



COAST WATER SERVICES BOARD

STRATEGIC PLAN

2013 – 2017

FEBRUARY 2014

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LIST OF ABBREVIATIONS

BOD	–	Board of Directors
CAAC	–	Catchment Area Advisory Committees
CCO	–	Corporate Communication Officer
CDOs	–	Community Development Officers
CEO	–	Chief Executive Officer
CSR	–	Corporate Social Responsibility
CWSB	–	Coast Water Services Board
DACs	–	District Area Coordinators
FM	–	Finance Manager
GoK	–	Government of Kenya
HR	–	Human Resources
IAM	–	Internal Audit Manager
ICT	–	Information Communication and Technology
KIMAWASCO	–	Kilifi-Mariakani Water and Sewerage Company
KPI	–	Key Performance Indicator
KWAWASCO	–	Kwale Water and Sewerage Company
LAWASCO	–	Lamu Water and Sewerage Company
MAWASCO	–	Malindi Water and Sewerage Company
M & E	–	Monitoring and Evaluation
MDG	–	Millennium Development Goal
MOWASSCO	–	Mombasa Water Supply and Sanitation Company
NWCPC	–	National Water Conservation and Pipeline Corporation
NRW	–	Non Revenue Water
PESTLE	–	Political, Economic, Social, Technological, Legal and Environmental
SPA	–	Service Provision Agreement
TAWASCO	–	Tana Water and Sewerage Company
TAVEVO	–	Taita-Taveta-Voi Water and Sewerage Company
TM	–	Technical Manager

WAB	–	Water Appeals Board
WASREB	–	Water Services Regulatory Board
WRMA	–	Water Resources Management Authority
WSP	–	Water Services Provider
WSTF	–	Water Services Trust Fund
WWDBs	–	Water Works Development Boards

FOREWORD

The Water Sector has evolved progressively from the period of our independence in 1963 to date. From the Sessional Paper No.10 of 1965 advocating for free or subsidised basic services like water, to Sessional Paper No.1 of 1999 which culminated in the Water Act of 2002, and lately to the execution of the new constitution which devolved water supply to the county level, the Government has gone full circle.

As the water reforms continue to change, and with the possible role of the Boards being aligned to asset development, the Coast Water Services Board continues to invest heavily in the rehabilitation and development of water infrastructure throughout the region. The Coast Water Services Board has kept pace with the changing scenario by aligning itself strategically to the changes. To this end the Board has reviewed its Strategic Plan for the next five years (2013 to 2017) to incorporate the recent reforms.

I take this opportunity to express my thanks and appreciation for the time and effort expended by Board members and management for their devotion and commitment, that have culminated in the production of this excellent document.

I am confident and optimistic that this revised Strategic Plan will guide the vision and mission of the Coast Water Services Board of ensuring maximum coverage of affordable water and sanitation services to the residents of the Coast Region, and in particular, with keeping with the country's declared Vision 2030.

CHAIRMAN

BOARD OF DIRECTORS

PREFACE

Since it was gazetted on 27th February 2004, the Coast Water Services Board has been keen to have a current Strategic Plan in place to guide its activities. The Strategic Plan is used as a tool for defining goals, determining actions and mobilizing resources to execute the actions.

Under the current review, the Board's Vision and Mission have been redefined to fit into a broader spectrum of infrastructure development within available scarce resources. The strategic objectives have encompassed the changing socio-economic environment of the coastal region including the ever growing population and thus increased demand for services. However, the Board is keen to ensure that the quality of the services is not compromised and has thus ensured that the core values should be explicit enough to initiate the quality process.

With a more comprehensive Strategic Plan 2013-2017 in place we look forward to an extraordinary performance in the coming years.

I take this opportunity to thank the Board of Directors for their attendance and valuable contribution to the review of this Strategic Plan. I also congratulate the Management team for work tirelessly to produce an outstanding document.

Lastly, I take this opportunity to appreciate the hard work from our consultants without whom this process would not have been easily achieved.

CHIEF EXECUTIVE OFFICER

EXECUTIVE SUMMARY

The Coast Water Services Board (CWSB) was established through a Gazette notice No. 1328 of 27th February 2004. The mandate of CWSB is to efficiently and economically provide water and sanitation services within its area of jurisdiction as provided by section 53(1) of the Water Act 2002. To effectively attain its mandate, the Board developed its strategic plan covering the period 2008 - 2012. Following the expiry of the 2008 – 2012 strategic plan, CWSB undertook to develop the 2013 – 2017 strategic plan, taking into account the changing operating environment, previous reviews and evaluations as well as feedback from the Board of Directors and management.

One of the priorities of the Kenya Government within the overall policy framework in the Kenya Vision 2030 is increasing accessibility to sustainable, quality and affordable water services. In line with this objective and also due to increased demand for water as a result of rapidly growing population, it was necessary for CWSB to define a strategic direction which will position the Board to deliver services more efficiently and effectively. The strategic plan was developed through a participatory approach which ensured that views of the key stakeholders were incorporated.

A review of the Board's vision, mission and core values was undertaken. A situational analysis was carried out to evaluate the past performance, the internal and the external environments in which the Board operates in, and stakeholder analysis. Situational analysis enabled the isolation of the key strategic issues that require management intervention during the planning period. The strategic themes/ issues that the Board will focus on over the plan period are:

1. Infrastructure development;
2. Resource mobilization;
3. Stakeholder management; and
4. Governance and institutional capacity.

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

- i. To increase water coverage from 55% to 80% by 2018.
- ii. To increase access to sanitation from 47% to 65% by 2018.
- iii. To increase funding for water and sanitation infrastructure from Kshs 7.5 billion in 2013 to Kshs 40 billion by 2018.
- iv. To enhance revenue collection from 50% in 2013 to 90% by 2018.
- v. To create and increase stakeholder's awareness and support to the Board.
- vi. To enhance efficiency and effectiveness in service delivery.
- vii. To institutionalize good corporate governance.
- viii. To attract and retain highly skilled and motivated staff.

Strategies to achieve these objectives were identified. For each strategy, the expected outcome, appropriate activities, output indicators, resource requirement, time frame and the implementing actors were determined. These have been documented in an implementation matrix presented in chapter six of this strategic plan.

Further, a monitoring and evaluation (M & E) framework aimed at enhancing successful implementation of the strategic plan was developed. The M & E framework is presented in chapter seven. To guide the operationalization of the M & E, annual key performance indicators that will track progress towards the achievement of the set objectives were identified and documented.

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND

The Coast Water Services Board (CWSB) was established through a Gazette notice No. 1,328 of 27th February 2004. The mandate of the Board is to ensure efficient and economical provision of water and sewerage services within its area of jurisdiction.

The Coast Water Services Board area of jurisdiction covers six counties namely Mombasa, Kwale, Kilifi, Taita, Tana River and Lamu. The CWSB area covers a total area of 83,040km² out of which rivers, lakes and national park, occupy 28,450 km² while 54,590 km² is used for agriculture, settlement and other human activities.

In line with the water Act, 2002, the Board has contracted seven Water Service Providers (WSPs) to oversee the distribution of water and sewerage services in its area of jurisdiction. The contracted WSPs are:

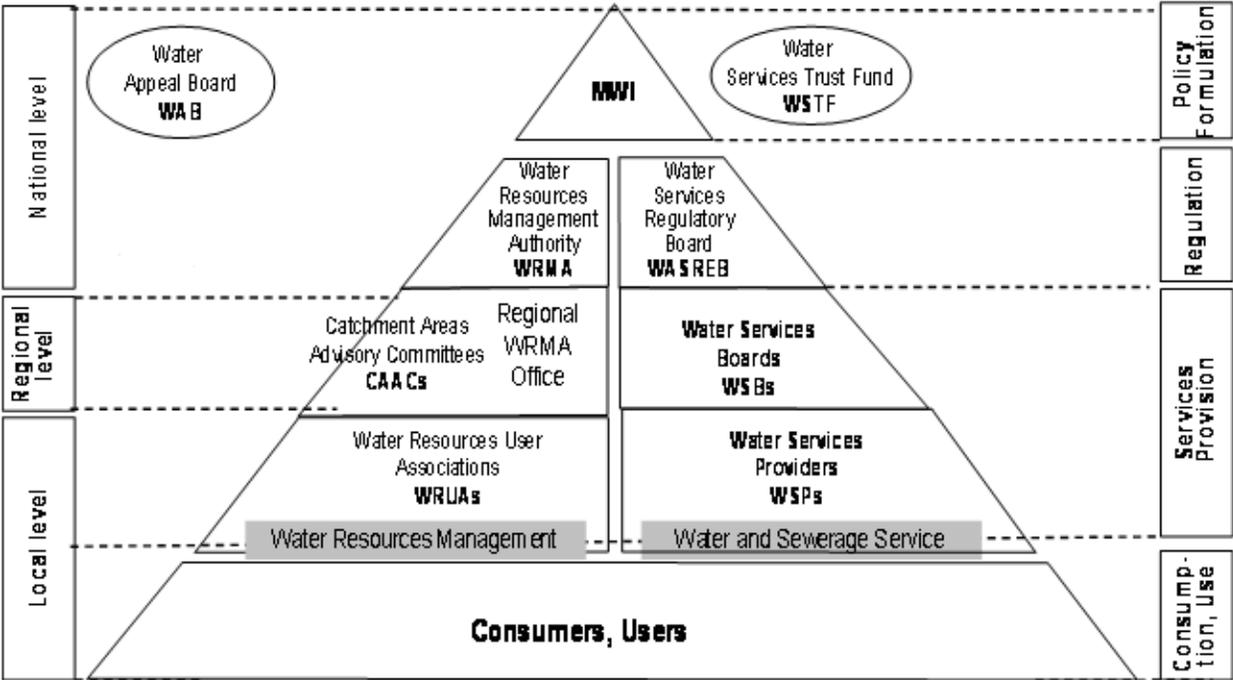
- i. Mombasa Water Supply and Sanitation Company (MOWASSCO);
- ii. Malindi Water and Sewerage Company (MAWASCO);
- iii. Kilifi-Mariakani Water and Sewerage Company (KIMAWASCO);
- iv. Taita-Taveta-Voi Water and Sewerage Company (TAVEVO);
- v. Lamu Water and Sewerage Company (LAWASCO);
- vi. Kwale Water and Sewerage Company (KWAWASCO); and
- vii. Tana Water and Sewerage Company (TAWASCO).

1.2 WATER SECTOR REFORMS IN KENYA

Water is central to the social and economic development of the country. To address the critical challenges in the water sector, the Government of Kenya (GoK) undertook comprehensive institutional reform in the sector. The main water sector reform is the Water Act, 2002 that aimed at harmonizing the management of water resources as well as water supply and sanitation. The reforms enhanced the government’s commitment to the achievement of Millennium Development Goals (MDGs) on water and sanitation by the year 2015, the National Water Services Strategy (2007-2015), which aims at the development and monitoring of water and sewerage services, and the Kenya Vision 2030, which is the country’s development blueprint. The Water Act 2002 provides for the separation of key roles in the water sector. The Government, through the Ministry of Environment, Water and Natural Resources, is responsible for policy, legal framework and development co-ordination.

The schematic representation of the institutional framework for the water sector under the Water Act 2002 is shown in Figure 1.

Figure 1: Institutional framework for the water sector



1.2.1 Roles and responsibilities of key institutions in the Water Sector

Key milestones of the reforms saw the establishment and operationalization of all the key institutions in the Water Sector. The roles and responsibilities of these institutions are as follows:

(a) Water Resource Management Authority

The Water Resource Management Authority (WRMA) is responsible for water resource management in the country.

(b) Catchment Area Advisory Committees

The role of Catchment Area Advisory Committees (CAAC) in relation to the catchment area for which it is appointed, is to advise the WRMA on:

- Water resources conservation, use and apportionment;
- The grant, adjustment, cancellation or variation of any permit; and
- Any other matters pertinent to the proper management of water resources.

