance and expansion of existing infrastructure
Stakeholders are willing to work with TAWASCO.	Strong support base for organizational goals	Foster open communication and collaboration with stakeholders
Wide Customer base	Increased revenue potential and market presence	Implement customer-centric strategies to enhance satisfaction and loyalty
Sole (main) water service provider in Tana River	Market monopoly with strategic advantage	Ensure Reliable water supply for good company image
Water billing system	Efficient billing and financial management	Continuously optimize and update the billing system for accuracy and effectiveness
	Revenue leakage controlled and increase in customer satisfaction	Invest in upgrading billing systems and staff training to improve accuracy and efficiency
WEAKNESS	STRATEGIC IMPLICATION	STRATEGIC ACTION/RESPONSE
High Non-Revenue Water	Financial instability	Implement NRW reduction strategies and leak detection programs

Non adoption and uptake of current technologies	Hindered operational efficiency and innovation	Invest in research and development to implement modern technologies and streamline processes
Allowing poor/low quality repair materials	- Poor service delivery - High NRW levels - Rampant leakages - Compromised service quality and reputation	- Procure quality materials at all times, Subject deliveries to quality checks/inspection - Establish strict quality control measures for procurement and maintenance processes
Aging and dilapidated infrastructure/ systems	- Poor water and sanitation services to consumers - Decreased service reliability and customer satisfaction	Implement a comprehensive infrastructure renewal and upgrade program
Lack of unity of purpose and negative cultural mindset	Impaired organizational effectiveness and performance	Foster a culture of unity, teamwork, and positive mindset through training and leadership initiatives
Low Staff morale and performance	Reduced productivity and service quality	Implement employee engagement programs and performance improvement initiatives to boost morale and productivity

2.4 External analysis

Our external analysis at industry/sector and market level started with an identification of key stakeholders, which was then followed by a market survey. The information gathered through the market survey was supplemented by insights from the secondary desk review of strategic documents as detailed in sections 2.2 and 2.3. These were collated and summarized into an opportunities and threats matrix that is presented below.

2.4.1 PESTEL analysis

POLITICAL FACTORS	MITIGATION/EXPLOITATION STRATEGY
Current political stability and goodwill from the county Government	Ensure there is continuous engagement on development and legislative issues
Tax policy and tariff control	Lobby for tax exemption on key issues on water supply and distribution materials
Possible political interference	Adherence to policy and regulations

	• Create awareness among politicians on roles of the company
ECONOMIC FACTORS	MITIGATION/EXPLOITATION STRATEGY
Current and future economic growth, inflation and interest rates	• Reduction of debts • Elimination of corruption • Ensuring procurement are harmonized with cash flows
SOCIAL-CULTURAL FACTORS	MITIGATION/EXPLOITATION STRATEGY
Population growth rate rising	• Increase water coverage and network expansion • Enhance pro-poor strategies • Increase in sewer connections
Belief that water is a free commodity	• Community sensitization on process of water distribution and costs involved and therefore water need to be paid
People refusing meter connection and preferring flat rate	• Community sensitization on importance of meters in distribution system.
TECHNOLOGICAL FACTORS	MITIGATION/EXPLOITATION STRATEGY
New technological innovations	• Keep abreast with the latest development and interrogate them well before implementation • Adopt relevant and appropriate technologies for water supply and reduction of NRW
ENVIRONMENTAL /ECOLOGICAL FACTORS	MITIGATION/EXPLOITATION STRATEGY
Pollution	• Engagement of relevant government bodies
LEGAL FACTORS	MITIGATION/EXPLOITATION STRATEGY
Water as a basic right	• Affordability of water to all consumers • Pro-poor approach • Reduction of NRW
Compliance with regulatory	• Identify the performance indicators and issues

requirements e.g. WASREB, NEMA	as critical success factors
Employment Law	• Keep staff updated on the laws • Enforce HR policies

2.4.2 Competitor Analysis

The main competitors for water provision in Tana River are boreholes and shallow wells, water tankers (that largely bring in water from the river, or transport from boreholes) and those providing bottled water. The demand for water and sanitation services is however large and unfulfilled, in addition to being reasonably regulated, which regulation favors TAWASCO.

2.4.3 Water Sector/Industry analysis and TAWASCO Performance in WASREB Impact Measurements

The Impact Report serves as WASREB's primary tool for public reporting and documents the performance of Kenya's water services sector over a given period. It is meant to spur comparative competition in the industry, thus creating the impetus for institutions to improve their performance whilst encouraging accountability of stakeholders in the water sector to the public. The WASREB impact report tracks Water Coverage, Sewer and Sanitation Coverage, Hours of Supply, Non-Revenue Water Reduction, Metering, and Cost Coverage among others.

Key highlights from the impact report of 2024 are as follows:

- TAWASCO, this Financial Year, has dropped from position 73 to 81.
- TAWASCO has continued registering dormant connections of over 40% for two years.
- Improvement in Creditworthiness Index with a changing score of 7 (from 28 to 35)
- NRW at 65%
- The level of assessment of drinking water quality stands at DWQ – 61%

2.4.4 Market survey 2023

In March 2023, TAWASCO conducted a market survey. The objective of the survey was to gather relevant information from the customers to improve the quality of services provided. A total sample of 445 responded to the survey, as presented below.

Figure 2: Distribution of Respondents in Customer Survey 2023

The objectives of the market survey were:

To evaluate customer satisfaction with the quality, reliability, and accessibility of water supply services provided; to assess customer satisfaction with the accuracy and reliability of water meters and the quality of meter servicing provided; to evaluate customer satisfaction with the billing process, accuracy, transparency, and responsiveness of the Company, as well as identifying areas for improvement; to assess customer satisfaction with the quality and reliability of tanker services and the quality of water delivered; to evaluate customer satisfaction with the reliability, accessibility, and effectiveness of sewer services provided.

The results of the survey are summarized here **below**:

No.	Assessed Factor	SCORE (%)					
		VD	SD	Neutral	SS	VS	Client comments for improvement
1	WATER SUPPLY						Regular and frequent (daily) supply preferred, install new and repair leaking pipes, avoid corruption, quick and effective communication of water issues, build more water storage and treatment tanks
	Quality of water	34	20	21	17	8	
	Reliability of water	34	20	23	19	4	
	Accessibility of water	34	19	25	17	5	
2	WATER METERS						Improve the accuracy of the meter, e-meters, avoid corruption, conduct sensitization on meters
	Accuracy	23	16	27	20	13	
	Reliability	23	15	26	22	14	
3	BILLING PROCESS						Transparent and accountable billing process, automated billing, affordable services, avoid corruption, quick and effective communication of water issues, having a toll-free call center
	Accuracy	29	18	23	18	13	
	Transparency	28	16	25	18	13	
	Reliability	35	19	29	11	7	
	Accessibility	35	18	30	12	5	
	Effectiveness	36	16	30	13	6	

Key: **VD** Very Dissatisfied, **SD** Somewhat Dissatisfied, **SS** Somewhat Satisfied, **VS** Very Satisfied

2.4.5 Summary of Opportunities and Threats

The table below **presents** the distilled summary findings of TAWASCO's opportunities and threats.

Table 5: **Opportunities and Threats**

TYPE OF OPPORTUNITY	STRATEGIC IMPLICATION	STRATEGIC ACTION/RESPONSE
Political support from the county Government	May bring in increased support at the political, social and economic area	Working closely with new leadership for support and financing through presentation of company brief, annual reports and project proposals.
Talent available to fill the gaps in technical skills.	Improved operational efficiency and	Develop training programs and recruitment strategies to fill technical skill gaps

	innovation	
Willing customer base which is able to pay	Increased revenue potential and customer satisfaction	Implement customer-centric strategies to improve service delivery and revenue collection
Increasing partnership for resource mobilization – funding and technical skills. Low-income department has mandate for resource mobilization.	Enhanced resource access and expertise	Foster partnerships for funding and technical skills, leveraging low-income department resources for mobilization
Public-private partnerships - private sewer and water tanker operators can be tapped into as a source of revenue.	Additional revenue streams and improved service delivery	Explore partnerships with private operators for revenue generation and service expansion
Police water unit – to arrest illegal water connections.	Reduction of illegal connections and revenue loss	Collaborate with law enforcement to crackdown on illegal connections and protect water resources
Emerging technologies e.g., GPS	Improved service delivery and cost-effectiveness	• Constant review and updating of our systems and processes. • Enhance training, research and benchmarking. • Invest in and integrate emerging technologies for enhanced efficiency and effectiveness
Expansion of water services	• Eliminate illegal water connections through proper linkages • Improved service coverage and quality	• Implement infrastructure expansion projects and enhance coverage to address demand and eliminate illegal connections
THREAT	STRATEGIC IMPLICATION	STRATEGIC ACTION/RESPONSE
Illegal water connections	• High non-revenue water and revenue loss • Poor customer service • Decreased customer	• Enhance inspections to arrest the situation • Adopt severe penalties to culprits, • Address systemic issues that encourage illegal connections to improve service quality and satisfaction

	satisfaction and revenue	
Climate change	Disruption of water availability and supply	Implement climate-resilient infrastructure and conservation measures to mitigate the effects of climate change
Competition – private water vendors – water bowlers	Revenue loss and market share erosion	Enhance service quality and efficiency to compete effectively with private sector operators
Political interference	Disruption of operations and decision-making	Build strong relationships with key stakeholders and advocate for non-interference in operations
New tariff – TAWASCO does not have adequate meters for accurate billing.	Revenue loss and billing inaccuracies	Invest in metering infrastructure and technology to ensure accurate billing and revenue collection
Inadequate funding	Hindered operations and infrastructure upkeep	Advocate for increased funding from government and explore alternative funding sources
Vandalism of TAWASCO infrastructure	• Affects supply • Disruption of service and increased costs	Enhance security measures, conduct regular maintenance, and collaborate with law enforcement to prevent vandalism
Illegal connections by private plumbers who have direct access to customers and pretend to be from TAWASCO (cartels)	Revenue loss and reputation damage	Increase enforcement efforts and educate the public to identify and report illegal connections
Water vendors interfere with meters and create artificial shortages to create demand for themselves.	• Disruption of water supply and demand dynamics • Affects the supply and demand of water.	Regulate water vendors, enhance metering accuracy, and educate consumers to address artificial shortages

2.5 Carryover projects from FY 23/24

The projects listed below began in FY 2023/24 and spill over into this current strategic period. Consequently, they will have to be integrated in the plans for 2024-2028 for proper allocation of resources and effective management.