(c) Water Services Regulatory Board

The Water Services Regulatory Boards (WSRB) is the regulator in water supply and sewerage services. WSRB role includes: issuing licences for the provision of water services; determining standards for the provision of water services to consumers; establishing procedures for handling complaints made by consumers against licensees; monitoring compliance with established standards for the design, construction, operation and maintenance of facilities for water services; and developing guidelines for setting of tariffs for the provision of water services among other functions.

(d) Water Services Boards

A water services board (WSB), as a licensee, is responsible for the efficient and economical provision of water services within their jurisdiction.

(e) Water Services Providers

Water Service Providers (WSPs) are agents of the WSBs. They are licensed to provide water and sewerage services within their jurisdiction while ensuring compliance with the Service Provision Agreements (SPAs).

(f) Water Services Trust Fund

The role of the Water Services Trust Fund (WSTF) is to assist in financing the provision of water services to areas of Kenya that are inadequately provided for.

(g) Water Appeal Board

The Water Appeal Board (WAB) is responsible for arbitration of water related disputes and conflicts.

1.3 THE CONSTITUTION OF KENYA 2010, VISION 2030, SECOND MEDIUM TERM PLAN 2013-2018, MILLENNIUM DEVELOPMENT GOALS AND THE ROLE OF CWSB

1.3.1 The Constitution of Kenya 2010

The country adopted a new constitution in August 2010. The constitution has a number of provisions that have important implications for the water sector. These provisions are as follows:

- Article 43 which entrenches water as a constitutional right by establishing a right to “to clean and safe water in adequate quantities” and Article 21 which places an obligation to the state and every state organ to take steps to progressively realize this right.
- Article 62 (1) (i) states that public land include all rivers, lakes and other water bodies as defined by an Act of Parliament.

Article 6, 174, 175 and 176 creates a system of devolved government with a two-tier system of government comprising of the national and county government. Pursuant to this, the functions of the water sector are allocated between the two tiers of government.

1.3.2 Kenya Vision 2030

Kenya's long term development agenda is set out in the Kenya Vision 2030. The aim of the Vision is to make Kenya a globally competitive and prosperous country by transforming it into an industrialized middle income nation, providing high quality of life for all its citizens in a clean and secure environment.

Kenya Vision 2030 is anchored on three pillars: -

- i. The Economic pillar:** Aims at providing prosperity for all Kenyans by attaining an annual growth rate of 10% per annum and sustaining it through the Vision period. Under this pillar, flagship projects have been identified in Tourism, Agriculture, manufacturing, wholesale and retail, business process outsourcing and financial services.
- ii. The Social pillar:** Seeks to build a just and cohesive society with social equity in a clean and secure environment. To achieve this, the priority sectors identified include education and training, health, water and sanitation, the environment, housing and urbanisation, gender, youth and vulnerable groups.
- iii. The Political pillar:** Aims to realise an issue based, people centred, result oriented and accountable democratic system. The specific areas identified for achievement of this priority are respect for the rule of law, protection of individual rights and freedom, electoral and political processes, democracy and public service delivery, transparency and accountability, security, peace building and conflict resolution.

The Vision 2030 recognizes that Kenya is a water-scarce country and has identified water and sanitation as one of the key social sectors to be transformed under the social pillar. The vision 2030 aims at increasing access to safe water and sanitation in the rural and urban areas of Kenya. The specific strategies in Vision 2030 include:

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

1.3.3 Second Medium Term Plan 2013-2018

The Vision 2030 is implemented through a series of five year successive Medium Term Plans with the first Medium Term Plan (MTP1) that covered the period 2008 – 2012. The Second Medium Term Plan (MTP2) covering the period 2013-2018 recognizes that Kenya faces enormous challenges in development and management of its limited water resources. In order to improve the availability of water, the country must enhance water catchments conservation, increase water storage capacity, carry out pollution control and strengthen water resource monitoring. These will therefore require investments in both physical infrastructure and institutional capacity.

1.3.4 Millennium Development Goals

The Millennium Development Goals (MDGs) underscores the importance of safe drinking water, sanitation and good hygiene in promoting health, survival, growth and development. In line with this, the MDG on health and sanitation aims at reducing by 50% the proportion of people without sustainable access to safe drinking water and basic sanitation by the year 2015.

Regarding the Constitution of Kenya 2010, CWSB will align its operations and services to ensure that all the people residing within its jurisdiction have access to clean and safe water in adequate quantities. To realize the goals of the Vision 2030, the Second Medium Term Plan and MDGs on water, concerted effort by all stakeholders is needed to ensure effective and efficient water and sanitation services. By adequately discharging its mandate, CWSB will contribute to the achievement of the Kenya Vision 2030 economic pillar since water is a major input in some of the sectors identified to spearhead the realisation of Vision 2030 such as agriculture and manufacturing. In addition, the Board will contribute to the achievement of the social pillar by providing quality water and sanitation services, maintain clean environment and also curb health problems related to lack of water and proper sanitation.

1.4 RATIONALE FOR THE STRATEGIC PLAN

This strategic plan charts a definite course based on indicators of how the operating environment for CWSB will be during the planning period. Thus, this strategic plan takes cognizance of demographic statistics, economic indicators, government policies, and technological advances. Development and effective implementation of this strategic plan will:

- i. Enable CWSB to assume a proactive posture which will facilitate the Board to deal with emerging issues.
- ii. Result in enhanced stakeholders' motivation which will facilitate their participation/support during the implementation of the strategic plan.
- iii. Provide clarity on the overall mission of CWSB which will result in increased organizational effectiveness and efficiency.
- iv. Facilitate information and knowledge sharing, planning and coordination of various activities in the Board.

1.5 EXPECTED OPERATING ENVIRONMENT/PLANNING ASSUMPTIONS

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

- i. Good relationship between the Board and its stakeholders will continue.
- ii. There will be political, social and economic stability in the Country.
- iii. There will be no adverse changes in the regulatory framework in the water sector.

1.6 APPROACH AND METHODOLOGY

In developing the strategic plan, a participatory approach was adopted. The participatory approach was aimed at ensuring generation of ideas and ownership of the developed strategic plan as well as effective and efficient implementation of the strategic plan. The process entailed involvement of the CWSB Board of Directors and Management in the strategic planning process. Specifically the following methodology was used:

1.6.1 Document review

Various documents were referred for the purposes of extracting relevant information for use in the preparation of the strategic plan. These documents included:

- (a) The 2008-2012 CWSB Strategic Plan;
- (b) The 2011 CWSB Business Plan;
- (c) The Water Act 2002;
- (d) The State Corporation Act cap 246;
- (e) Sessional paper No.1 of 1999, National Water Policy;
- (f) The Constitution of Kenya 2010;
- (g) Kenya's Vision 2030;
- (h) Millennium Development Goals (MDGs);
- (i) The Second Medium Term Plan 2013-2018;
- (j) Annual financial statements for years 2008/09, 2009/10, 2010/11, 2011/12, and 2012/2013;
- (k) National Water Master Plan;

- (l) National Water Resources Management Strategy;
- (m) National water services strategy; and
- (n) Service Provision Agreements (SPAs) with water service providers.

1.6.2 Pre-Workshop Interviews

Interviews were held with CWSB management staff with the aim of obtaining information that informed the strategic planning process.

1.6.3 Strategic Planning Workshops

In preparing the strategic plan two workshops were held:

- i. A workshop with the Board's Management. The workshop enabled formulation of the draft strategic plan.
- ii. A second workshop with the CWSB Board of Directors and Management to refine the draft strategic plan.

CHAPTER TWO

INSTITUTIONAL REVIEW

This chapter contains a description of the Board's mandate, core function, vision, mission and core values.

2.1 MANDATE AND CORE FUNCTIONS

2.1.1 Mandate

Coast Water Services Board (CWSB) is one of the eight Water Services Boards established under the Water Act 2002. The mandate of the Board is to ensure efficient and economical provision of water and sewerage services within its area of jurisdiction.

2.1.2 Core Functions

The legal notice number 101, through the Kenya Gazette Supplement number 61 dated 12th August 2005, provides the following core functions for water service boards:

- i. Efficient and economic provision of water services within its area of jurisdiction;
- ii. Planning, development and management of assets to ensure delivery of services and facilities to increase access to water and sanitation;
- iii. Contract Water Service Providers (WSPs) and ensure efficient and economical provision of services;
- iv. Hold / lease assets and water services infrastructure;
- v. Ensure WSPs maintain standards and guidelines set by the Regulatory Board; and
- vi. Assume responsibility of WSP as a last resort in the absence of a WSP.

2.2 VISION

The vision of CWSB is:

To be a leader in water and sanitation infrastructure development in the country.

2.3 MISSION

The mission of CWSB is:

To ensure quality, sustainable and affordable water and sanitation services through infrastructure development and management.

2.4 CORE VALUES

The core values (**TIP-ACT**) of CWSB are:

(a) Teamwork

We fully subscribe to the principles of teamwork as a key attribute in executing our mandate.

(b) Integrity

CWSB will uphold a high degree of honesty and integrity in dealing with stakeholders.

(c) Professionalism

We shall offer our services in a professional manner and with expertise.

(d) Accountability

We exercise prudence in use of public resources entrusted to CWSB.

(e) Customer focus

We are committed to exceeding the expectations of our stakeholders through continuous improvement of our services and effective communication with all stakeholders.

(f) Transparency

We will always be open to our stakeholders in our actions, decisions and policies.

CHAPTER THREE

SITUATIONAL ANALYSIS

3.1 EVALUATION OF PAST PERFORMANCE

A review of CWSB past performance was undertaken by evaluating the implementation status of the 2008-2012 strategic plan, financial and non financial performance. The review was as follows:

3.1.1 EVALUATION OF IMPLEMENTATION STATUS OF THE 2008 – 2012 STRATEGIC PLAN

A review of the implementation status of the 2008 – 2012 was undertaken with a view of establishing performance levels and isolating factors that may have had favourable or unfavourable influence on the Board.

The Board had identified five objectives during the previous planning period (2008 to 2012). The Board's achievements under each objective in the previous planning period are as follows:

- 1. To increase water supply and sewerage coverage in both urban and rural areas in the Coast Region.** The following has been achieved:
 - i. Rehabilitated Kipeveu Treatment Works and Mombasa West Mainland Sewage network.
 - ii. Rehabilitated two (2) pumping stations in Mombasa Island.
 - iii. Rehabilitation of sewerage works in Mombasa West Mainland.
 - iv. Implementation of reticulation improvements for the six WSPs.
 - v. Implementation Marere expansion project and Mombasa reticulation improvement Project.
 - vi. Implementation of the Tiwi Works Rehabilitation Projects in which production increased by 4,000m³/day.

- vii. Implemented twenty (20) water projects in underserved and marginalized areas which have virtually improved access by about 5%.
 - viii. Implemented the Baricho Rehabilitation Works Project which increased production capacity from 50 m³/day to 88,000 m³/day.
 - ix. Implemented the roof catchment water harvesting in institutions.
 - x. Expansion of three (3) sewerage lines in Mombasa.
 - xi. Procured one septic tank exhauster for Mombasa City.
 - xii. Constructed and rehabilitated of ten (10) Earth Dams/ Pans within the Region.
 - xiii. Constructed four (4) Djabias with capacity of about 400m³ storage each.
 - xiv. Constructed twenty (20) dams/Pans and Boreholes under the National Water Conservation and Pipeline Corporation (NWCPC) Program.
 - xv. Carried out the Master Plan Study.
2. **To mobilize financial resources to adequately invest in infrastructure for improved water & sewerage services in the Coast Region.** The Board Secured funding to rehabilitate the Kizingo Sewerage Treatment works.
3. **Strengthen the institutional capacity of the Board (human, financial and facilities).** Under this objective the following were achieved:
- i. Carried out asset valuation of all the Board Assets.
 - ii. Procured six (6) Vehicles for the CWSB and twelve (12) for WSPs.
 - iii. Trained CWSB staff on corporate governance, integrity assurance and corruption prevention.

4. To improve and effectively maintain communication with all stakeholders.

Under this objective the following were achieved:

- i. Developed and implemented the Board's Communications Strategy. The following activities were undertaken:
 - Undertook a road show in Mombasa County to show case the Board activities
 - Held one media breakfast meeting
 - Launched the Customer Service Charter
 - Developed various messages for the Board to use through mass media, to sensitize the public
 - Developed and the Board 2011/2012 Annual Report
- ii. Carried out customer satisfaction surveys and employee satisfaction surveys for the last two financial years via a consultancy secured under the World Bank funding. The results of the Customer Satisfaction Survey were shared with stakeholders during a workshop
- iii. Re-designed the Board's website to include feedback mechanism from the public.
- iv. The Board took part in the annual Public Service Week in the years 2008 and 2009 and also in the ASK Show in Mombasa upto the year 2010.

5. To mainstream cross cutting issues in all relevant activities.

The achievements under this objective are:

- i. Held annual workshops to sensitize staff, staff from the WSPs and other stakeholders on issues touching on: HIV/Aids; Drug and Substance Abuse; Disability Mainstreaming; Gender Mainstreaming; and Corruption Prevention.
- ii. Developed and implemented HIV/Aids workplace, Gender Mainstreaming, and Drug and Substance Abuse policies.

- iii. The Board received a recognition award from USAID for its effort to fight HIV/Aids
- iv. The Board established partnership with the Red Cross to test and counsel staff on HIV/Aids on annual HIV/Aids commemoration.
- v. Remarkable achievement was seen in the 30% Gender rule by ensuring the rule was central in procuring Board Directors for both CWSB and the WSPs. This rule was upheld in the procuring of casual labour in all the Board's projects in the region.
- vi. Constructed of four (4) ramps to ensure the work environment is disability friendly.

6. To monitor and evaluate performance of the WSPs.

The following were achieved:

- i. Carried out annual statutory audits for CWSB demonstrating transparent and accountable financial management
- ii. Carried out annual technical and financial audits for project supported WSPs Service Provision Agreement (SPAs) published on WSB website

3.1.2 PAST FINANCIAL AND NON PERFORMANCE EVALUATION

A review of CWSB past financial and non performance was undertaken through an analysis of the Board's performance in selected key areas. The results are as follows:

(a) CWSB's past financial performance

An extract of CWSB's past financial performance for the period 2009 to 2013 is captured in Table 1.

Table 1: Past financial performance

	2009	2010	2011	2012	2013
Revenue (Kshs)					
Income	556,293,690	590,938,804	680,446,971	785,298,210	999,277,164
Miscellaneous income	7,230,553	2,986,066	4,761,387	3,334,868	5,929,027
Total revenue	563,524,243	593,924,870	685,208,358	788,633,078	1,005,206,191
Expenditure (Kshs)					
Operating expense	293,392,677	366,373,678	414,097,399	505,509,880	537,396,973
Administrative Expenses	44,462,911	145,136,587	160,898,353	118,242,464	156,127,666
Staff cost	121,518,519	144,793,559	162,754,819	164,809,221	171,865,493
Establishment costs	6,994,106	64,420,353	37,702,305	59,848,045	118,678,756
Board expenses	7,046,183	7,781,578	11,962,232	13,482,326	6,785,349
Finance costs	1,920,337	354,226	3,457,303	2,307,137	746,131
Total Expenses (Kshs)	475,334,733	728,859,981	790,872,411	864,199,073	991,600,368
Net Surplus/Deficit for the year excluding grants	88,189,510	-134,935,111	-105,664,053	-75,565,995	13,605,823
Grants	49,045,862	243,901,145	149,171,919	179,908,968	152,229,852
Net Surplus/Deficit for the year including grants	137,235,372	108,966,034	43,507,866	104,342,973	165,835,675
Total expenses/Revenue	84%	123%	115%	110%	99%
Staff costs/Total revenue (%)	22%	24%	24%	21%	17%
Total assets (Kshs)	932,469,471	1,439,990,781	2,374,472,577	4,052,258,135	5,865,038,186
Receivables (Kshs)	519,976,101	775,852,712	993,482,758	1,405,403,261	1,900,468,670
Total payables (Kshs)	104,442,404	220,218,951	310,436,539	458,413,795	846,796,744
Growth in revenue	-	5.40%	15.40%	15.10%	27.50%
Growth in total expenses		53.30%	8.50%	9.30%	14.70%

The Board's revenue has been increasing over the years however, in years 2010 to 2012 the expenses were higher than the revenue resulting in deficits which were financed by grants. It was noted that the expenses take up a high proportion of the generated revenue with year 2013 recording 99%. In addition, accounts receivable have been increasing over the period under review. Therefore the Board needs to enhance its revenue collection and manage its costs.

(b) Water Demand, Production and Supply

Table 2 presents the water demand, production and supply as at 31st May 2013 for each of the six counties covered by the Board. All the six (6) Counties had a deficit in water supply with the overall deficit at 200,268 m³ per day. Mombasa County had the highest water supply deficit of about 83,060 m³ per day, followed by Kwale County with a deficit of 37,616 m³ per day. Further, a comparison of the water produced and water supplied indicated an UFW of approximately 23%.

Table 2: Water Demand, Production and Supply as at 31st May 2013

Name of County	County Population	County Water Demand (m ³ /day)	Safe Water Produced in all Schemes within the county (m ³ /day)	Safe Water Supplied (m ³ /day)	Deficit/Surplus Water (m ³ /day)
Mombasa	1,023,488	133,060	-	50,000	(83,060)
Kwale	708,131	45,116	21,480	7,500	(37,616)
Kilifi	1,209,109	73,459	80,000	40,000	(33,459)
Lamu	110,632	10,518	2,150	2,150	(8,368)
Tana River	261,573	22,615	1,250	1,250	(21,365)
Taita-Taveta	236,423	26,400	38,900	10,000	(16,400)
Total	3,549,356	311,168	143,780	110,900	(200,268)

Source: Coast Water Master Plan Study, 31st May 2013.

(c) Water and sanitation coverage

Table 3 presents the water and sanitation coverage as at 31st May 2013. The overall coverage in the Board's jurisdiction are at 55% and 47% for water and sanitation respectively. Mombasa County had the highest percentage (61%) of safe water coverage while Lamu and Tana River Counties had the least percentage of safe water coverage at 43% each. Taita Taveta County had a highest percentage of sanitation coverage at 90% while Tana River County had the least sanitation coverage at 15%.

Table 3: Water and Sanitation Coverage as at 31st May 2013

Name of County	Total population	Population covered with safe water	Percentage of safe water coverage (%)	Population covered with sanitation	Percentage sanitation coverage (%)
Taita Taveta	236,423	111,119	47	212,781	90
Lamu	110,632	47,572	43	66,379	60
Mombasa	1,023,488	624,328	61	972,314	95
Kilifi	1,209,109	701,283	58	30,228	25
Kwale	708,131	354,066	50	354,066	50
Tana River	261,573	112,476	43	39,236	15
Total	3,549,356	1,950,844	55%	1,675,004	47%

Source: Coast Water Services Board

Note:

- ❖ Only open sewers exist in parts of Lamu town. Thus the sanitation coverage in Lamu is mainly latrines.

3.2 ENVIRONMENTAL SCANNING

In developing the 2013/14 – 2017/18 Strategic Plan for the CWSB, an analysis of the Board's operating environment was undertaken. The analysis entailed assessment of the internal and external operating environments.

3.2.1 Internal Environment

Analysis of the internal environment entailed identification of issues within the Board that may positively (strengths) or negatively (weaknesses) affect performance. The aspects identified were as follows:

(a) Strengths

The strengths of the Board are:

- i. Adequate number of human Resource;
- ii. Adequate information Communication and Technology (ICT) infrastructure;
- iii. Experienced and knowledgeable staff; and
- iv. Good relationship with the line Ministry.

(b) Weaknesses

The weaknesses of the Board are:

- i. Inadequate human skills in some areas;
- ii. Dilapidated and inadequate water and sewer infrastructure;
- iii. Weak financial base and non repayment of loans from donors such as world bank;
- iv. Inadequate teamwork;
- v. High level of Unaccounted for Water (UFW) within the Board's bulk water supply;
- vi. Inadequate follow-up on implementation of plans and decisions;
- vii. A weak performance management system;
- viii. Inadequate work space in some offices;
- ix. Poor enforcement of Service Provision Agreement (SPA) with the WSP;
- x. Inadequate stakeholder management; and
- xi. Low access levels to water and sanitation within the Board's area of jurisdiction.

3.2.2 External Environment

Analysis of the external environment identified factors outside the CWSB that may impact on the Board positively (opportunities) or negatively (threats).

(a) Opportunities

The opportunities available to the CWSB are:

- i. Unsatisfied demand for provision of water and sanitation services;
- ii. Potential partnerships with other state and non state actors (NGOs, county governments, private sector) in the provision of water and sanitation services;
- iii. Existence of willing donors to support the Board's activities;
- iv. Technological advancements that could be utilized to enhance operational efficiency of the Board; and
- v. Existence of Public Private Partnership's framework.

(b) Threats

The threats to CWSB are:

- i. Vandalism of water infrastructure;
- ii. Environmental degradation/adverse climatic changes;
- iii. High cost of electricity;
- iv. The proposed legal framework such as the Water bill 2012;
- v. Increased illegal water connections;
- vi. Lack of clarity on the role of Water Service Boards and County governments; and
- vii. Political interference in the management of the Board.

3.3 STAKEHOLDER ANALYSIS

A stakeholder is any person, group or institution that has an interest in the activities of an organization. The Board's key stakeholders are as identified in the Table 4.

Table 4: Key stakeholders of CWSB

Stakeholder	Stakeholder Expectation	CWSB Expectation
1. Ministry of Environment, Water and Natural Resources	<ul style="list-style-type: none"> ▪ Deliver on the mandate ▪ Compliance with the Water Act 2002 and other relevant regulations 	<ul style="list-style-type: none"> ▪ Existence of an enabling environment ▪ Provide sector policy direction ▪ Ensure adequate allocation of funds from the national government
2. WASREB	<ul style="list-style-type: none"> ▪ Compliance with the regulatory rules and guidelines 	<ul style="list-style-type: none"> ▪ Equity in regulation application ▪ Prompt approvals
3. WSTF	<ul style="list-style-type: none"> ▪ Generation of feasible project proposals, ▪ Proper use of funds ▪ Proper and timely implementation of projects 	<ul style="list-style-type: none"> ▪ Fair distribution of resources ▪ Timely release of funds
4. WAB	<ul style="list-style-type: none"> ▪ Compliance to service standards and regulations 	<ul style="list-style-type: none"> ▪ Timely resolution of conflict
5. WRMA	<ul style="list-style-type: none"> ▪ Compliance with water permits rules ▪ Support in conservation effort 	<ul style="list-style-type: none"> ▪ Effective management of water resources ▪ Conservation of water resources
6. WSPs'	<ul style="list-style-type: none"> ▪ Adherence to Water Act 2002 and Water Service Provision Agreement ▪ Provide feedback and commentaries to the WSPs' on quartile performance reports ▪ Finance and implement capital works 	<ul style="list-style-type: none"> ▪ Compliance with the Water Service Provision agreement
7. County Governments	<ul style="list-style-type: none"> ▪ Deliver on the mandate ▪ Involve them in planning for projects in their counties 	<ul style="list-style-type: none"> ▪ Provide enabling environment ▪ Respect the plans and policies in place ▪ Funding for water and sanitation projects