Project Description	Status Report	Anticipated impact
Rehabilitation of Emmaus – Kasarani Water Project (UNICEF)	Contract amount KShs. 5,000,000 for the flushing, equipping and solarization. Note however that the UNICEF has begun providing funds for the implementation	• Flushing, Equipping and solarization • Increased water production • Improved quality of services
Rehabilitation of Emmaus – Kasarani Water Project (Coast Water Works Development Agency)	Contract amount KShs. 17,500,000 for the flushing, equipping and solarization.	• Flushing, Equipping and solarization • Increased water production • Steel elevated tank • Improved quality of services
Construction of the Minjila steel elevated tank	Contract amount KShs. 22,000,000 for a	• Improved quality of storm water discharged to the ocean
Rehabilitation of the Madogo Water Supply	Contract amount KShs. 35,000,000 for drilling, equipping, solarization, pipeline, steel elevated tank	• Increased water production and coverage • Reduce NRW

2.6 Strategic imperatives from the SWOT Analysis

The following issues emerge as a core strategic imperative from the situational analysis.

- Non-revenue water requires a comprehensive approach that includes leak detection and repair, metering and billing accuracy, pressure management, water loss audits, and public awareness campaigns.
- Ageing infrastructure requires a comprehensive approach that includes asset management, rehabilitation and replacement, technology upgrades, financing options, and collaboration and partnerships.
- The adoption of innovative water management technologies to improve the efficiency and effectiveness of water management.
- The promotion of a circular water economy, such as the Integrated Water Resources Management (IWRM) policy and the establishment of the Water Services Trust Fund (WSTF).
- Water conservation and efficiency such as the adoption of water-efficient technologies and the promotion of water-saving behavior through public education campaigns.

- Climate resilience, such as droughts and floods, requires investments in water infrastructure, such as dams and reservoirs, to manage water resources in a changing climate.
- Public-private partnerships to improve water service delivery and develop innovative solutions to water challenges.
- Improve utility performance on impact measurement around: Water Coverage; Drinking Water Quality; Hours of Supply/day; Non-Revenue Water management; Metering Ratio; Staff Productivity; Staff per 1000 Connections; Personnel expenditure as % of O+M Costs; % Revenue Collection Efficiency; O+M Cost Coverage and Sanitation Coverage.

2.7 Stakeholder Analysis

Key players and actors in the water service delivery sub-sector **include:**

Internal Stakeholder	Expected accountability
Board of Directors and Committees	• Provide oversight and guidance on the strategic direction of TAWASCO. • Approve the strategic plan and ensure its alignment with the organization's mission and vision. • Establish policies and procedures to support the implementation of the plan. • Monitor progress towards strategic goals and objectives through regular reviews and reports from management. • Engage with external stakeholders to advocate for TAWASCO's interests and support its strategic initiatives.
Managing Director	• Leads the overall implementation of the strategic plan. • Provides vision and direction to the management team and employees. • Works closely with the Board of Directors to ensure alignment between strategic objectives and operational activities. • Oversee the allocation of resources and monitor performance against strategic targets. • Represents TAWASCO in external forums and partnerships to advance strategic objectives and enhance organizational visibility.
	• Translates the strategic plan into actionable initiatives and projects.

Management Team	• Develop detailed plans, budgets, and timelines for executing strategic objectives. • Allocates resources effectively and ensures that departments are aligned with strategic priorities. • Monitors progress, identifies obstacles, and takes corrective action as needed to keep implementation on track. • Facilitates communication and collaboration across departments to promote a unified approach to achieving strategic goals.
Employees:	• Embrace and support the strategic direction set forth by the organization. • Align their individual goals and activities with broader strategic objectives. • Actively participate in implementing initiatives and projects related to the strategic plan. • Contribute ideas and feedback for improving processes and achieving strategic outcomes. • Demonstrate commitment to excellence, innovation, and continuous improvement in their work.

Strategic stakeholders and actor in water and sanitation	Expected level of involvement
National Policy Level (Parent Ministry of Water and Line Ministries)	• Engage in regular dialogue and consultation with policymakers to align strategic objectives with national water and sanitation policies. • Seek endorsement and support from relevant ministries for strategic initiatives and projects. • Collaborate on policy advocacy efforts to address regulatory barriers and promote favorable conditions for water sector development.
Regulators at the National Level (WASREB, WRA)	• Maintain open communication channels with regulatory bodies to ensure compliance with regulations and standards. • Provide regular updates on progress towards strategic objectives and seek regulatory guidance as needed. • Participate in regulatory forums and consultations to contribute

	insights and feedback on regulatory frameworks.
Sub-national Level/Regional regulators (WRR, WRBC, CWWDA)	• Work closely with regional water resource management bodies to coordinate activities and share data and information. • Participate in basin planning processes and stakeholder consultations to inform decision-making and resource allocation. • Collaborate on joint initiatives and projects to address regional water challenges and promote sustainable water management practices.
County Government Water and Sanitation Departments and Committees of the Assembly	• Establish partnerships with county governments and relevant departments responsible for water and sanitation. • Coordinate service delivery efforts and align strategic priorities with county-level development plans. • Engage in joint capacity-building initiatives and knowledge-sharing activities to enhance local water management capabilities
Water Resource Users Associations and other associations interested in water and sanitation	• Foster collaboration with water resource users' associations to integrate community perspectives and priorities into strategic planning processes. • Support capacity-building initiatives and provide technical assistance to strengthen the effectiveness of water resource users' associations. • Partner on community outreach and education programs to promote water conservation and sustainable use practices.
Water Service Providers (e.g. Other Water Service Companies)	• Forge partnerships with other water service companies in Kenya to share best practices, resources, and expertise. • Collaborate on infrastructure development projects and operational improvements to enhance service delivery efficiency and effectiveness. • Coordinate customer outreach and engagement efforts to ensure alignment with strategic objectives and enhance consumer satisfaction
Consumer and Users:	• Solicit feedback and input from consumers and users through surveys, focus groups, and public consultations. • Incorporate consumer preferences and needs into strategic planning processes and service delivery initiatives. • Establish mechanisms for ongoing communication and dialogue with consumers to address concerns and improve service delivery.

Development Partners (e.g., World Bank)	• Cultivate partnerships with development partners to access funding, technical expertise, and best practices for strategic initiatives. • Collaborate on project design, implementation, and monitoring to ensure alignment with strategic objectives and donor priorities. • Engage in joint advocacy efforts to mobilize support for water sector development and investment in Tana River.
Business Communities and Large Organizations in Tana River:	• Engage with the business community and large organizations through partnership agreements and collaboration agreements. • Explore opportunities for corporate social responsibility (CSR) initiatives and public-private partnerships (PPPs) to support strategic objectives. • Leverage the expertise and resources of the business community to drive innovation and entrepreneurship in the water sector.

CHAPTER 3: STRATEGIC DIRECTION

3.1 Introduction

In navigating the ever-changing landscape of the water supply and sanitation sector, Tana Water & Sanitation Company Limited (TAWASCO) stands committed to charting a clear and purposeful path forward. This chapter on Strategic Direction serves as a compass guiding our organization towards our overarching goals, grounded in a vision of excellence, a mission of service, and core values that define our identity.

3.2 The VISION

To be a water service provider that gives adequate and reliable water and sanitation services to residents of Tana River County

3.3 The MISSION

To ensure provision of efficient and suitable water and sanitation services

By “potable water” we mean that all the harmful substances/pollutants are absent from the water, and needed substances oxygen and nutrients are present therefore satisfy KEBS standards for potable water (see WASREB Guidelines).

By “efficient” we mean that the water supply services will conform to the WASREB guidelines of a minimum quantity of potable water, and with effectiveness such that no consumer is without supply for more than seven consecutive days in a month. Reliability also implies continuity of water supply, provided that where continuous water supply is not available, predictability of water supply shall be ensured by means of advance notification to consumers of interruptions and supply schedules.

3.4 Core values

- Consumer focused and demand driven
- Effectiveness and efficiency
- Creativity and innovation
- Responsiveness
- Teamwork
- Professionalism

3.5 Our Brand Promise

TAWASCO’s Customer Value Proposition (CVP) to the different customer segments will be premised on consistency, commitment, accessibility, reliability, sufficiency, affordability, efficiency, and quality. The CVP is detailed in the Service Charter that accompanies this strategy document.

The brand promise is also based on 4 service areas – Water and sanitation Services, Billing, Water and Sanitation Network Services and Water Quality as explicated below:

Water and sanitation Services TAWASCO has the mandate to provide cost effective and affordable quality water and sanitation services to the residents of Tana River County	Billing Customers are billed on a monthly basis unless otherwise agreed, for water and other services rendered. Bills are based on meter readings
Water and Sanitation Network Services TAWASCO will endeavor to maintain and expand the networks to ensure reliable access to potable water Efficient sewer disposal to promote public health and environmental sustainability.	Water Quality and Wastewater Effluent Water quality is one of the main indicators of the quality of service provided to the consumer

TAWASCO remains steadfast in its commitment to providing reliable, affordable, and sustainable water and sanitation network services to the residents of Tana River County. By upholding the highest standards of Professionalism, Integrity, Accountability, Equity, Teamwork, Customer Centricity and Innovation, we strive to create a future where every individual has access to clean water and proper sanitation, laying the foundation for healthier communities.

3.6 Risk Analysis and Risk Management

In developing this strategy, we have made assumptions regarding both the internal and external environment. These assumptions pose risk as they may or may not hold as the future unfolds. Consequently, we have synthesized these assumptions and risks and have proposed mitigation measures to increase the likelihood of achieving the Strategic Plan objectives. These are presented in the table below.

Table 6: Risk *matrix*.

Potential Risk	Risk Drivers	Risk Rating	Risk Mitigation	Strategic Objective Affected
Legal risk	High number of litigations	high	• Compliance with Labour Laws • Ensure compliance with all regulatory and statutory requirements • Ensure compliance with legal requirements in governance and operations • Exhaust other dispute resolution mechanisms to avoid litigation.	• Quality of service • Customer perception • Economic efficiency • Operational efficiency • Organizational capacity • Good governance

	Non-compliance with Regulatory and Statutory Requirements	Medium	• Conduct regular legal audits • Implement audit recommendations	• Good governance
			•	•
Operationalization of the Strategic plan	Service delivery	High	• Develop realistic annual work plans • Conduct periodic reviews • Agile project management approach • Continuous monitoring and evaluation • Adherence to SOP • Effective stakeholder management • Business process reengineering • Market and product development	• Economic efficiency • Operational efficiency • Quality of service • Customer perception
	Governance		• Continuous oversight • Development of appropriate governance structures and instruments	Good governance
	Management		• Continuous leadership capacity development	Good governance
Environmental hazards, calamities, pandemics	Inability to supply water and sanitation services	Medium	• Resilience and Business Continuity Planning • Identifying and harnessing opportunities in Risk	• Operational efficiency • Quality of service • Customer perception
Operational Risk	HR capability	Medium	• Talent Management initiatives (acquire, develop, optimize and retain/ release) • Human Capital investments (upskilling) and continuous review of optimal staffing	• Operational efficiency •

			levels (rationalization)	
Partnership commitment		Medium	• Cultivating proactive partnerships	• Customer perception
Compliance Risk	Changes in legislation, regulations, standards	Medium	• Review and update internal policies	• Economic efficiency • Operational efficiency
Financial Risk	Liquidity and financial exposures	High	• Cost Management • Planning and Budgeting • Maintaining an optimal Staff complement • Maintaining a healthy funding pipeline	• Quality of service • Economic efficiency • Operational efficiency
	Budget and availability of funds	High	• Budgetary planning (cash flow) and regular reviews	• Good governance
	Financial performance reporting		• Adherence to work plans, budgets, and timelines on reporting	
	Internal controls, accountability procedures		• Adherence to SOP • Quality assurance, periodic audits, capacity assessments • ERP/Integrated Financial Management System	• Good governance

3.7 Strategic Themes

After conducting internal, external, and risk analyses within the context of TAWASCO's operations, the following strategic issues have emerged as priorities for the next five years:



Prioritizing these strategic issues will enable TAWASCO to address key challenges, capitalize on opportunities, and sustain long-term growth and success.

3.7.1 Quality of Service

TAWASCO places a strong emphasis on delivering exceptional quality of service to its customers. This focus area involves implementing measures to ensure a reliable and consistent water supply, efficient management of wastewater, and effective sanitation practices. TAWASCO strives to meet or exceed customer expectations by providing safe, clean, and sustainable water and sanitation services. Strategies may include upgrading infrastructure, implementing advanced water treatment technologies, enhancing customer feedback mechanisms, and maintaining compliance with regulatory standards. By prioritizing the quality of service, TAWASCO aims to enhance customer satisfaction, promote public health, and contribute to the overall well-being of the communities it serves.

3.7.2 Customer Perception

Recognizing the significance of customer satisfaction and perception, TAWASCO is dedicated to shaping and improving how its customers perceive its services. Understanding customers' needs, expectations, and preferences is crucial in designing strategies that meet and exceed them. The focus is on enhancing communication channels, responsiveness, and customer engagement to foster positive relationships. TAWASCO may implement initiatives such as customer satisfaction surveys, effective complaint resolution mechanisms, service reliability enhancements, and community outreach programs. By prioritizing customer

perception, TAWASCO aims to build trust, loyalty, and satisfaction among its customers, further strengthening its reputation and market position as a reliable utility water provider.

3.7.3 Economic Efficiency

Economic efficiency is a key consideration for TAWASCO as it strives to optimize its operations in a cost-effective manner. This focus area involves maximizing resource utilization, reducing operational costs, and exploring revenue enhancement through the reduction of NRW, Effective metering among others. TAWASCO may implement energy-efficient technologies, implement water loss reduction programs through efficient leak detection and repair, and explore innovative financing models. By improving economic efficiency, TAWASCO aims to achieve financial sustainability, ensure affordable service pricing, and allocate resources efficiently for infrastructure upgrades and future expansion, ultimately benefiting the communities it serves.

3.7.4 Financial Viability

TAWASCO places great importance on addressing financial concerns and ensuring financial stability. This focus area involves developing strategies to enhance revenue streams, manage costs effectively, and strengthen financial planning and reporting. TAWASCO may implement tariff reforms, adopt prudent debt management practices, conduct regular financial risk assessments, and explore strategic partnerships for financial support. By effectively managing financial concerns, TAWASCO aims to ensure long-term financial viability, maintain affordable service pricing, and allocate resources efficiently to meet operational and investment needs, ensuring the continuous provision of quality water and sanitation services.

3.7.5 Operational Efficiency

Operational efficiency is a key driver for TAWASCO's success as a utility water company. This focus area entails the optimization of processes and workflows to minimize non-revenue water. Additionally, it will involve leveraging technology to improve productivity and service delivery, thereby facilitating revenue growth and enhancing cost recovery. TAWASCO may implement asset management systems, adopt automation and digital solutions, and conduct regular operational reviews to identify areas for improvement. By prioritizing operational efficiency, TAWASCO aims to reduce operational costs, enhance service reliability, and improve the overall effectiveness and agility of its operations, ultimately benefiting the coastal communities through efficient and reliable water and sanitation services.

3.7.6 Internal Process Improvements

TAWASCO recognizes the significance of internal process improvements to drive organizational effectiveness and efficiency. This focus area involves reviewing and refining organizational workflows, communication channels, and decision-making processes. TAWASCO may implement performance management systems, foster a culture of continuous improvement, and promote knowledge sharing and learning across the organization. By prioritizing internal process improvements, TAWASCO aims to enhance efficiency, collaboration, and organizational effectiveness, ultimately.

3.7.7 Organizational capacity

Organizational capacity refers to an organization's potential to marshal its human, financial and other resources to actualize its strategy for the benefit of the communities and clients it serves. Organizations therefore engage in capacity building activities to increase their effectiveness in serving their constituencies. Such activities include, but are not limited to, hiring new employees, upskilling board and staff, reorienting the reward and recognition structures and so on. To this end, TAWASCO will engage in similarly oriented activities including increasing employee productivity and performance through capacity development and alignment of KPI, as well as the reward and recognition structure; fleet upgrade; and so on.

3.7.8. Good Governance

TAWASCO understands that good governance helps reduce risks and enables faster and safer growth. It can also improve organizational reputation and foster trust. Good governance assures stakeholders of the corporate purpose, direction, and priorities. Consequently, TAWASCO in appreciation of good governance as a core strategic pillar, will prioritize the development and review of policies and guidelines that guide decision-making processes. This commitment extends to ensuring compliance with licenses, regulatory frameworks, accreditation, and certification requirements. Moreover, TAWASCO will actively engage in user consultations and stakeholder engagement to foster transparency, accountability, and inclusivity across its operations.

3.8 Strategic objectives and illustrative activities

The themes, objectives, and illustrative/priority activities for the strategic period 2024-2028 are presented below.

Table 7: Strategic Themes, Objectives and Budget Line.

Theme 1: **QUALITY OF SERVICE**

Objective 1	To increase the water coverage from the current 54.71% to 65% by 2029	BUDGET LINES(KSH)
Illustrative Activities	1.1 To liaise with CWWDA and other Central Government agencies to increase the current supply from 10,500M ³ to 21,000M ³ per day. 1.2 To complete the ongoing reticulation projects	On going
Flagship initiatives	Operationalization of the Oda – Golbanti Water project	On going
	Operationalization of the Wenje-Vukoni Water Project	Ongoing
	Operationalization of the Emmaus- Kasarani – Kalkacha Water Project	Ongoing

	Madogo Reticulation project	On going
Objective 2	To increase the hours of service (supply of water) from the current 9.8 hrs. to 16 hrs.	
Illustrative Activities	2.1 Install appurtenances along the pipelines. 2.2 Equip an adequate storage repair kit for 3 months. 2.3 Install real time monitoring of the water balancing	
Flagship initiatives	Appurtenance program	25,000,000
	Repair kits acquisition	100,000,000
Objective 3	To implement treatment and quality monitoring on weekly basis	
Illustrative Activities	3.1 Establish sampling treatment and sampling schedule. 3.2 Adequate supply of reagents	
Flagship initiatives	Laboratory Reagents	5,000,000
Objective 4	To establish a rapid response emergency unit for emergencies	
Illustrative Activities	4.1 Procure motorcycles. 4.2 Appoint and train staff in the new unit. 4.3 Establish a budget for the unit	
Flagship initiatives	Procurement of motorcycles	5,000,000
Objective 5	To establish water kiosks and communal water points for low-income areas	
Illustrative Activities	5.1 Establish mapping of the potential points. 5.2 Establish budget for construction	
Flagship initiatives	Water Kiosks establishment	6,000,000.00