Stakeholder	Stakeholder Expectation	CWSB Expectation
8. Political Leaders	<ul style="list-style-type: none"> ▪ Involvement in planning for projects in their constituencies/localities 	<ul style="list-style-type: none"> ▪ Adequate legal framework ▪ Respect the plans and policies in place ▪ Funding for water and sanitation projects
9. Development Partners	<ul style="list-style-type: none"> ▪ Accountability for funds provided ▪ Provision of timely and accurate reports ▪ Timely and accurate updates on the implementation status of projects 	<ul style="list-style-type: none"> ▪ Financial and technical support ▪ Adherence to MoUs and contract terms
10. Financial Institutions	<ul style="list-style-type: none"> ▪ Timely settlement of financial obligations 	<ul style="list-style-type: none"> ▪ Competitive credit terms and conditions
11. Water consumers/general public	<ul style="list-style-type: none"> ▪ Provision of adequate water and sanitation services ▪ Affordable rates for water and sanitation services 	<ul style="list-style-type: none"> ▪ Prompt payment of water and sanitation services ▪ Report cases of vandalism of the water and sanitation infrastructure
12. The Media	<ul style="list-style-type: none"> ▪ Provision of accurate and timely information 	<ul style="list-style-type: none"> ▪ Fair and accurate reporting ▪ Provide good publicity
13. Service providers	<ul style="list-style-type: none"> ▪ Fairness and equal opportunity ▪ Prompt payment for goods and/or services rendered ▪ Provision of adequate information 	<ul style="list-style-type: none"> ▪ Quality products and services ▪ Prompt delivery of goods and services ▪ Adhere to the terms of contract
14. Learning and Research Institutions	<ul style="list-style-type: none"> ▪ Opportunity for student attachments and internships 	<ul style="list-style-type: none"> ▪ Competent manpower ▪ Support for relevant research
15. Board of Directors	<ul style="list-style-type: none"> ▪ Implementation of developed policies ▪ Achievement of the Board's objectives 	<ul style="list-style-type: none"> ▪ Policy direction ▪ Support in resource mobilization ▪ Good corporate governance
16. CWSB Staff	<ul style="list-style-type: none"> ▪ Job security and sustainability of the Board ▪ Professional development ▪ Competitive and equitable remuneration structure ▪ Healthy, safe and secure working environment 	<ul style="list-style-type: none"> ▪ Provision of quality services to the Board ▪ Commitment to the Board's mandate ▪ Innovation, creativity and optimal productivity ▪ Team spirit ▪ Integrity

CHAPTER FOUR

STRATEGIC ANALYSIS

4.1 STRATEGIC THEMES

Strategic themes are the key performance areas in which the Board must excel in order to realize its mission and deliver value to stakeholders. They are therefore the pillars of excellence which the Board will seek to focus on during the plan period. The identified strategic themes are as follows:

4.1.1. Infrastructure Development

To achieve the Board's mandate, CWSB needs to expand water and sanitation infrastructure to cover areas not served, rehabilitate the existing water and sanitation infrastructure and to ensure reduction of unaccounted for Water (UFW). In addition, the Board should enhance the management of cross county infrastructure and develop new water sources as well as constructing additional sewer treatment plants.

4.1.2. Resource Mobilization

Sufficient financial resources will enable the CWSB initiate projects that will aid in effective discharge of the Board's mandate. CWSB needs to establish and maintain strong partnerships with the aim of attracting financial and technical support for its operations. The Board should also strive to diversify its sources of funds. In addition, there is need for effective systems of financial management and control that will promote efficient utilization of resources.

4.1.3. Stakeholder Management

In the process of executing its mandate, CWSB recognizes the role of the various stakeholders that support the Board in the discharge of its functions. Thus, the Board plans to work closely with the stakeholders when carrying out its activities. Further, in order to achieve excellent customer service, the Board will need to streamline its

operations and put in place measures that will ensure customers are attended to in a timely and friendly manner as well as ensuring that complaints are handled objectively.

4.1.4. Governance and institutional capacity

The water Act 2002 outlines several provisions that WSBs are expected to comply with. However, the Board performs the function of bulk water supply which is not part of its mandate as provided in section 53(1) of the Water Act 2002. To comply with the Water Act 2002, CWSB will off-load the management of bulk water supply to an independent bulk water supply company within the planning period. Further, the Board will strengthen its capacity and enforcement mechanisms to ensure WSPs comply with the SPAs requirements.

In pursuit of the set objectives and to meet stakeholder expectations, there will be need for the Board to be managed professionally and in line with good corporate governance principles. There will also be need to streamline the operations of the Board to improve on efficiency and effectiveness. An appropriate organisation structure with the right composition of human resource in terms of numbers and skills that will facilitate the implementation of the strategies being pursued will be developed. In addition, the Board will develop and implement appropriate human resource policies and procedures in order to improve employee productivity and motivation. The Board will enhance the management of resources mobilized in order to ensure accurate reporting/accounting on the use of resources.

4.2 STRATEGIC OBJECTIVES AND STRATEGIES

To deliver on the strategic themes, the Board has formulated strategic objectives and strategies. The following are the objectives and strategies for each strategic theme:

Table 5: Strategic Themes, Objectives and strategies

Theme	Objective	Strategy
Infrastructure Development	1. To increase water coverage from 55% to 80% by 2018.	<ul style="list-style-type: none"> i. Expansion of water infrastructure ii. Rehabilitation of water infrastructure iii. Develop new water sources iv. Reduce Non Revenue Water
	2. To increase access to sanitation from 47% to 65% by 2018.	<ul style="list-style-type: none"> i. Expansion of sewer infrastructure ii. Rehabilitation of sewer infrastructure iii. Construction of additional sewerage treatment plant
Resource Mobilization/ Funding	1. To increase funding for water and sanitation infrastructure from Kshs 7.5 billion in 2013 to Kshs 40 billion by 2018.	<ul style="list-style-type: none"> i. Strengthen partnerships and networks ii. Strengthen the Board's capacity to mobilise funds iii. Lobby for increased National and county governments funding
	2. To enhance revenue collection from 50% in 2013 to 90% by 2018.	<ul style="list-style-type: none"> i. Enhance the revenue collection mechanisms ii. Enforce compliance of WSPs with the SPAs iii. Enhance bulk water metering iv. Effect disconnection for non-payment
Stakeholder Management	To create and increase stakeholder's awareness and support to the Board.	<ul style="list-style-type: none"> i. Improve Board's brand visibility ii. Facilitate county governments and other stakeholders stakeholder involvement iii. Enhance communication with stakeholders iv. Manage stakeholder expectations v. Improve on complaints handling mechanisms

Theme	Objective	Strategy
Governance and institutional capacity	1. To enhance efficiency and effectiveness in service delivery.	<ul style="list-style-type: none"> i. Off load the bulk water function from the Board ii. Reduce power consumption in water and sewerage facilities iii. Implement an appropriate organisation structure iv. Automate business processes v. Outsource non-core services vi. Provide adequate equipment and tools vii. Attain ISO 9001:2008 certification
	2. To institutionalize good corporate governance.	<ul style="list-style-type: none"> i. Strengthen Board performance ii. Enhance corporate risk management and compliance iii. Enhance internal communication
	3. To attract and retain highly skilled and motivated staff.	<ul style="list-style-type: none"> i. Strengthen absorption capacity of the Board ii. Implement a competitive remuneration structure iii. Enhance staff capacity iv. Establish a performance management system v. Enhance staff welfare vi. Create a conducive work environment

CHAPTER FIVE

IMPLEMENTATION PLAN

This chapter presents the implementation matrix, which covers the strategic objectives, the strategies, expected outcomes, activities, output indicators, timeline and resource requirement, and implementing actors.

THEME 1: INFRASTRUCTURE DEVELOPMENT

Objective 1.1: To increase water coverage from 55% to 80% by 2018.

Strategy	Expected outcome(s)	Activities	Output Indicator(s)	Timeline and Resource Requirement (Kshs in millions)					Implementing actor
				2013 /14	2014 /15	2015 /16	2016 /17	2017 /18	
Expansion of water infrastructure	Increased water coverage and access	i. Undertake construction of the 18.1Km Kaloleni-Mariakani water pipeline	Completion of 9km in Yr 1 and the remaining 9.1 Km in YR 2	45	45				Technical Manager (TM)
		ii. Expand water infrastructure to informal settlements in Malindi	Completion of 13km expansion of water infrastructure to informal settlements in year 1 and 10km in year 2	60	40				TM
		iii. Expand water infrastructure to informal settlements in Mombasa	Completion of 7km expansion of water infrastructure to informal settlements in Mombasa		80				TM
		iv. Engage a consultant for development of detailed design and tender document for the 40 km Malindi – Kilifi water pipeline	<ul style="list-style-type: none"> ▪ A consultant engaged ▪ A detailed design and tender document developed 	25	25				TM

Strategy	Expected outcome(s)	Activities	Output Indicator(s)	Timeline and Resource Requirement (Kshs in millions)					Implementing actor
				2013 /14	2014 /15	2015 /16	2016 /17	2017 /18	
		v. Undertake the construction of the 40 km Malindi – Kilifi water pipeline	<ul style="list-style-type: none"> Completion of the construction of the 40 km Malindi – Kilifi water pipeline 			300	600		TM
		vi. Engage a consultant for development of detailed design and tender document for the 23km Malindi/ Gongoni water pipeline	<ul style="list-style-type: none"> A consultant engaged A detailed design and tender document developed 	5	5				TM
		vii. Undertake the Construction of the 23km Malindi/ Gongoni water pipeline	<ul style="list-style-type: none"> Completion of the construction of the 23km Malindi/ Gongoni water pipeline 			100	200		TM
		viii. Undertake the equipping of the ten (10) existing Boreholes and acquire ten (10) standby generators	Number of generators acquired and installed to the ten (10) existing boreholes		30	30			TM
		ix. Undertake the construction of the 18Km Vigurungani-Mwakijembe pipeline	<ul style="list-style-type: none"> Completion of the construction of the 18Km Vigurungani-Mwakijembe pipeline 		60	40			TM
		x. Undertake the construction of the 11 Km Sasenyi-Paranga pipeline	<ul style="list-style-type: none"> Completion of the construction the of 11Km Sasenyi-Paranga pipeline 		40				TM
		xi. Undertake the construction of the 6km Ganze- Palakumi pipeline	Completion of the Construct the of the 6km Ganze- Palakumi pipeline		50				TM

Strategy	Expected outcome(s)	Activities	Output Indicator(s)	Timeline and Resource Requirement (Kshs in millions)					Implementing actor
				2013 /14	2014 /15	2015 /16	2016 /17	2017 /18	
		xii. Acquire two (2) trucking boats for Lamu and Wasini Island	Two (2) water trucking boats acquired in Yr 2		50				TM
		xiii. Identify sites for drilling boreholes in drought stricken areas in Lamu, Tana river, Kilifi, Taita Taveta and Kwale counties	<ul style="list-style-type: none"> Sites identified for drilling 						TM
		xiv. Drill & equip additional boreholes in drought stricken areas in Lamu, Tana river, Kilifi, Taita Taveta and Kwale counties	Number of boreholes drilled and equipped		170	200			TM
		xv. Design and rehabilitation of Taveta-Lumi water supply	<ul style="list-style-type: none"> Consultant engaged Detailed design and tender document developed 		50				TM
		xvi. Undertake expansion and augmentation of Taveta-Lumi water supply	Completion of the expansion and augmentation of Taveta-Lumi water supply		175	175			TM
		xvii. Identify sites for the five (5) mobile water treatment units	Sites identified for the mobile water treatment units	10					TM
		xviii. Acquire five (5) mobile water treatment units for rural counties	Five (5) mobile water treatment units acquired						TM

Strategy	Expected outcome(s)	Activities	Output Indicator(s)	Timeline and Resource Requirement (Kshs in millions)					Implementing actor
				2013 /14	2014 /15	2015 /16	2016 /17	2017 /18	
Rehabilitation of water infrastructure	Increased water access	i. Rehabilitate the Mombasa City Reticulation System (70 km- both ongoing rehabilitation and phase two)	Rehabilitated 40km, 20km and 10km in years 1,2 and 3 respectively	500	300	200			TM
		ii. Identify and repair leaks – Bulk Water	Number of leaks identified and repaired	50	20	20	20	20	Bulk Water Manager
		iii. Acquire leaks detection equipment	Leaks detection equipment in place						TM
		iv. Train staff on leak detection	Number of technical staff trained		10	10	10	10	TM
		v. Install meters of various sizes – Bulk Water	Number meters of various sizes installed		150				Bulk Water Manager
		vi. Implement automated water monitoring system	Level of implementation of automated water monitoring system	50					Bulk Water Manager
		vii. Identify and replace malfunctioning valves	Number malfunctioning valves of identified and replaced	25	25	25			Bulk Water Manager
		viii. Undertake a customer identification survey and Infrastructure mapping	Customer database	15					TM
		ix. Install new billing system and GIS for WSPs	Six (6) new billing systems and GIS	92					TM
		x. Undertake NRW/UFW reduction program – Bulk Water SS and WSPs	Reduce NRW from 50% to 25%	40	40	40	40	40	TM