Theme 2: CUSTOMER PERCEPTION

Objective 1	To improve internal and external communications systems	Budget lines
Illustrative Activities	1.1 Establish budget for communications activities. 1.2 Implement vigorous outreach marketing /Branding programs for awareness 1.3 Prompt update of occurrences	
Flagship initiatives	Branding and marketing communications	5,000,000
Objective 2	To establish a whistleblower mechanism with rewards.	
Illustrative Activities	2.1 Establish and launch an awareness campaign. 2.2 Establish a budget for the unit	
Flagship initiatives	Whistle blowing reward system	1,000,000
	Customer service	1,500,000
Objective 3	To establish prompt response for customer concerns from current 72 hours to 24 hours	
Illustrative Activities	3.1 Adequate necessary support to Business unit areas 3.2 Adequate staff in the areas. 3.3 Adequate transport	
Flagship initiatives	Transportation	3,500,000
	Human resources Staffing	
Objective 4	To enhance TAWASCOs corporate image	
Illustrative Activities	4.1 Undertake weekly branding and marketing activities. 4.2 Avail funds for the corporate image by establishing a budget for the unit 4.3 Establish feedback mechanism for customers. 4.4 Establish campaigns and activation of customer accounts	
Flagship initiatives	Brand and trade marketing	Refer to Objective 1 of Customer Perception

Theme 3: ECONOMIC EFFICIENCY

Objective 1	To reduce personnel expenditure from 60% to 45%	Budget Lines
Illustrative Activities	1.1 Increase revenue 1.2 Increase customer connections 1.2 Freeze Employment (recruit only urgent and necessary personnel) 1.3 Succession planning 1.4 Reorganization and implementation of organizational structure and organogram	
Flagship initiatives	Revenue enhancement	
	Organization redesign and structuring	
Objective 2	To increase OCCR from 0.6 to 0.9	
Illustrative Activities	2.1 Reduction of NRW 2.2 Increase collection efficiency 2.3 Reduce operational cost	
Flagship initiatives	Maintenance and Repairs	5,000,000
	Optimization projects	40,000,000
Objective 3	To increase revenue collection efficiency from 61% to 95%	
Illustrative Activities	3.1 Increase pay points to aid in revenue collection. 3.2 Increase recurring billing collection from 90% to 95% 3.3 Management of old debt (decrease old debts by 5% to 10% month on month) 3.4 Data cleaning and reconciliation of old debts to write off bad / unpayable debts 3.5 illegal customer identification and issuing of demand letters to defaulters.	
Flagship initiatives	Pay point systems	
	Financial Management Systems	ERP in place
	Financial management and Audit	1,000,000
	write off bad/unpayable debts	1,000,000
Objective 4	Management of accumulated old debts through outstanding debt collection (to use commission	

	approach)	
Illustrative Activities	4.1 Outsource debt collection to manage accumulated old debts using a commission-based approach 4.2 Reduction of outstanding arrears by 1% every month	
Flagship initiatives	Contracting outsourcing service for debt management	2,000,000

Theme 4: FINANCIAL CONCERNS

Objective 1	To raise revenue from 32M to 50M by 2029	Budget lines
Illustrative Activities	1.1 Registration and Regulation of water tankers and handcarts. 1.2 Reduce dormant accounts in the system from 52% to 32% 1.3 Increase coverage in low-income areas (by opening up new areas) 1.4 Improve on metering by replacing major consumers & borehole meters with smart meters. 1.5 Improve billing by establishing a smart billing system	
Flagship initiatives	Account Activation	1,000,000
	Regulation of water tankers	1,000,000
	Borehole metering	5,000,000
Objective 2	Reducing operational costs	
Illustrative Activities	2.1 Full implementation of ERP system (to reduce operational cost) 2.2 Implement framework contracting. 2.3 Use NRW tool to cut down operational cost	
Flagship initiatives	ERP	3,000,000
	Policies and Procedures	1,000,000

Theme 5: OPERATIONAL EFFICIENCY

Objective 1	To reduce dormant connections from 52%-32% and conduct regular inspection of dormant accounts	Budget lines
Illustrative Activities	1.1 To increase the water network coverage by 2% annually. 1.2 Equitable distribution of water 1.3 Implement vigorous outreach marketing / Branding programs. 1.4 Smart meter installation 1.5 Regularize inspection of accounts	
Flagship initiatives	Smart meters installation	15,000,000
	Network expansion	25,000,000
Objective 2	To reduce non-revenue water from the current 65% (baseline) to 50% (target)	
Illustrative Activities	- Introducing a NRW Team - Continuous inspection of dormant accounts - Robust and empowered Inspection unit - Improvement of customer meter accuracy for reduction of estimates by ensuring actual billing on all active accounts - Enhance speed, quality of work and repairs - Leakage detection and control of pressure management along with prompt repair of leaks and burst. - Installation of meter tamper proof seals, pilot meter tracking - Meter and monitor all kiosks, fire hydrants, standpipes - DMA strategy - Enhance asset management	
Flagship initiatives	NRW projects and maintenance	20,000,000
	Billing system	ERP in place
Objective 3	To enhance staff productivity by ensuring continuous on-job training, close monitoring of staff, performance appraisal, and monitoring and evaluation	

Illustrative Activities	3.1 Continuous on job training, staff learning and development 3.2 Performance contracting for management, performance management. 3.3 Closely monitoring staff productivity from the immediate supervisors. 3.4 Conduct quarterly performance appraisal on all staff with clear rewards and sanctions based on performance. 3.5 Ensure staff welfare/ needs are well catered for 3.6 General talent management 3.7 Work environment, climate, culture, infrastructural support (technology, ERP, other)	
Flagship initiatives	Performance management	1,000,000
	Training and development	1,000,000
	Staff welfare	2,000,000
Objective 4	To improve actual billing and estimates.	
Illustrative Activities	4.1 Continuous meter service 4.2 Adoption of smart meters for identified key accounts. e.g., Majors and kiosks 4.3 Continuous replacement of non- working and those past their life span meters 4.4 Awareness and adoption of the meter management policy	
Flagship initiatives	Metering	10,000,000
	Increase Customer base	

Theme 6: INTERNAL PROCESS IMPROVEMENTS

Objective 1	To enhance TAWASCOs operational management processes	Budget lines
Illustrative Activities	1.1 Clearly defined and Documented Processes. 1.2 Merging all defined processes to the ERP 1.3 Training in all internal processes	
Flagship initiatives	Operationalization of ERP	3,000,000
	Training	1,000,000

Objective 2	To support adherence to regulatory and social processes	
Illustrative Activities	2.1 Adherence to WASREB rules and regulations on service delivery 2.2 Adherence to the county rules (physical planning and environmental and climate change)	
Flagship initiatives	Policies	
	Environmental Climate change impact (NEMA Licenses)	1,000,000
Objective 3	To adopt innovative processes to enhance service delivery	
Illustrative Activities	3.1 100% Transition to ERP 3.2 Adoption of latest technologies in service delivery in the water sector	
Flagship initiatives	ERP and Licenses	5,000,000
	Automation	5,000,000
Objective 4	Development of standard operational procedures	
Illustrative Activities	4.1 Policies and procedure manuals	1,000,000
Flagship initiatives	ISO Certification	3,000,000

Theme 7: ORGANIZATIONAL CAPACITY

Objective 1	Improve employee productivity and performance	BUDGET LINES
Illustrative Activities	● Up-skilling board and staff ● Reorienting the reward and recognition structures ● fleet upgrade	
Flagship initiatives	capacity development to increase employee productivity and performance	
	Alignment of KPIs	
	Establish a reward and recognition structure	
Objective 2	Enhancement of fleet infrastructure through Disposal of Vehicles/motorcycles with high maintenance cost	
Illustrative Activities	3.1 Proper placement & timely repair of the existing fleet	

Flagship initiatives	Procurement of movable assets	
	Maintenance and Disposal of Assets	2,000,000

Theme 8: GOOD GOVERNANCE

Objective 1	Development and review of policies and guidelines as per the water sector guidelines	BUDGET LINE
Illustrative Activities	5.1 Develop OSH policies for the company.	
	5.2 Implement OSH policies for the company	
Flagship initiatives	Policy reviews and development	1,000,000
	Training on policy implementation	1,000,000
Objective 2	Organizational compliance to relevant regulatory frameworks	
	7.1 Obtain accreditation and certification that include ISO by 2029	
Flagship initiatives	Licenses	2,000,000
	ISO certification	5,000,000
Objective 3	Continuous strengthening of our governance structure	
Illustrative Activities	1. regular board meetings and decision made for improvement of the company	
	2. Effective communication across board and management	
Flagship initiatives	Capacity Building of board members	3,000,000

CHAPTER 4: STRATEGY IMPLEMENTATION FRAMEWORK

4.1 Introduction

This chapter delves into the essential framework for executing our strategic vision. With a clear understanding of our strategic direction, this chapter outlines the actionable steps and methodologies required to translate plans into tangible results. From resource allocation to performance monitoring, the strategy implementation framework provides a structured approach to ensure alignment, accountability, and successful execution of our organizational goals. Through effective implementation, Tana Water & Sanitation Company Limited (TAWASCO) aims to realize its mission and vision, driving positive impact and sustainable growth in the communities we serve.

4.2 Strategic activities mapping matrix

The activities to achieve the desired strategic objectives during the strategic planning period are presented in Appendices 1-8.

4.3 Resource mobilization and financial management

Implementing this strategic plan will require a reasonable outlay of human, financial and material resources. The starting point is to have a clear idea of resource needs and thereafter a resource mobilization strategy and plan.