Strategy	Expected outcome(s)	Activities	Output Indicator(s)	Timeline and Resource Requirement (Kshs in millions)					Implementing actor
				2013 /14	2014 /15	2015 /16	2016 /17	2017 /18	
Develop new water sources	Increased water for distribution from 150,000m ³ per day to 525,000m ³ per day	i. Engage a consultant for development of detailed design and tender document for the construction of additional boreholes at Baricho well field	<ul style="list-style-type: none"> A consultant engaged A detailed design and tender document developed 	5	5				TM
		ii. Undertake the construction of additional boreholes at Baricho well field (22,000m ³ per day)	<ul style="list-style-type: none"> Number of additional boreholes drilled 			100	100		TM
		iii. Design and Construction of Mzima II WSS project	<ul style="list-style-type: none"> Additional 100,000m³ of water per day Increased water supply to Taita Taveta, Kilifi and Kwale 		10,000	10,000	10,000	10,000	TM
		iv. Support and collaborate with CDA in the implementation of Mwache Dam	<ul style="list-style-type: none"> A contractor engaged Percentage completion of the Mwache Dam construction works 	1	1	1	1	1	TM
		v. Participate in developing the design of Rare dam	Rare dam design developed	1	1	1	1	1	TM
		vi. Support the implementation construction of Rare dam (65,000m ³ per day)	<ul style="list-style-type: none"> A contractor engaged Percentage completion of the Rare Dam construction works 	1	1	1	1	1	TM
		vii. Construct five (5) surface water tanks (modular pressed steel	Number of surface water tanks constructed (2,500m ³ storage)		60				TM

Strategy	Expected outcome(s)	Activities	Output Indicator(s)	Timeline and Resource Requirement (Kshs in millions)					Implementing actor
				2013 /14	2014 /15	2015 /16	2016 /17	2017 /18	
		tanks) at Taita Taveta, Kilifi, Tana River and Kwale							
		viii. Undertake the construction of immediate Lamu Port water supply	% of Lamu Port water supply completed		125	125			TM
		ix. Review the design of Bangale water supply project	Reviewed design						TM
		x. Construct Bangale water supply project	% of construction completed		200	100			TM
		xi. Study and design of Msambweni aquifer boreholes	Study and design in place		5				TM
		xii. Construct three (3) boreholes within the Msambweni aquifer	Number of boreholes drilled			25	25		TM
		xiii. Construct twenty (20) medium sized pans/small dams	Construction of 4 medium sized pans/small dams per year	140	140	140	140	140	TM
		xiv. Install 222 water harvesting tanks each 10m3 including gutters and down pipes	Number of water harvesting tanks installed		39				TM
		xv. Conduct awareness creation forums with various stakeholders on rain water harvesting	Reports on deliberations with stakeholders		1	1			TM /Corporate Communication Officer (CCO)

Strategy	Expected outcome(s)	Activities	Output Indicator(s)	Timeline and Resource Requirement (Kshs in millions)					Implementing actor
				2013 /14	2014 /15	2015 /16	2016 /17	2017 /18	
		xvi. Conduct training of trainers to facilitate promotion of rain water harvesting	Number of artisans/TOTs trained		0.5	0.5	0.5	0.5	TM/ District Area Coordinators (DACs)/ Community Development Officer (CDO)
		xvii. Sensitize the general public against water theft and vandalism of infrastructure	<ul style="list-style-type: none"> ▪ Number of sensitization forums held ▪ Reduced number of water theft and vandalism 		2	2	2	2	Technical Manager/CCO
		xviii. Lobby for enactment of county by laws to address water theft and vandalism of infrastructure	Enactment of county by laws on water issues		3				CEO/Technical Manager/LO
Reduce NRW	Increased volume of billed water	i. Carry out leak scouting for physical leaks identification and documentation and repair all reported and visible leaks within stipulated response times	Leak repair reports						Technical Manager
		ii. Conduct network pressure survey to inform active leakage detection and implement the findings	Pressure survey reports						Technical Manager

Objective 1.2: To increase access to sanitation from 47% to 65% by 2018

Strategy	Expected outcome(s)	Activities	Output Indicator(s)	Timeline and Resource Requirement (Kshs in millions)					Implementing actor
				2013 /14	2014 /15	2015 /16	2016 /17	2017 /18	
Expansion of sewer infrastructure	Increased sewer coverage and number of people accessing sewer services	i. Undertake waste water master plan study	A waste water master plan study report	25	25				TM
		ii. Implement the works provided in the waste water master plan study report	Level of implementation of the works provided in the water master plan study report recommendations			5,000	5,000	5,000	TM
		iii. Construct trunk and secondary sewers in West-mainland Mombasa covering 21Km	Completion of the construction of the 212Km Trunk and secondary sewers in West-mainland Mombasa		100	100			TM
		iv. Construct additional sanitation facilities in satellite towns in the region	Number of additional sanitation facilities in satellite towns in the region constructed		25	25	25	25	TM
Rehabilitation of sewer infrastructure	Increased number of people accessing sewer services	i. Rehabilitation of Kizingo waste water treatment plant	Rehabilitated Kizingo waste water treatment plant		170	200			TM

THEME 2: RESOURCE MOBILIZATION

Objective 2.1: To increase funding for water and sanitation infrastructure from Kshs 7.5 billion in 2013 to Kshs 40 billion by 2018

Strategy	Expected outcome(s)	Activities	Output Indicator(s)	Timeline and Resource Requirement (Kshs in millions)					Implementing actor
				2013 /14	2014 /15	2015 /16	2016 /17	2017 /18	
Lobby for increased National and County governments funding	Increased fund allocation from the government	i. Prepare and present budget estimates of the Board for the next five years to the relevant ministries	Budget estimates of the Board prepared and presented						CEO/ FM / TM
	Increased funding and other support by development partners	ii. Hold discussions with the National Treasury, County Governments, and Ministry of Environment, Water and Natural Resources	<ul style="list-style-type: none"> ▪ Discussions held with the National Treasury, County Governments, and Ministry of Environment, Water and Natural Resources ▪ % increase in budgetary allocation from the National and County governments 						
Strengthen partnerships and networks	<ul style="list-style-type: none"> ▪ Increased funding and other support by development partners ▪ Increased partnerships for water and sanitation infrastructure development 	i. Maintain existing partnerships	Number of existing partnerships						CEO/ Finance Manager/ Technical Manager
		ii. Develop partnership framework/guidelines	Framework/guidelines for partnerships in place						
		iii. Map out potential partners	<ul style="list-style-type: none"> ▪ List of potential development partners ▪ MoUs signed on areas of collaborations 						
		iv. Prepare and submit proposals for partnerships	<ul style="list-style-type: none"> ▪ Number of proposals submitted (at least two (2) proposals per year) ▪ Number of new 						

Strategy	Expected outcome(s)	Activities	Output Indicator(s)	Timeline and Resource Requirement (Kshs in millions)					Implementing actor
				2013 /14	2014 /15	2015 /16	2016 /17	2017 /18	
			partnerships developed ▪ Amount of funds received from partners						
		v. Organize annual investor conference	▪ Number of investor conference held ▪ Number of participants in the annual investor conference		1	1	1	1	
Strengthen the Board's capacity to mobilise funds	Increased financial base and stability	i. Develop fundraising raising strategy	A fundraising raising strategy in place		2				CEO/ FM
		ii. Institutionalize fundraising raising strategy	Level of implementation of the fundraising raising strategy						

Objective 2.2: To enhance revenue collection from 50% in 2013 to 90% by 2018.

Strategy	Expected outcome(s)	Activities	Output Indicator(s)	Timeline and Resource Requirement (Kshs in millions)					Implementing actor
				2013 /14	2014 /15	2015 /16	2016 /17	2017 /18	
Enhance the revenue collection mechanisms	Increased revenue collections	i. Undertake timely billing and collection	Prompt payment by WSPs	0.1	0.1	0.1	0.1	0.1	Finance Manager
	Improved debt recovery	ii. Develop a debt collection policy	A debt collection policy in place		1				Finance Manager
		iii. Implement the debt collection policy	Reduction in amount of debt owed to the Board by WSPs		0.5	0.5	0.5	0.5	Finance Manager

Strategy	Expected outcome(s)	Activities	Output Indicator(s)	Timeline and Resource Requirement (Kshs in millions)					Implementing actor
				2013 /14	2014 /15	2015 /16	2016 /17	2017 /18	
Enforce compliance of WSPs with the SPAs	Enhanced adherence to the SPA guidelines by WSPs	i. Build capacity of stakeholders on compliance	Number of capacity building forums held	1	1	1	1	1	Finance Manager
		ii. Conduct regular inspections on WSPs	Compliance report						LO/IAM
Enhance bulk water metering	Efficiency in billing process Increased revenue collection	Installation of bulk water meters	Number of bulk water meters installed						Finance Manager/ Bulk water Manager
Effect disconnection for non-payment	Increased revenue collection	i. Provide notices for disconnection	Notice on disconnection						CEO/ Bulk water Manager
		ii. Carry out disconnection	Number of disconnections effected						

THEME 3: STAKEHOLDER MANAGEMENT

Objective 3.1: To create and increase stakeholder's awareness and support to the Board.

Strategy	Expected outcome(s)	Activities	Output Indicator(s)	Timeline and Resource Requirement (Kshs in millions)					Implementing actor
				2013 /14	2014 /15	2015 /16	2016 /17	2017 /18	
Improve Board's brand visibility	Increased awareness of the Board operations	i. Engage strategic branding specialist/ consultant to develop the Board's brand strategy	Brand strategy in place		0.5				CCO
		ii. Implement the brand strategy	Level of implementation of the brand strategy		2.5	2.5			CCO
		iii. Participate in ASK shows/trade fairs/ regional and international exhibitions	Number of ASK shows/trade fairs/ regional and international exhibitions the Board has participated		3	3	3	3	CCO
		iv. Develop and implement a Corporate Social Responsibility Programme	Operational CSR programme in place Number of CSR activities organized and participated		1	0.2	0.2	0.2	CCO
		v. Organize stakeholder's annual forums	Number of forums held List of projects planned and implemented		3	3	3	3	CCO
Facilitate county governments and other stakeholders involvement	Increased understanding of the Board's mandate and operations	i. Identify stakeholders and prioritize their needs	<ul style="list-style-type: none"> ▪ Identified stakeholders ▪ Analysed and prioritized needs of stakeholders 	0.1	0.1	0.1	0.1	0.1	CCO

Strategy	Expected outcome(s)	Activities	Output Indicator(s)	Timeline and Resource Requirement (Kshs in millions)					Implementing actor
				2013 /14	2014 /15	2015 /16	2016 /17	2017 /18	
		ii. Build effective partnerships with stakeholders	Number of partnerships built with stakeholders	0.1	0.5	0.5	0.5	0.5	CCO
		iii. Engage key stakeholders in projects undertaken by the Board	Number of stakeholders engaged in projects	0.1	0.1	0.1	0.1	0.1	CCO
Enhance communication with stakeholders	Improved communication with stakeholders	i. Develop an effective communication policy	A communication policy in place		1				CCO
		ii. Implement the communication policy	Level of implementation of the communication policy		5	5	5	5	CCO
		Hold consultative meetings with the five County Governments	<ul style="list-style-type: none"> ▪ Summary of water and sanitation services projects per county ▪ Minutes of meetings held 	0.6	0.6	0.6	0.6	0.6	CCO
Manage stakeholder expectations	Stakeholder satisfaction and increased support of Board's operations	i. Develop and operationalize a Customer Service Charter	Customer Service Charter in place	0.1					CCO
		ii. Make the service charter available to customers at the Board premises and its website	Service charter made available in strategic places	0.05	0.05	0.05	0.05	0.05	CCO
		iii. Train staff on effective customer service	Number of staff trained	1			1		Human Resource and Administration Manager
		iv. Carry out annual customer satisfaction surveys	Customer survey report	0.05	0.05	0.05	0.05	0.05	CCO