4.3.1 Strategic imperatives for financial management

The following are the assumptions made and strategic imperatives that are considered necessary for the realization of the investments required over the next planning period, and for the achievement of the desired objectives:

- **Reduction of Non-Revenue Water (NRW):** Components of NRW which is the volume of treated water that does not earn revenue include: **Real Losses:** which is physical water loss through leakages and bursts in distribution and service pipes; and overflows/leakages from water reservoir; **Apparent Losses:** which are the “non-physical losses” or “commercial Losses” of water due to illegal connections (or water theft), meter errors, meter reading inaccuracies and unmetered connections; and **unbilled authorized consumption:** which is water taken by registered customers for public and institutional uses and is not paid for such as water for firefighting, backwash, and public fountains. To address the NRW the following are the strategic activities to be carried out:
 - Conduct O&M staff training
 - Procure tools and equipment
 - Stock fast moving goods for repairs and replacements
 - Replacement of the dilapidated sections of the water network
 - Undertaking massive line patrols
 - Conduct customer sensitization and awareness campaign
 - Develop and implement meter management policy
 - Continuous meter servicing, testing and calibration
 - Research and pilot SMART meters for major consumers and Kiosk accounts
 - Meter replacement on old, non- functional meters, faulty meters
 - Carry out meter resizing and re-position it
 - Installation of meter tamper –proof seals, pilot meter tracking

- Meter and monitor all kiosks, fire hydrants, stand pipes
- Train inspection team and meter readers to detect illegal connections
- Visit all dormant accounts
- Pilot remote meter reading
- Develop and implement company water balance
- Overhaul old and establish new DMAs including procurement of master meters
- Training NRW staff on methods of NRW reduction
- Review NRW reduction strategy
- Develop and implement a network asset management plan
- Procure and install new and overhaul sectional and air valves

Reducing NRW will result in increased revenue generation, as more water reaches paying customers, enabling the organization to allocate these funds to support strategic initiatives under various themes, such as "Operational Efficiency" and "Financial Concerns."

- **Revenue Growth:** TAWASCO projects an increase in revenue from 32 million per year to 50 million based on planned initiatives. This revenue growth will be driven by expanding the customer base, this is by increasing the number of active water connections, improving service quality, and enhancing customer perception by implementing water projects around reticulation, as proposed under the "Quality of Service" and "Customer Perception" themes. Increased revenue will provide the necessary financial resources to support the strategy's execution.
- **Operations and Maintenance Cost Optimization:** As most of the running costs, including capital expenditure, are classified as Operations and Maintenance (O&M), TAWASCO will focus on optimizing these costs. By enhancing operational efficiency, which is integrated into the O&M expenses, TAWASCO can free up funds to reinvest in critical areas aligned with the strategy's pillars, such as "Economic Efficiency" and "Operational Efficiency."
- **Efficient Maintenance and Expansion of Services:** Proper maintenance of existing infrastructure is vital to extending the lifespan of assets and ensuring reliable delivery service. By efficiently maintaining and upgrading water infrastructure, TAWASCO can reduce operational costs and provide better services to customers, aligning with the "Quality of Service" and "Operational Efficiency" themes.
- **Allocated Funding for Organizational Capacity:** TAWASCO will allocate funds to construct the HQ administration block and enhance organizational capacity, as outlined in the strategy. Investing in infrastructure and organizational capabilities will support the successful execution of the entire strategy.
- **Staffing Cost Projection:** The projected staffing cost is based on the current staffing level. TAWASCO will prudently manage its human resources to ensure efficiency and productivity while controlling staff-related expenses. This approach will enable the organization to allocate funds for capacity development and other strategic priorities under "Organizational Capacity."
- **External Partnerships:** TAWASCO will leverage its existing development partner's support for the development of major water projects. Collaborating with external partners will enable TAWASCO to access additional funding and resources,

especially for large-scale projects aligned with the strategy's objectives. This approach will be particularly relevant for projects related to "Quality of Service."

- **Enhanced Metering and Data Management:** Improved metering and data management accuracy will lead to better revenue collection and resource utilization. By ensuring efficient billing processes and reducing revenue leakage, TAWASCO can increase its financial capacity to invest in "Financial Concerns" projects and other strategic initiatives.
- **Accuracy in Billing and Metering:** Improving accuracy in billing and metering ensures that customers are charged correctly for the water they consume. By reducing billing errors and improving revenue collection, TAWASCO can increase its financial capacity to invest in projects aligned with "Financial Concerns" and other themes in the strategy.
- **Optimization of Water Kiosk and Tanker Services:** Optimizing water kiosk and tanker services ensures equitable access to water for communities that may not have direct connections to the main water supply. By streamlining these services and enhancing their efficiency, TAWASCO can improve customer satisfaction and increase revenue from such services. The funds generated can be utilized to support initiatives under the "Customer Perception" and "Economic Efficiency" themes.

4.3.2 The Budget

The table below provides the estimated cost requirements over the next 5 years. Note that the amounts indicated for year 2023/24 are drawn from section 3.8. Subsequent year projections assume a 5% year-on-year increment:

Table 8: 5-year financial projection

TAWASCO FINANCIAL BUDGET/ COST REQUIREMENTS BY YEAR (KSHS)							
FINANCIAL YEAR		2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	TOTAL
THEME AREA	COST REQUIREMENTS						
QUALITY SERVICE	TOTAL REQUIREMENTS	157,500,000	165,375,000	173,643,750	182,325,938	191,442,234	870,286,922
CUSTOMER PERCEPTION	TOTAL REQUIREMENTS	16,000,000	23,875,000	25,068,750	26,322,188	27,638,297	118,904,234
ECONOMIC EFFICIENCY	TOTAL REQUIREMENTS	367,000,000	374,875,000	393,618,750	413,299,688	433,964,672	1,982,758,109
FINANCIAL CONCERNS	TOTAL REQUIREMENTS	182,000,000	189,875,000	199,368,750	209,337,188	219,804,047	1,000,384,984
OPERATIONS EFFICIENCY	TOTAL REQUIREMENTS	1,470,000,000	1,477,875,000	1,551,768,750	1,629,357,188	1,710,825,047	7,839,825,984
INTERNAL PROCESS IMPROVEMENTS	TOTAL REQUIREMENTS	83,000,000	90,875,000	95,418,750	100,189,688	105,199,172	474,682,609

ORGANIZATIONAL CAPACITY	TOTAL REQUIREMENTS	50,000,000.00	57,875,000	60,768,750	63,807,188	66,997,547	299,448,484
GOOD GOVERNANCE	TOTAL REQUIREMENTS	30,000,000.00	37,875,000	39,768,750	41,757,188	43,845,047	193,245,984
OVERALL TOTAL PLAN REQUIREMENTS	TOTAL REQUIREMENTS	2,275,500,000	2,283,375,000	2,397,543,750	2,517,420,938	2,643,291,984	12779537313
Recurrent Expenditure and CAPEX							
	Staff Costs	426152270	447,459,884	469,832,878	493,324,522	517,990,748	2,354,760,300
	General and Operation Expenses	352685462	370,319,735	388,835,722	408,277,508	428,691,383	1,948,809,810
	Maintenance Expenses	26,602,103.00	27,932,208	29,328,819	30,795,259	32,335,022	146,993,412
	Directors expenses	5475900	5,749,695	6,037,180	6,339,039	6,339,039	30,257,804
	Total CAPEX & Other Costs (Depreciation & Amortization)	21,893,753.00	22,988,441	24,137,863	25,344,756	26,611,994	120,976,806
TOTAL INTERNAL FINANCIAL REQUIREMENTS		5475900	453,209,579	6,037,180	6,339,039	6,339,039	177,251,216

The Estimated budget over the 5-year period is 12,779,537,313, the running recurrent expenditure and CAPEX at 177,251,216.

That said, it is anticipated that resources could be obtained from:

- a) Appropriations by county assembly from the county government budget.
- b) Provisions from the equalization fund for agreed programmes.
- c) Provisions by county government for agreed programmes.
- d) Donations, grants, and bequests from development partners and other sources.
- e) Internal revenues based on services rendered and billed for by TAWASCO

4.4 Human resources

4.4.1 Staffing needs for the implementation of the strategy

Implementation of this Strategic Plan requires an optimum staffing level. The approved staffing level will be effective in facilitating the implementation of the Strategic Plan. Table 9 below shows the distribution of staff by grade:

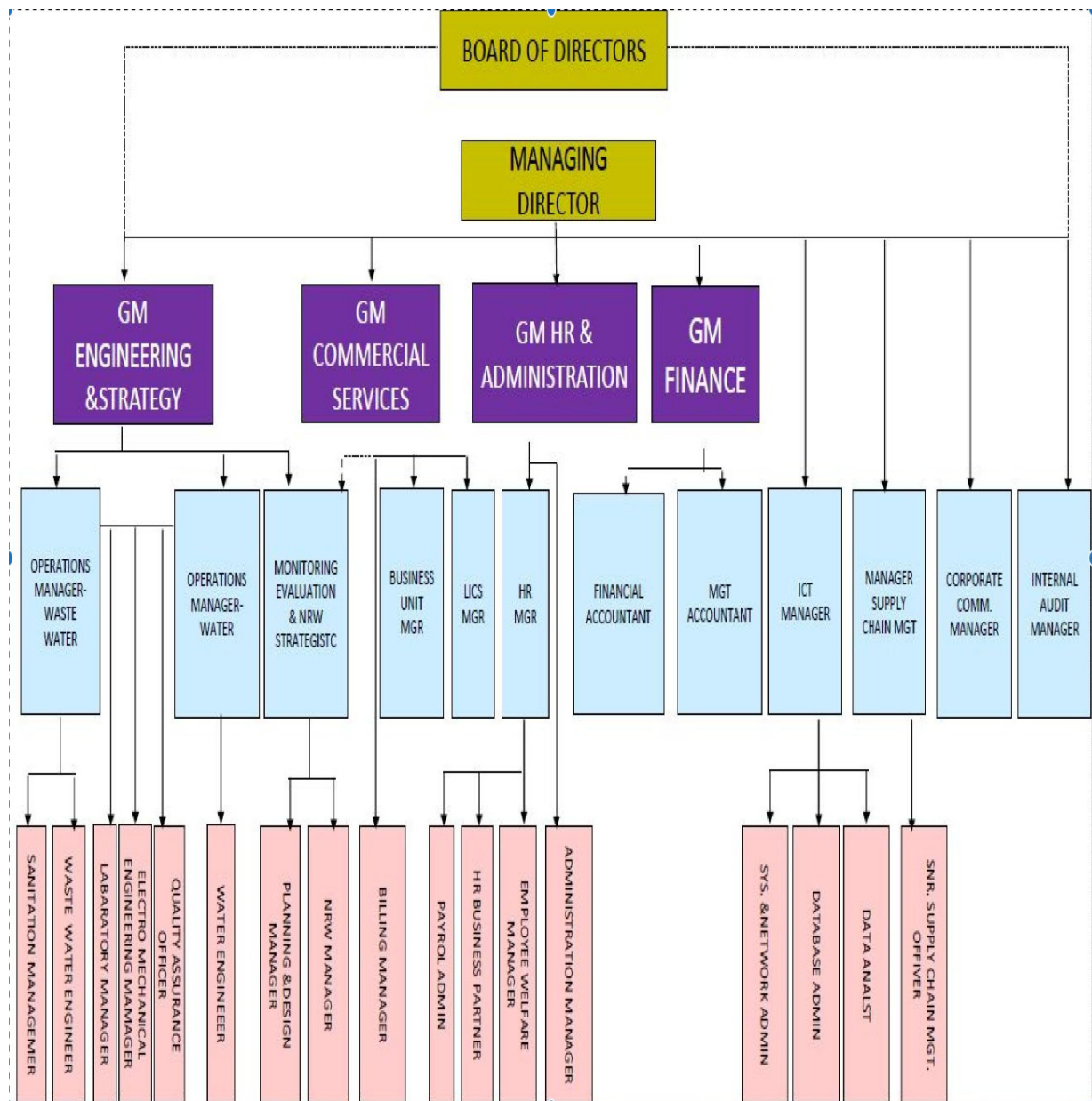
Table 9: Staff distribution by grade

STAFF DISTRIBUTION BY GRADE				
GRADE/JOB GROUP	APPROVED ESTABLISHMENT	IN POST	VARIANCE	REMARKS
A	56	56	0	OPTIMUM
H-J	5	5	0	OPTIMUM
K-N	3	5	-2	EXCESS
P-Q	1	0	1	DEFICIT
TOTAL	65	66	-1	EXCESS

4.4.2 Organizational Structure

TAWASCO also recently undertook an HR audit and a review of its organizational structure. This new structure, which is aligned to this strategy, is presented here below:

Figure 3: TAWASCO Organizational structure



The Board of Directors plays a crucial role in overseeing the overall strategy and performance of the organization. The Managing Director acts as the key executive responsible for implementing the board's decisions and achieving the organization's goals. The Managing Director will be supported by Managers, each responsible for various business portfolios, to ensure effective execution of the strategy.

- **Technical Manager:** This role focuses on developing and executing engineering and strategic initiatives aligned with the organization's long-term goals. They will oversee projects and innovations that contribute to Themes 1 (Quality of Service), Theme 5 (Operational Efficiency), and Theme 6 (Internal Process Improvements).
- **Finance Manager:** This position is responsible for overseeing the financial operations of the organization, aligning financial strategies with Themes 3 (Economic Efficiency) and Theme 4 (Financial Concerns). They will ensure financial planning, budgeting, and cost management are optimized.

- **Commercial Manager:** This role concentrates on enhancing customer satisfaction and revenue generation in line with Themes 2 to 6. They will oversee business roles and customer service initiatives.
- **Human Resource Manager:** This manager oversees HR functions, including talent management, employee engagement, and administrative support. They contribute to Theme 7 (Organizational Capacity) by ensuring the organization has the right people and resources to execute the strategy effectively.

To support the execution strategy, heads of departments provide the following key business support functions:

- **Supply Chain Manager:** will ensure the smooth flow of goods and services, contributing to Themes 1 (Quality of Service) and Theme 3 (Economic Efficiency).
- **Internal Auditor:** Will provide independent assessments of the organization's processes and controls, supporting Theme 8 (Good Governance).

4.4.3 Performance contracting

TAWASCO is committed to implementing performance contracting by the guidelines set forth by the Kenyan government. The company will first align its performance contracts with the government's overarching strategic objectives to achieve this. This involves setting specific, measurable targets across key areas such as service delivery, customer satisfaction, financial management, and environmental sustainability. TAWASCO will engage with relevant stakeholders, including employees, management, regulators, and customers, to ensure buy-in and agreement on these targets. Adequate resources will be allocated to support the achievement of these targets, and robust monitoring and evaluation mechanisms will be implemented to track progress and identify areas for improvement. Incentives will motivate employees to exceed targets, and a culture of continuous improvement will be fostered within the organization. Through these efforts, TAWASCO aims to enhance its performance and accountability and ultimately deliver better customer services in line with government guidelines.

To this end, at the beginning of every financial year, as guided by the board of directors, the management, through the managing director, will identify key performance areas (KPA) aligned with its strategic plan, such as financial management, customer satisfaction, and operational efficiency. Then, specific, measurable performance targets will be set for each KPA, ensuring they are SMART (specific, measurable, achievable, relevant, and time-bound). These targets will be directly incorporated into performance contracts, outlining responsibilities, timelines, and indicators for success. Adequate resources will be allocated to support the achievement of these targets, including financial, human, and technological resources. A robust monitoring and evaluation system will be implemented to track progress towards these targets, providing regular feedback to ensure accountability and identify areas for improvement. Through this process, TAWASCO will effectively link performance contracts to its strategic plan, ensuring alignment and driving overall organizational success.

4.4.4 Strategic collaborations and partnerships

TAWASCO will seek to collaborate with other partners such as the World Bank and Water Sector Trust Fund, and other Development Partners to draw on their expertise and resources in furthering TAWASCO strategic goals.

Here below are ongoing and potential partnerships for TAWASCO to achieve the desired results in the thematic focus areas:

*Table 10: Strategic collaborations and **partnerships***

Who	Area of partnership and collaboration
World Bank	Funding through the K-WASH Program
Coast Water Works Development Agency	Develops and maintains sustainable water and sanitation infrastructure within the Coast region such as the main transmission pipelines, including Mzima, Baricho, Marere and Tiwi – Likoni lines as well as drilling and equipping of additional boreholes
WSTF	• The Construction of Tarasaa - Golbanti - Oda Water Project • The Construction of Wenje - Vukoni Water Project • The construction of Madogo Water Supply project • The Hola Sanitation Project under UBSURP

CHAPTER 5: STRATEGY MONITORING, EVALUATION AND BUILDING A SUSTAINABLE ENTERPRISE THROUGH LEARNING

5.0 Introduction

A fit-for-purpose monitoring and evaluation framework will be established to ensure effective monitoring and regular audit of planned activities. The aim of the monitoring and evaluation framework will be:

- To track progress in the implementation of the Strategic Plan
- To provide quality, timely and accurate evidence to aid decision-making at different levels of the organization; and
- To ensure maximum accountability, efficiency and effectiveness in the activities intended for implementation in the Strategic Plan.

The monitoring and evaluation processes will be based on TAWASCOs governance, management and accountability structures, and the evaluation function will involve both process and impact evaluation.

5.1 Monitoring and Evaluation Framework

The M&E framework tabularized below shows the areas of focus and frequency of reporting.

Table 11: Monitoring and evaluation Matrix

Frequency	Report type	IPOO Result level	Focus	Due dates
Monthly	Monthly activity reports	Activity/Input & Process level	Identify activities whose implementation is delaying delivery of outputs, and develop plans to support early successes, promising activities, and address challenges	The 5 th of the following month
Quarterly	Quarterly progress reports	Output level	Quarterly review meetings to assess implementation progress towards the annual targets. Identify outputs whose achievement during the year is threatened, and develop plans to address the challenges/obstacles facing them	The 15 th of the first month of the following quarter
Annually	Annual progress	Output level	Assessment of progress,	The 15 th of

	reports		issues and challenges affecting achievement of outputs Review of financial and other resource utilization Identify priorities for coming year, revisit assumptions made in the strategy, and refine annual workplans and budgets	July in each subsequent year
Mid-term	Mid Term Review/Evaluation report	Output & Intermediate Outcome level	In-depth external evaluation to examine accomplishments over the first 2-3 years against expected results. Identify progress, issues and challenges affecting implementation of outcomes towards supporting the achievement of the overall goal, and make recommendations for adjustments during the remaining half of the strategic plan	June 30, 2026
End term	End Term Review/Evaluation report	Outcome & Impact level	In-depth external evaluation to assess progress and success of the Strategic Plan in achieving intended outcomes and impact, and make recommendations for the next strategic plan	December 31, 2028

5.2 Key Performance Indicators

Across the organization, performance will be assessed based on the KPI's listed in the Table below.

Target	2022/2023 (BASE LINE)	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
Water Coverage (%)	54%	56%	57%	58%	60%	65%
Sanitation coverage(%)	15%	15%	16%	16%	17%	17%
Water quality standards (%)	93%	100%	100%	100%	100%	100%
Personnel Expenditure as % of O&M	60%	55%	50%	48%	40%	34%
Total Cost Coverage(%)	89%	101%	101%	115%	115%	120%
Non-Revenue Water(%)	51%	45%	42%	39%	39%	39%
Hours of Supply (Hrs.)	6	8	10	11	12	12
Staff per 1000 connections	12	9	9	9	9	9
Total No. Active Connections	27,906	29,000	31,000	32,000	32,500	33,000
Metering ratio ((%)	100%	100%	100%	100%	100%	100%
Collection Efficiency (%)	95%	95%	96%	98%	98%	98%
Resale at Kiosk		KSh. 3.00 per 20 litres.				
		Tariffs at kiosks must be displayed at strategic points for public awareness				

Table 12: key Performance indicators (KPI) Matrix

5.3 Responsibility for Monitoring, Evaluation and Reporting

The overall Performance tracking will be overseen by the Managing Director's office. The respective heads of divisions will be responsible for tracking the appropriate KPI's for their

divisions. Efforts will be made to ensure that monitoring and evaluation will not be tedious but rather an effortless application throughout routine tasks.

5.4 Building a Sustainable Enterprise Through Monitoring Evaluation and Learning

Analysis of performance through review of monitoring and evaluation reports, and the conduct of annual reflective reviews, will offer opportunities for identifying deviations and implementing course correction or channeling support as appropriate. These learnings will be an important part of assuring sustainability, and the possibility of delivering on the aspirations of the strategy.