Strategy	Expected outcome(s)	Activities	Output Indicator(s)	Timeline and Resource Requirement (Kshs in millions)					Implementing actor
				2013 /14	2014 /15	2015 /16	2016 /17	2017 /18	
		v. Implement the customer satisfaction surveys recommendations	Level of customer satisfaction						
		vi. Undertake capacity building of WSPs on issues such as UFW, governance and human resource	<ul style="list-style-type: none"> ▪ Number of WSPs trained ▪ Number of capacity building session 						
Improve on complaints handling mechanisms	Prompt handling of customer issues	i. Develop an effective complaints handling/ feedback mechanism	An effective complaints handling/ feedback mechanism in place	0.01					CCO
	Increased customer satisfaction	ii. Operationalise the complaints handling procedure	Time taken to address complaints	0.2	0.2	0.2	0.2	0.2	CCO
		iii. Create awareness of the Board's complaints handling procedures using posters, website	Awareness initiatives undertaken such as posters in place	1.0	1.0	1.0	1.0	1.0	CCO
		iv. Follow up of WSPs to remit complaints resolution report	Complaint Resolution report	0.2	0.2	0.2	0.2	0.2	CCO
		v. Implement the recommendations of the complaints resolution report from the WSPs	Level of implementation of recommendations of the complaints resolution report from the WSPs						

THEME 4: GOVERNANCE AND INSTITUTIONAL CAPACITY

Objective 4.1: To enhance efficiency and effectiveness in service delivery.

Strategy	Expected outcome(s)	Activities	Output Indicator(s)	Timeline and Resource Requirement (Kshs in millions)					Implementing actor
				2013 /14	2014 /15	2015 /16	2016 /17	2017 /18	
Off load the Bulk Water Function from the Board	Increased focus of the Board on development of water and sanitation infrastructure	Hold forums with stakeholders to deliberate on the formation of an independent bulk water company	Stakeholder forums held Resolutions on formation of the Company		2	2	2		CEO/Board
		Form an independent bulk water company	An independent bulk water company established					2	CEO/Board
Reduce power consumption in water and sewerage facilities	Reduction in energy costs	Undertake energy audit	Energy audit report		2				TM
		Implement the energy audit report	Level of implementation of recommendations of the audit report			4	4	4	TM
		Explore and implement alternative sources of energy e.g. biogas, solar energy etc	Identified and implemented alternative sources of energy				300	200	TM
Implement an appropriate organisation structure	Smooth flow of operations	i. Review the current organization structure	Reviewed organization structure in place						CEO/Board
		ii. Deploy staff to fit in the revised structure	Optimal staffing level						HRM
Attain ISO 9001:2008 certification	ISO 9001:2008 Compliant / Certified	i. Review business processes	Number of revised business processes						Heads of Departments (HODs) / CEO
		ii. Document and Implement ISO System	CWSB ISO certified	1	1	1			HODs / CEO

Strategy	Expected outcome(s)	Activities	Output Indicator(s)	Timeline and Resource Requirement (Kshs in millions)					Implementing actor
				2013 /14	2014 /15	2015 /16	2016 /17	2017 /18	
		iii. Undertake regular audits to ensure compliance to ISO standards operations	The Board processes undertaken in line with ISO certification provisions			1	1	1	CEO/ Internal Audit Manager (IAM)
Automate business processes	Improved efficiency in operations	i. Carry out an ICT need analysis	ICT need analysis report	1					ICT Manager
		ii. Acquire and implement ICT infrastructure and software	Requisite ICT infrastructure and software in place	10					ICT Manager
		iii. Train staff on available ICT systems	Number of ICT trainings undertaken Number of staff trained	0.5					ICT Manager
		iv. Develop an ICT policy	ICT policy in place						ICT Manager
		v. Implement the ICT Policy	The ICT policy being implemented						ICT Manager
Outsource non-core services	Improved efficiency in operations	i. Identify services that can be outsourced	List of services earmarked for outsourcing						FM
		ii. Develop TORs for outsourcing and engage service providers	<ul style="list-style-type: none"> ▪ List of services outsourced ▪ Number of engaged service providers 						HR & Admin Manager
		iii. Manage service providers	Level of adherence to service Provision agreements (SPA)	2	2	2	2	2	M & E Unit
Provide adequate equipment and tools	Increased staff motivation and productivity	i. Undertake work tools, equipment and office furniture need assessment	Work tools, equipment and office furniture needs assessment report						CEO/ HRM

Strategy	Expected outcome(s)	Activities	Output Indicator(s)	Timeline and Resource Requirement (Kshs in millions)					Implementing actor
				2013 /14	2014 /15	2015 /16	2016 /17	2017 /18	
		ii. Procure adequate work tools, equipment and new office furniture	Adequate work tools, equipment and new office furniture procured	8					FM/ HR & Admin Manager

Objective 4.2: To institutionalize good corporate governance.

Strategy	Expected outcome(s)	Activities	Output Indicator(s)	Timeline and Resource Requirement (Kshs in millions)					Implementing actor
				2013 /14	2014 /15	2015 /16	2016 /17	2017 /18	
Strengthen Board performance	Enhanced level of corporate governance and Board's performance	i. Develop a Board manual	Board manual in place		1				LO/CEO/ Board
		ii. Implement the Board manual	Level of implementation						LO/CEO/ Board
		iii. Review terms of reference for all the Board Committees	Reviewed TORs for the Board Committees in place						LO/CEO/ Board
		iv. Implement the reviewed terms of reference for all the Board Committees	Level of implementation						LO/CEO/ Board
		v. Train Board of Directors and management on best corporate Governance practices	Number of trainings held Number of Board of Directors trained	3.0			3.0		LO/ HR & Admin Manager
Enhance corporate risk management and compliance	Reduced risk exposure for the CWSB	i. Develop a risk management policy	Risk management policy in place	0.1					IAM
		ii. Implement the risk management policy	Level of implementation of the risk management policy		1				IAM

Strategy	Expected outcome(s)	Activities	Output Indicator(s)	Timeline and Resource Requirement (Kshs in millions)					Implementing actor
				2013 /14	2014 /15	2015 /16	2016 /17	2017 /18	
		iii. Train staff on risk management	Number of staff trained	2.0					IAM
		iv. Strengthen internal control frameworks	Internal controls strengthened						IAM
Enhance internal communication	Smooth flow of information Improved communication practices	i. Prepare schedule of Board and staff meetings and events	A schedule of Board and staff meetings and events in place						LO/CCO
		ii. Conduct regular staff meetings	Meeting Minutes	1.0	1.0	1.0	1.0	1.0	HR & Admin Manager
		iii. Develop an effective internal communication policy	An internal communication policy in place		0.1				CCO
		iv. Implement the internal communication policy	Level of implementation of the communication policy		0.125	0.125	0.125	0.125	CCO
		v. Carry out team building activities	Team building report Number of teambuilding events	2	2	2	2	2	HR & Admin Manager

Objective 4.3: To attract and retain highly skilled and motivated staff.

Strategy	Expected outcome(s)	Activities	Output Indicator(s)	Timeline and Resource Requirement (Kshs in millions)					Implementing actor
				2013 /14	2014 /15	2015 /16	2016 /17	2017 /18	
Strengthen absorption capacity of the Board	Adequate utilization of the mobilized resources	i. Train staff on effective utilization of the mobilized resources	<ul style="list-style-type: none"> ▪ Number of staff trained ▪ Number of trainings held 						HR & Admin Manager
		ii. Develop guidelines on effective management of mobilized resources	Guidelines on management of mobilized resources in place						FM/HR & Admin Manager
		iii. Implement the guidelines on effective management of mobilized resources	Timely and accurate reporting to donors/development partners						FM/HR & Admin Manager
Implement a competitive remuneration structure	<ul style="list-style-type: none"> ▪ Motivated staff ▪ Increased productivity ▪ Reduced rate of staff turnover 	i. Carry out job evaluation and salary survey	Job evaluation report		1				HR & Admin Manager
		ii. Implement the job evaluation report recommendations	Level of implementation of the job evaluation recommendations			2	2	2	HR & Admin Manager
Enhance staff capacity	Increased staff skills and productivity	i. Carry out competence levels and skills needs assessment every two years	Competence levels and skills needs assessment reports	0.2		0.2		0.2	HR & Admin Manager
		ii. Prepare training plan/calendar	Training plan prepared						HR & Admin Manager
		iii. Conduct training as per skills needs report	Number of staff trained	5.0	5.0	5.0	5.0	5.0	HR & Admin Manager
Establish a performance management system	Increased productivity	i. Develop a performance management system	A performance management system in place	6					HR & Admin Manager
		ii. Implement the performance management system	Performance reports		0.5	0.5	0.5	0.5	HR & Admin Manager

Strategy	Expected outcome(s)	Activities	Output Indicator(s)	Timeline and Resource Requirement (Kshs in millions)					Implementing actor
				2013 /14	2014 /15	2015 /16	2016 /17	2017 /18	
Enhance staff welfare	Increased staff motivation and productivity	i. Establish a welfare and benefits programme such as mortgage, car loans and club membership	Operational welfare and benefits programme in place	1	1	1	1	1	HR & Admin Manager
		ii. Enhance staff medical and life insurance cover	Enhanced Medical and life insurance cover	15	15	15	15	15	HR & Admin Manager
Create a conducive work environment	Increased staff motivation and productivity	i. Carry out repainting of the Board's offices	Repainted offices	0.5		0.5			HR & Admin Manager
		ii. Evaluate office space requirement for CWSB's employees	Identified office space requirements						HR & Admin Manager
		iii. Built the necessary office space	Adequate office space for all employees		25	25	25	25	TM
		iv. Carryout annual work environment and employee satisfaction surveys	Surveys report	1	1	1	1	1	HR & Admin Manager
		i. Implement work environment and employee satisfaction survey report recommendations	Level of work environment and employee satisfaction indices	0.1	0.1	0.1	0.1	0.1	HR & Admin Manager
		v. Carry out safety audit	Occupational health and safety reports		1				HR & Admin Manager
		vi. Implement the safety audit report recommendations	Safe work procedures being adopted			1			HR & Admin Manager

CHAPTER SIX

INSTITUTIONAL STRUCTURE

6.1 BOARD OF DIRECTORS

The Board of Directors shall be responsible for the general direction, co-ordination and overall management of the Water Board. In addition, the Board of Directors have the power to appoint committees to assist the Board discharge its responsibilities effectively. Currently the Board has the following committees:

- (a) Finance and Technical Committee
- (b) Human Resources and Administration Committee
- (c) Audit Committee

6.2 CHIEF EXECUTIVE OFFICER

The CEO is responsible for the operations of the organisation by ensuring that the CWSB's activities are conducted as per its mandate. In addition, the CEO is responsible for ensuring that sound policies and procedures are developed and implemented.

6.3 FUNCTIONS OF THE BOARD'S DEPARTMENTS

In order to achieve the goals identified in this strategic plan, the following functional departments have been identified:

- i. Asset Planning and Development
- ii. WSP Management and Coordination
- iii. Finance and Administration

A brief description of the departments' functions is as follows.

6.3.1 Asset Planning and Development Department

The department shall be responsible for the planning and development of water and sewerage infrastructure in both the urban and rural areas as well as ensuring that the assets meet acceptable standards and quality.