Consequently, TAWASCO will focus on two aspects of sustainability: project model sustainability and financial sustainability. Project model sustainability will be assured through continual involvement of project partners and stakeholders, both internal and external, from inception to implementation, monitoring, and evaluation, and through support for the inclusion and integration of project-related activities into institution policy, procedure, and routine activity. TAWASCO will also be very deliberate in staff capacity building and organizational knowledge management.

On financial sustainability, where feasible, TAWASCO will leverage the technical and financial resources obtained from other internal and external sources to support the initiatives envisaged in the strategy during its implementation. In addition, TAWASCO will seek the engagement and support of the County and National Government, as well as that of development partners and donors. Support of this nature will be anchored on TAWASCO's good reputation with the customers, on the back of prudent and efficient implementation, and on accountable and transparent resource utilization.

Heads of each function will be required to submit the following reports to the managing director as well as to the board on their progress in implementation of strategies under the Strategic Plan:

1. Monthly report to the management
2. Quarterly report to the management and the Board
3. Half-yearly to the management and the Board
4. Annual report to the management and the Board Financial report;
5. Audited financial report for the year ending;
6. Performance achievement report covering commercial and technical improvements on performance.

Each of the performance reports will contain the following elements:

1. Progress against the Plan
2. Performance against the budget for each respective strategy
3. Causes /challenges of any delays in the implementation of actions under respective strategies
4. Actions or resources required to remedy delays stated if any
5. Proposed review of the strategies

REFERENCES

1. Constitution of Kenya, 2010
2. Kenya Environmental Sanitation and Hygiene Policy, 2016-2030
3. Kenya Vision 2030
4. Tana River County Integrated Development Plan 2023-2027
5. TAWASCO Strategic Plan 2018 – 2020
6. National Water Master Plan 2030
7. National Water Resources Strategy
8. National Water Services Strategy
9. Sustainable Development Goals
10. The Water Act, 2016

APPENDICES: DETAILED IMPLEMENTATION PLAN MATRIX

APPENDIX 1: Strategic thematic focus area one: Quality of Service

Quality of Service	Baseline	Target	Y1	Y2	Y3	Y4	Y5	Risk and assumption	Verifiable outputs and outcomes	Responsible
Objective 1: Increase the water coverage (piped, borehole, handcarts, water kiosks, other water vendors) by 11%	54%	65%	56%	57%	58%	60%	65%	• Delay in dam construction • The ongoing projects will be completed in time. • Lack of funds •	• Increase number of registered and active customers • Registration of qualified agents in the water service supply operations e.g. water kiosk, private plumbers • Increase Revenue generation. • Increase length of network • Increased billed volume.	• MD • Corporate Communications manager • GME •

									• Number of recognized associations/stakeholders by company.	
Activity 1: Mapping and establishing baselines of water coverage as per mandated parameters	ND	100%	100%	NA	NA	NA	NA	• Resources available for the mapping exercise	• Baselines established across all parameters	• MD • All GMs • All BUMs
Activity 2: To liaise with CWWDA and other Central Government agencies to increase current piped water supply from 30,000M ³ to 100,000M ³ per day.	30,000 M ³	100,000M ³	30,000 M ³	40,000M ³	50,000M ³	80,000M ³	100,000M ³	• Delay in completion of the dam by Central government. • Approvals for PPP, PIP delay • Investment of transmission line and treatment plant	• Increase in billed volumes. • Customers satisfaction • In revenue generation	• MD • GME

Activity 3: To complete the ongoing donor-funded reticulation projects.	60%	100%	100%	100%	100%	100%	100%	• Delay in completion • Political interference within the project areas • Inadequate bulk supply	• Increase in billed volumes. • Customers satisfaction • Increase in revenue generation	• GME
Objective 2: Increase hours of service (supply of piped water) to 8 hrs	ND	8hrs	5hrs	5hrs	6hrs	7hrs	8hrs	• Lack of sufficient bulk supply. • Vandalism of infrastructure. • Lack of absorption capacity	• Increased customer satisfaction • Increase in revenue • Improved billing	• GME
Objective 3: Implement treatment (chlorination) and quality monitoring on weekly basis.	80%	100%	50	65	80	90	100	• Adequate supply of water. • Delayed availability of reagents.	• Improved quality assurance. • Boosts customer confidence	Operations Manager – water GME

								•Automate the laboratory processes.		
Objective 4: Establish and operationalize a rapid response emergency unit (RREU) for leaks and bursts	0%	100%	Establish central RREU	finalize operationalization of RREU	decentralize RREU	Central and decentralized RREU largely (90%) operational	Central and decentralized RREU fully (100%) operational	• Lack of skilled staff and unwillingness to re-skill • Staff transition • Financing and procurement of repair kits and other • Preventive maintenance of the service van.	• Skilled staff • Timely response to emergencies • Minimize damages • Reduction in technical NRW • Increased billing • Brand image	GME HR BUM (post decentralization)
Objective 5: Implementation of the Low Income Consumer Services policy for water kiosks.	ND	50%	10	20	30	40	50	• Land. • Financing • Capacity • Water kiosk/bowser	Reduced vandalism of network Reduced number of kiosks (from 2000 to <500)	GMCS

								cartels •Political interference.		
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APPENDIX 2 Strategic thematic focus area two: Customer Perception

Customer Perception	Baseline	Target	Y1	Y2	Y3	Y4	Y5	Risk and assumption	Verifiable outputs and outcomes	Responsible
Objective 1: To improve internal and external communications systems	50%	100%	60	70	80	90	100	• People not embracing technology. • Integrity issues • Bad publicity	• Customer satisfaction survey report • Reduced Customer complaints. • Improved service delivery	• GMHR (Internal communication) • Corporate Affairs Manager(external)
Activity 1: Establish budget for the communications activities. Activity 2: Develop/refine/establish and operationalize a communication policy, communication strategy and communication plans. Activity 3: Implement vigorous outreach marketing /Branding programs for awareness Activity 4: Prompt update of occurrences										
Objective 2: Establish a whistle blower mechanism with rewards.	0%	100%	100%	-	-	-	100%	• Limited customer knowledge of the platform. • Establish confidential reporting mechanism.	• Recorded reports	• Corporate manager • Internal Audit • GM Finance

								•Resource availability for whistle-blowers.		
Activity 1: Establish and launch awareness campaign. Activity 2: Establish a budget for the unit.										
Objective 3: To establish prompt response for customer concerns from current 72 hrs to 24 hrs.	72hrs	24hrs	24hrs	24hrs	24hrs	24hrs	24hrs	•Timely availability of resources •Employ preventive maintenance.	•Increase production. in • Reduced NRW •Increased work efficiency. •Increase of revenue & billing. •Customer satisfaction	•GM Eng., GM Commercial
Activity 1: Prompt capturing of customer complaints on the ERP Activity 2: Facilitation of the BUMs Activity 3: Efficient fleet management (with priority accorded to operational teams) Activity 4: Appropriate staff allocation to support prompt response to customer complaints.										
Objective 4: To enhance TAWASCO's Corporate Image	70%	100%	75	80	90	95	100	•Resource availability. •Poor service	•Customer satisfaction survey report •Reduced Customer	•Corporate Manager

APPENDIX 3 Strategic thematic focus area three: Economic Efficiency

Economic Efficiency	Baseline	Target	Y1	Y2	Y3	Y4	Y5	Risk Assumption and	Verifiable outputs and outcomes	Responsible
Objective 1: To reduce Personnel expenditure from 60% to 35%	60%	35%	60%	55%	48%	40%	35%	• Political interference • Staff competence	• Reduction in wage bill • Available disposal income	• HR
Activities Activity 1. Increase revenue Activity 2: Freeze employment (recruit only urgent and necessary personnel) Activity 3: Succession planning Activity 4: Reorganization and implementation of organizational structure and organogram										
Objective 2: To increase Operations and Maintenance cost coverage from 89% to 120%	75%	130%	85%	95%	105%	115%	130%	• Increase competition from alternative water providers • Aging infrastructure • There will be partnership with CGM to enforce • Cost of electricity	• Increase in Billing • Increased Customer satisfaction • Increased Revenue generation • Increase in Customer base	• GM ENG/ GM FINANCE • BUM

								at KSTP • Electricity cost remains constant		
Activity 1: increase revenue generation - billing etc. Activity 2: Reduction of NRW Activity 2: Reduce operational cost										
Objective 3: To increase revenue collection efficiency from 95% to 100%	95%	100%	95%	96%	98%	100%	100%	• Non-payment of bills • Billing errors and omissions • Inflation • Irregular water supply	• Achievement of revenue collection targets • Reduction in provision of bad debts • Reliable data • Increased revenue	• GMC/ GMF • BUM
Activity 1: Diversify and increase pays points to aid in revenue collection Activity 2: Follow up of alternative sources of revenue (subscription, regular charges, surcharges, etc.) from 90% to 95% Activity 3: timely accurate billing and continuous follow up of billed amounts/invoices to Increase recurring billing collection from 90% to 95% Activity 4: Management of old debt (decrease old debts by 5-10% minimum monthly Activity 5: Data cleaning and reconciliation of old debts to write off bad /unpayable debts										
Objective 4: To reduce dormant connections from	52%	32%	52%	45%	40%	35%	32%	• Vandalism of the water supply	• Increased	• GMC

52%-32% and conduct regular inspection of dormant accounts								network • Resistance from customers • Resource allocation	coverage • Number of smart meters installed. •	• GM Eng. • BUMs
Activity 1: Equitable distribution of water Activity 2: Smart meter installation Activity 3: Regularize inspection of accounts. Activity 4: Customer Data clean-up Activity 5: Implementation of Customer Identification Survey Report										

APPENDIX 4 Strategic thematic focus area four: Financial Concern

[illegible]

Activity 5: Periodic meter servicing and replacement

Activity 6: Implementation of DMA (District Metering Areas) and DMA Smart Meter approach

Activity 7: Management of accumulated old debts through outsourcing debt collection (to use commission approach)

[illegible]

Objective 2: To reduce operational costs by 5% annually (year on year)	816M	716M	880M	836M	794M	754M	716M	• High Inflation • Increase in wage bill	• NRW management tools used e.g., leak detection, tampering to cut down operational cost. • Reduction of net loss • Positive liquidity	• GM Finance • BUMs
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Activity 1: Full implementation of ERP system (to reduce operational cost)
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Activity 2: Implement framework contracting

Activity 3: Reduce NRW

Activity 4: Regulation of wage bill

Activity 5: Staff rationalization

APPENDIX 5 Strategic thematic focus area five: Operational efficiency

	Baseline	Target	Y1	Y2	Y3	Y4	Y5	Risk assumption and	Verifiable outputs and outcomes	Responsible
Objective 1: Reduction of Non-revenue water from the current 53% (baseline) to 35% (target)	53%	35%	53%	45%	40%	35%	35%	• Resource availability	• Reduction of net loss • Positive liquidity	• GM Finance • GM Eng. • BUMs
Activity 1: Introducing the Rapid Response Team (RRT) Activity 2: Continuous inspection of dormant account Activity 3: Robust and empowered Inspection unit Activity 4: Prompt repair of leaks and burst. Activity 5: Ensure actual billing on all active accounts										
Objective 2: Enhance staff productivity and reduce staff per connection from current 12/1000 to 6/1000	12/1000	6/1000	12/1000	10/1000	8/1000	6/1000	6/1000	• Endorsement of staff rationalization plans	• Staff engagement, staff job involvement • Staff job satisfaction	• HRM • GM Finance
Activity 1: Increase active connections and reduce inactive connections Activity 2: Focus on attaining optimum staff level (325 employees) including allowing for natural attrition										

Objective 3: Staff rationalization	N/A	N/A	N/A	N/A	N/A	N/A	N/A	• Resource availability • Endorsement of staff development plans	• Staff engagement, staff involvement • Staff job satisfaction	• HRM • GM Finance
Activity 1: Continuous on job training Activity 2: Performance contracting for management. Activity 3: Closely Monitoring staff productivity from the immediate supervisors. Activity 4: Conduct quarterly performance appraisal on all staff with clear rewards and sanctions based on performance. Activity 5: Ensure staff welfare/needs are well catered for										
Objective 4: Reduce estimated billing	TBD	100%	TBD	TBD	TBD	TBD	TBD	• Resource availability	• Reduction of net loss • Positive liquidity	• GMF • GME. • BUMs
Activity 1: Increase metering ratio to 100% Activity 2: Continuous meter servicing Activity 3: Adoption of smart meters at DMAs and at identified key accounts. E.g., high-consumption customers (from 100 cubic meters/month) and kiosks Activity 4: Continuous replacement of non- working and those past their life span meters Activity 5: Awareness and adoption of the meter management policy										

APPENDIX 6 Strategic thematic focus area six: internal process improvements

INTERNAL PROCESSES IMPROVEMENT										
	Baseline	Target	Y1	Y2	Y3	Y4	Y5	Risk and assumption	Verifiable outputs and outcomes	Responsible
Objective.1 Effective Operational Management Processes								• Change management • Unnecessary staff transfers • Resources allocation	• 100%Automation • Operational efficiency • Motivated staff • Customer • Customer satisfaction	MD ALL GMS
Activity 1: Clearly defined and Documented Processes.	90%	100%	90%	100%	100%	100%	100%	“	• Availability of Approved documents • Operationalization of approved process	• MD • ALL GM'S
Activity 2: Merging of all defined process to the ERP	60%	100%	60%	80%	100%	100%	100%	• Staff competency • Resource allocation • Staff culture	• Operational efficiency	ICTM

Activity 3: Training and sensitize on compliance for all internal processes.	50%	100%	50%	80%	100%	100%	100%	• Resource allocation	• Training attendance • Knowledgeable staff	• MD • GMF • GMHR
Objective.2 Enhance Regulatory and social process								• Management commitment • Delay in approvals • Resource allocation	• Compliance with the regulator	• MD • LEGAL • GMs • Int. Audit
Activity 1: Adherence to WASREB rules and regulations on service delivery	40%	100%	60%	70%	80%	100%	100%	• Management commitment • Delay in approvals - Resource allocation	• Compliance with the regulator • Renewed and valid licenses • Tarrifs • Quarterly reports	• MD • LEGAL • GM'S - Int. Audit
Activity 2: Adherence to	40%	100%	60%	70%	80%	100%	100%	• Management commitment	Compliance with the regulators – NEMA	• MD

the county rules (physical planning and environmental and climate change)								• Delay in approvals Resource allocation		• LEGAL • GM'S Int. Audit
Objective 3 Embracing new technologies to improve efficiency								• Resource allocation • Staff competency • Staff culture	• Operational efficiency • Staff motivation	• MD • DEPARTMENTAL HEADS
Activity 1: 100% Transition to ERP	80%	100%	100%	100%	100%	100%	100%	• Resource allocation • Change management	• Full automation of operations	• MD • DEPARTMENTAL HEADS
Activity 2: Adoption of latest technologies in service delivery in the water sector. E.g.,	40%	100%	50%	60%	70%	80%	100%	• Resource allocation • Change management	• No of new technologies adopted annually • Operational efficiency	• MD, • ALL GMS

[illegible]

APPENDIX 7 Strategic thematic focus area seven: Organizational capacity

Organizational Capacity	Baseline	Target	Y1	Y2	Y3	Y4	Y5	Risk assumption and	Verifiable outputs and outcomes	Responsible
Objective 1: Improve employee productivity and performance	40%	100%	40%	55%	70%	85%	100%	•	• Increased income • Improve customer perception	
Activity 1 – setting clear key Performance indicators	WASREB current ranking	100%	40%	55%	70%	85%	100%	• Lack of performance management tools • Poor leadership	• Performance targets • Career development	• MD • GMHR • Dept heads
Activity 2 – Ensure adherence to policies, procedures and establish relevant System and processes	40%	100%	40%	55%	70%	85%	100%	• Resistant to change • Lack of training processes • Lack of resources	• Good time management • Information management • Good accountability	• MD • All GMs
Activity 2 – redesign work environment, climate, and culture redesign	40%	100%	40%	55%	70%	85%	100%	• Lack of good working environment • External interference	• Reduction of incidents • Reduction of lost time	• MD • GMHR • GMF • HODs

								•Resistance to change		
Activity 3. Develop a Learning and capacity development strategy and ensure its implementation	40%	100%	40%	55%	70%	85%	100 %	•Lack of resources	•No of trainings •No of teambuilding •No of staff trained •Expertise and skill imparted	•MD •GM HR/Finance
Activity 4 – General talent management, Employee life cycle management	40%	100%	40%	55%	70%	85%	100 %	•Unclear employment growth •Lack of resources	•Staff retention •Staff morale boosted	•MD, •GM HR/Finance
Activity 5. Rewards and incentives management	40%	100%	40%	55%	70%	85%	100 %	•Lack of reward system •Lack of tools	•Good time management •Increase in revenue	•MD •GM HR/Finance
Activity 6 Optimal organizational structure development and operationalization	40%	100%	40%	55%	70%	85%	100 %	•Overstaffed •External inferences	•Optimum staffing •Freeze employment	•MD •GM HR
Activity 7 Infrastructure – technology, (ERP) enterprise	40%	100%	40%	55%	70%	85%	100 %	•Lack of training of the	•A functioning technology	•MD •GM

resource planning								staff • Scarce resources		HR/Finance
Objective 2: Institute effective property, plant and equipment management	40%	100%	40%	55%	70%	85%	100 %	Improved asset management and responsibility by staff	• Operational fleet	• MD • GM HR/Finance
Activity 1: Enhancement of fleet infrastructure + Disposal of Vehicles/motorcycles with high maintenance cost + Proper placement & timely repair of existing fleet		100%	40%	55%	70%	85%	100 %	• Audit of operational status of the company fleet • Lengthy procurement procedure • Lack of resources	• Number fleet operational • Less maintenance cost • Reduced maintenance cost	• MD • GMF • Transport • Administration
Activity 2: Operationalisation of the standard operating procedures and systems		100%	40%	55%	70%	85%	100 %	• -Poor workmanship • -High cost	• No of Departmental SoPS implementation • Good time management • Good accountability	• MD • GMs • HoDs

APPENDIX 8 Strategic thematic focus area eight: Good Governance

Good Governance	Baseline	Target	Y1	Y2	Y3	Y4	Y5	Risk assumption and	Verifiable outputs and outcomes	Responsible
Objective 1: Development and review of policies and guidelines as per the water sector guidelines	20.0%	100%	40 %	60 %	70 %	85 %	100%	• Cost consultancy for • Staff training	• No of approved policies and guidelines • Compliance to sector standards	• MD • All GMs • Safety Officer
Activity 1: align policies and guidelines with organizational goals, legal requirements, and best practices Activity 2: Training and Awareness on new or revised policies and guidelines Activity 3: Ongoing monitoring and evaluation of policy implementation										
Objective 2: Organisational compliance to relevant regulatory framework	70%	100%	80 %	90 %	100 %	100 %	100%	• Non-attainment of current licensing conditions of the interims • Changes in law	• Availability of the licenses • Environmental law compliancy • ISO Certificates	• Board • CMT •
Activity 1: Facilitate company acquisition of Licenses and regulatory framework Activity 2: Facilitate and support Accreditation & certification of the organisation										
Objective 3: Continuous strengthening of our governance structure	30%	100%	45 %	60 %	75 %	90 %	100%	• Resistance by staff • Increased cost of	• Increased staff productivity ratio • Reduced water	• All

								implementation	loses	
• Activity 1 – regular board meetings and decision made for improvement of the company • Activity 2 – Effective communication across board and management • Activity 3 - Capacity Building of board members										