6.3.2 Finance and Administration Department

The department will be responsible for the formulation and implementation of finance, resource mobilization, ICT, human resources and administration policies and strategies that ensures financial sustainability of the Board both in the short-run and long-run. In addition the department shall be responsible for establishing effective management systems and procedures and broadening the revenue base by diversifying the sources of funding for the Board.

6.3.3 WSP Management and Coordination Department

The department shall be responsible for ensuring the WSPs provide efficient and affordable water and sanitation services, including implementation of pro-poor strategies in the areas of their jurisdiction as well as ensuring compliance with statutory requirements.

The CWSB will also have the following units:

a) Internal Audit

The functions of the Internal Audit unit include: Providing checks and balances in the utilization of resources and undertaking comprehensive audits on utilization of resources; ensuring that the Board adhere to the internal control procedures; and preparing internal audit reports.

b) Legal Services/ Company Secretary

The unit will be responsible for ensuring that all board procedures are followed and reviewed and that all applicable rules and regulations both legal and statutory are complied with.

c) Corporate Communication

The unit will be responsible for formulation and implementation of the Board Communication policies and strategies of enhancing the image of the Board. This shall entail developing and implementing marketing and public relations strategy.

d) Corporate Planning

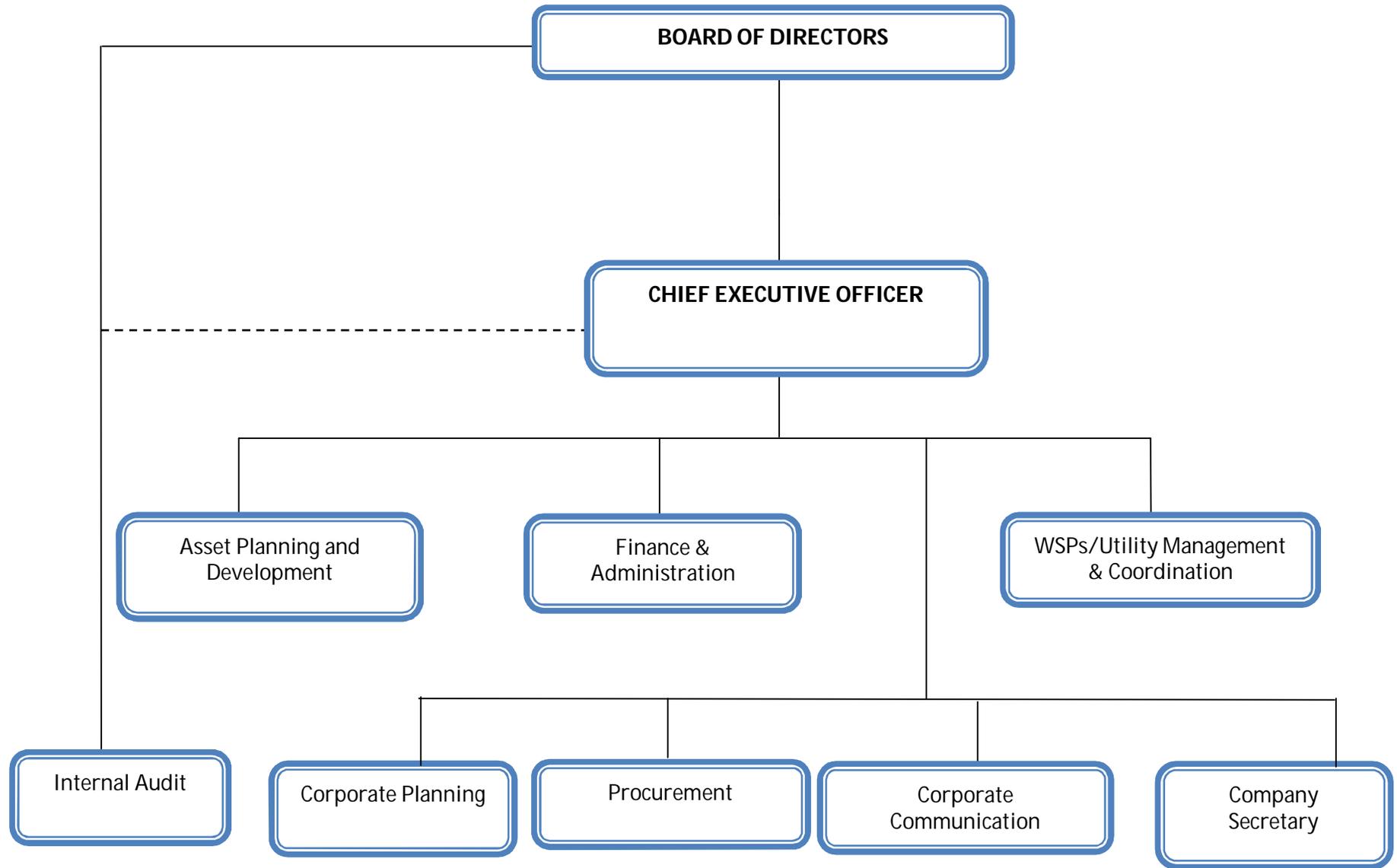
The Unit will be responsible for formulation and implementation of short-and long-term policies and strategies for the Board which shall include; preparation of the Strategic/Business Plan, Investment plans and Performance Contracts of the Board. In addition, the corporate planning unit will be responsible for economic analysis and evaluation of investment projects area as well as participating in feasibility studies and impact assessment of projects within the Board.

e) Procurement

The Unit shall be responsible for purchase planning, standards determination, specifications development, supplier research and selection, value analysis, price negotiation, making purchases, supply contract administration, inventory control and stores, and disposal and other related functions.

As documented in the organizational review report, the Board's organisation structure is as depicted in Figure 2.

Figure 2: Organization Structure



CHAPTER SEVEN

RESOURCE MOBILIZATION

7.1 FINANCIAL RESOURCE REQUIREMENT

One of the critical assumptions that CWSB is making for effective implementation of this Strategic Plan is availability of required resources. Table 6 shows a summary of CWSB's resource requirements for the implementation of various strategic plan objectives.

Table 6: Financial Resource Requirements

Strategic plan resource requirements per objective		Kshs. "Millions"					
Theme	Objective	2013/ 14	2014/ 15	2015/ 16	2016/ 17	2017/ 18	Total
Infrastructure Development	1. To increase water coverage from 55% to 80% by 2018.	1,065	11,949	11,637	11,141	10,216	46,006
	2. To increase access to sanitation from 47% to 65% by 2018.	25	320	5,325	5,025	5,025	15,720
Resource Mobilization/ Funding	1. To increase funding for water and sanitation infrastructure from Kshs 7.5 billion in 2013 to Kshs 40 billion by 2018.		3	1	1	1	6
	2. To enhance revenue collection from 50% in 2013 to 90% by 2018.	1	3	2	2	2	9
Stakeholder Management	To create and increase stakeholder's awareness and support to the Board.	4	19	17	15	14	68
Governance and institutional capacity	1. To enhance efficiency and effectiveness in service delivery.	23	7	10	309	209	558
	2. To institutionalize good corporate governance.	8	5	3	6	3	26
	3. To attract and retain highly skilled and motivated staff.	29	50	51	50	50	229
TOTAL		1,155	12,356	17,046	16,549	15,520	62,622

Note:

During the strategic planning period, CWSB will require approximately Kshs 62.6 billion.

7.2 STRATEGIES FOR RESOURCE MOBILIZATION

To implement the proposed activities, CWSB will put in place resource mobilization strategies which include:

a) Support From the National and County Governments

The Government is the major financier of the Board and CWSB plans to lobby for additional funding from the National Governments. In addition, the Board will lobby the six (6) County Governments i.e. Mombasa, Lamu, Kilifi, Kwale, Tana River and Taita Taveta Counties to finance the CWSB projects.

b) Development Partners Support

The Board plans to attract technical and financial support from development partners. In this regard, the Board will undertake mapping of potential partners and develop proposals seeking funding from identified partners.

c) Prudent Management of Available Resources

The Board will put in place measures to ensure prudent resource management. These will include:

- i. Implementation of efficient and effective processes and procedures.
- ii. Application of ICT in the various processes.
- iii. Outsourcing some non-core activities leading to increased efficiency.
- iv. Adherence to the financial management policy.
- v. Adequate risk assessment and management.

CHAPTER EIGHT

MONITORING AND EVALUATION

8.1 OBJECTIVES OF MONITORING AND EVALUATION

To successfully implement this strategic plan, a Monitoring and Evaluation (M & E) framework has been developed. The monitoring and evaluation framework will enable the CWSB to measure performance against set standards and evaluate the achievement of the set objectives.

The monitoring and evaluation framework will involve preparation of annual work plans by departments and units. The work plans shall be linked to the objectives, strategies and activities as contained in the implementation matrix. In addition, departmental work plans shall be cascaded to individual work plans which shall be linked to CWSB's performance management system.

8.2 MONITORING AND EVALUATION (M & E) FRAMEWORK

The following M & E framework will be put in place by CWSB in order to enhance successful implementation of the strategic plan:

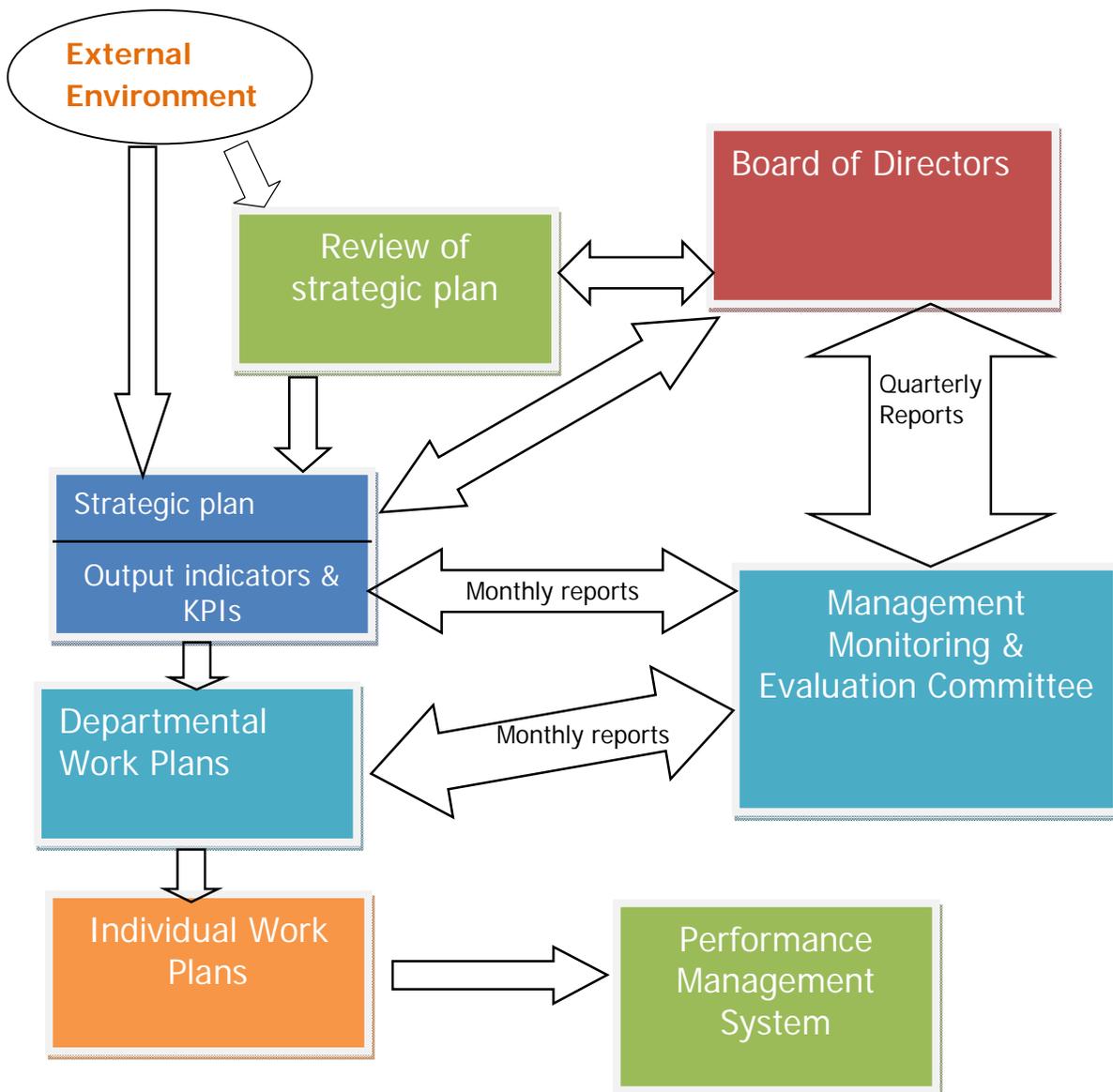
1. A management M & E committee shall be established comprising of the CEO and Heads of Departments and units to oversee the implementation of the strategic plan.
2. The M & E committee will hold monthly meetings to review the status of the strategic plan implementation as it relates to their respective departments. Monthly departmental progress reports shall be submitted and discussed during the meetings. In addition, areas requiring strategy change shall be identified.
3. The M & E committee will be reporting quarterly to the Board of Directors through the relevant committee on the progress made towards the attainment of the objectives.
4. The strategic plan shall be reviewed periodically (preferably every two years) so as to ensure that necessary changes in the objectives, strategy, activities etc (informed by new information regarding the Board or the environment) are effected.

The diagrammatic presentation of the M & E framework to be put in place by CWSB is shown in Figure 3.

Notes:

1. The M & E activities shall be coordinated by the Chief Executive Officer.
2. The key performance indicators shown in section 7.3 will provide guidance on more objective review of the progress of the strategic plan implementation.

Figure 3: Monitoring and Evaluation Framework



8.3 KEY PERFORMANCE INDICATORS

Table 7 shows the projected key performance indicators (KPIs) for financial and non-financial targets set for the year 2013 to 2018.

Table 7: Key performance indicators

KPIs	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Total revenue (Kshs "millions")	1,156	1,238	1,329	1,478	1,707	1,982
Total expenses/Revenue (%)	86	84	82	77	70	63
Staff costs/Total revenue (%)	15	15	14	13	12	11
UFW (%)	60	53	46	39	32	25
Water infrastructure coverage (%)	35	44	53	62	71	80
Sewer infrastructure coverage (%)	5	8	11	14	17	20
Access to sanitation services (%)		50	54	58	62	65
Revenue collection efficiency (%)		60	70	80	90	90
Customer satisfaction (%)	63	66	70	74	77	80
Employee satisfaction (%)		60	65	70	75	80
Work environment (%)		87	88	89	90	90
Automation		70	80	90	90	90

ANNEXES

ANNEX 1: PROJECTED INCOME STATEMENT

ITEM	ACTUAL	PROJECTED				
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
INCOME FROM OPERATIONS						
Water sales	822,988,658	905,287,524	995,816,276	1,145,188,718	1,374,226,461	1,649,071,753
Lease fees	176,288,506	176,288,506	176,288,506	176,288,506	176,288,506	176,288,506
Total Operating Income	999,277,164	1,081,576,030	1,172,104,782	1,321,477,224	1,550,514,967	1,825,360,259
operating expenses						
Electricity	371,314,905	389,880,650	409,374,683	429,843,417	451,335,588	473,902,367
Water use charges	86,096,075	90,400,879	94,920,923	99,666,969	104,650,317	109,882,833
Cost of specialized materials	27,231,174	28,592,733	30,022,369	31,523,488	33,099,662	34,754,645
Repairs and maintenance	41,294,703	43,359,438	45,527,410	47,803,781	50,193,970	52,703,668
KYEP	12,500	13,125	13,781	14,470	15,194	15,954
UNICEF activities	11,447,615	12,019,996	12,620,996	13,252,045	13,914,648	14,610,380
Total Operating Expenses	537,396,972	564,266,821	592,480,162	622,104,170	653,209,378	685,869,847
Gross surplus	461,880,192	517,309,209	579,624,621	699,373,054	897,305,589	1,139,490,412
Grants						
GOK revenue	141,000,000	141,000,000	141,000,000	141,000,000	141,000,000	141,000,000
UNICEF wash	11,041,452	11,041,452	11,041,452	11,041,452	11,041,452	11,041,452
WSTF	188,400	188,400	188,400	188,400	188,400	188,400
Total Grants	152,229,852	152,229,852	152,229,852	152,229,852	152,229,852	152,229,852
Expenditure						
Staff costs						
Salaries and wages	155,833,868	163,625,561	171,806,839	180,397,181	189,417,041	198,887,893
Staff leave allowances	2,283,327	2,397,493	2,517,368	2,643,236	2,775,398	2,914,168
Other staff allowances	9,929,326	10,425,792	10,947,082	11,494,436	12,069,158	12,672,616
Staff training	2,941,540	3,088,617	3,243,048	3,405,200	3,575,460	3,754,233
Gratuity	877,432	921,304	967,369	1,015,737	1,066,524	1,119,850

ITEM	ACTUAL	PROJECTED				
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Total Staff Costs	171,865,493	180,458,767	189,481,706	198,955,790	208,903,581	219,348,760
Establishment costs						
Rent	12,000	12,600	13,230	13,892	14,586	15,315
World bank compensation	19,696,551	20,681,379	21,715,447	22,801,220	23,941,281	25,138,345
Drought mitigation	90,671,622	95,205,203	99,965,463	104,963,736	110,211,923	115,722,519
Office electricity	852,390	895,010	939,760	986,748	1,036,085	1,087,890
Insurance	1,031,288	1,082,852	1,136,995	1,193,845	1,253,537	1,316,214
Security expenses	6,414,905	6,735,650	7,072,433	7,426,054	7,797,357	8,187,225
Total Establishment costs	118,678,756	124,612,694	130,843,328	137,385,495	144,254,769	151,467,508
Administrative expenses						
Telephone and postage	1,200,207	1,260,217	1,323,228	1,389,390	1,458,859	1,531,802
Fuel and lubricants	2,799,799	2,939,789	3,086,778	3,241,117	3,403,173	3,573,332
Travelling and accommodation	20,913,524	21,959,200	23,057,160	24,210,018	25,420,519	26,691,545
Subscriptions and newspapers	295,980	310,779	326,318	342,634	359,766	377,754
Motor vehicle maintenance	2,108,477	2,213,901	2,324,596	2,440,826	2,562,867	2,691,010
Advertising and promotion	10,634,821	11,166,562	11,724,890	12,311,135	12,926,691	13,573,026
Legal fees	2,230,542	2,342,069	2,459,173	2,582,131	2,711,238	2,846,800
General office supplies	3,048,968	3,201,416	3,361,487	3,529,562	3,706,040	3,891,342
Hospitality	1,797,762	1,887,650	1,982,033	2,081,134	2,185,191	2,294,450
Contracted professional service	34,200,347	35,910,364	37,705,883	39,591,177	41,570,736	43,649,272
Audit fees	1,922,760	2,018,898	2,119,843	2,225,835	2,337,127	2,453,983
World bank operation	25,673,739	26,957,426	28,305,297	29,720,562	31,206,590	32,766,920
Transport hire	479,924	503,920	529,116	555,572	583,351	612,518
Maintenance of furniture and equip	530,004	556,504	584,329	613,546	644,223	676,434

ITEM	ACTUAL	PROJECTED				
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Maintenance of buildings and stations	932,897	979,542	1,028,519	1,079,945	1,133,942	1,190,639
Depreciation	45,283,647	45,283,647	45,283,647	45,283,647	45,283,647	45,283,647
Laboratory expense	17,546	18,423	19,344	20,312	21,327	22,394
Office stationary	1,956,722	2,054,558	2,157,286	2,265,150	2,378,408	2,497,328
Donation	100,000	105,000	110,250	115,763	121,551	127,628
Total Administration Expenses	156,127,666	161,669,865	167,489,177	173,599,456	180,015,246	186,751,824
Board expenses						
Honoraria	730,800	767,340	805,707	845,992	888,292	932,707
Board allowance	6,054,549	6,357,276	6,675,140	7,008,897	7,359,342	7,727,309
Total Board Expenses	6,785,349	7,124,616	7,480,847	7,854,889	8,247,634	8,660,016
Total expenses	453,457,264	473,865,942	495,295,058	517,795,630	541,421,230	566,228,108
Surplus before misc income and finance cost	160,652,780	195,673,119	236,559,415	333,807,276	508,114,211	725,492,156
Miscellaneous income						
Baricho clinic	179,500	179,500	179,500	179,500	179,500	179,500
Rental income	356,200	356,200	356,200	356,200	356,200	356,200
Bungale water supply	17,000	17,000	17,000	17,000	17,000	17,000
Laboratory	179,500	179,500	179,500	179,500	179,500	179,500
Donations	50,000	50,000	50,000	50,000	50,000	50,000
Tender sales	1,533,992	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Insurance refund	2,190,000	2,190,000	2,190,000	2,190,000	2,190,000	2,190,000
Total Miscellaneous Income	4,506,192	4,472,200	4,472,200	4,472,200	4,472,200	4,472,200
Finance costs						
Bank charges	746,131	746,131	746,131	746,131	746,131	746,131
Surplus after misc income and finance cost	164,412,841	199,399,188	240,285,484	337,533,345	511,840,280	729,218,225

ANNEX 2: PROJECTED BALANCE SHEET

ITEM	ACTUAL	PROJECTED				
	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
ASSETS						
NON CURRENT ASSETS						
Property plant and equipment	153,259,411	160,922,382	168,968,501	177,416,926	186,287,772	195,602,161
Work in Progress	2,651,598,630	2,784,178,562	2,923,387,490	3,069,556,864	3,223,034,707	3,384,186,443
	2,804,858,041	2,945,100,944	3,092,355,991	3,246,973,790	3,409,322,479	3,579,788,604
Current Assets						
Inventory						
Chemicals	27,200,813	28,560,854	29,988,896	31,488,341	33,062,758	34,715,896
Machinery pipes and fittings	11,965,552	12,563,830	13,192,021	13,851,622	14,544,203	15,271,413
Stationary	767,894	806,289	846,603	888,933	933,380	980,049
Total Inventory	39,934,259	41,930,973	44,027,520	46,228,896	48,540,341	50,967,358
Trade and other receivables						
salary advance	909,081	954,535	1,002,262	1,052,375	1,104,994	1,160,243
water companies	1,896,720,248	1,612,212,211	1,370,380,379	1,164,823,322	990,099,824	841,584,850
imprest	2,839,340	2,981,307	3,130,372	3,286,891	3,451,236	3,623,797
Total trade and other receivables	1,900,468,669	1,616,148,053	1,374,513,013	1,169,162,588	994,656,054	846,368,890
cash and bank balances	1,120,117,227	1,493,816,355	1,234,929,243	1,296,675,705	1,361,509,490	1,429,584,965

ITEM	ACTUAL	PROJECTED				
	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
CURRENT LIABILITIES						
TRADE AND OTHER PAYABLES						
Creditors	846,535,744	888,862,531	933,305,658	979,970,941	1,028,969,488	1,080,417,962
provision for audit fees	261,000	274,050	287,753	302,140	317,247	333,109
Total Trade and other payables	846,796,744	889,136,581	933,593,411	980,273,081	1,029,286,735	1,080,751,071
TOTAL ASSETS	5,018,581,452	5,207,859,743	4,812,232,356	4,778,767,898	4,784,741,629	4,825,958,746
FINANCED BY						
Retained earnings	970,223,072	1,169,622,260	1,409,907,744	1,747,441,089	2,259,281,369	2,988,499,594
world bank loan	4,048,358,380	4,038,237,483	3,613,159,853	3,613,159,853	3,613,159,853	3,613,159,853
TOTAL LIABILITIES	5,018,581,452	5,207,859,743	5,023,067,597	5,360,600,942	5,872,441,222	6,601,659,447