

# A FRESH START

***A GUIDE FOR STAFF RE-ORGANIZATION IN THE WATER  
SECTOR***

***April 2006***

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## **Introduction**

The implementation of the water sector reforms commenced in March 2003 following the enactment of the Water Act 2002. The Act provides for the following reforms: improved management of water resources, minimizing the role of government in direct service provision and greater community participation in the management of water resources and provision of water supplies. The Act reorganizes the institutional set-up with the objective of clarifying and delineating roles and enhancing accountability by institutions.

Significant progress has been made in the operationalization of the Water Act particularly in the establishment and initial operationalization of sector institutions. Currently, all institutions created by the Act: the Water Resources Management Authority, the Water Services Regulatory Board, seven water services boards, the Water Services Trust Fund and the Water Appeals Board have been established. Several water services providers have also been contracted by the water services boards in the ongoing process.

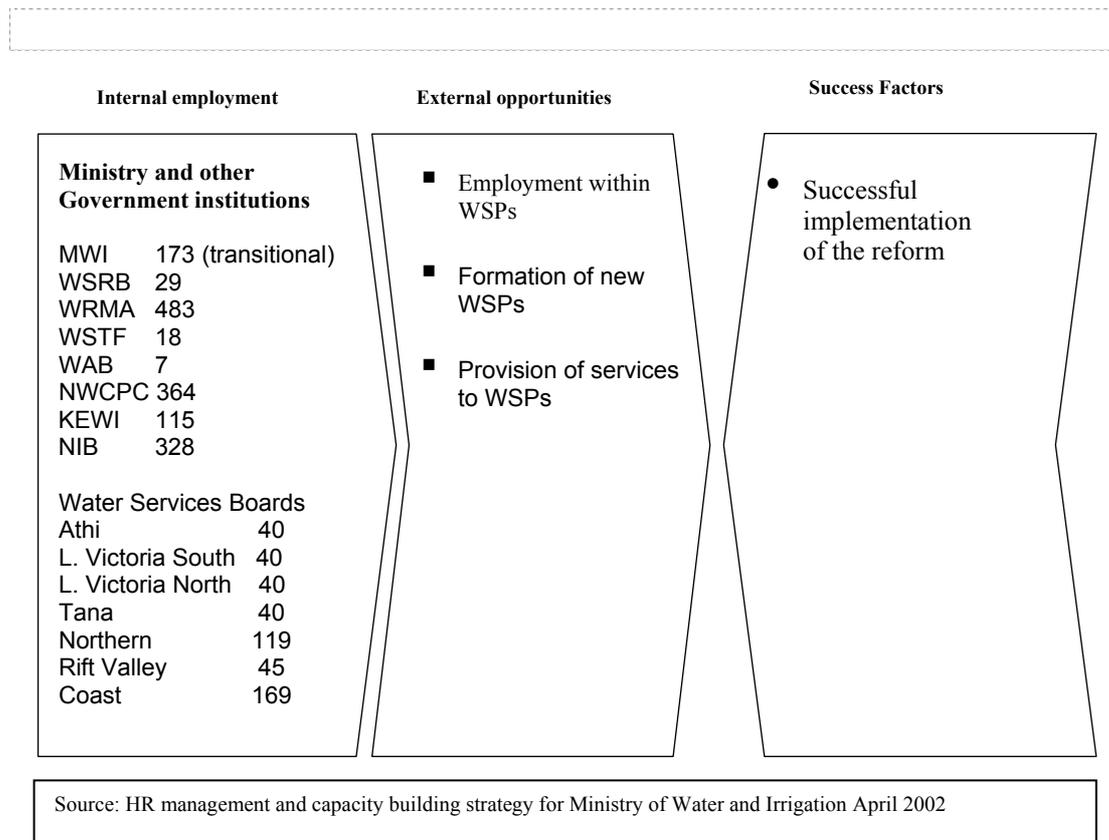
To support the operationalization and ensure continuity of operations as roles are transferred to different institutions, staff of the Ministry of Water and Irrigation and the National Water Conservation & Pipeline Corporation were in July 2005 seconded to the new institutions. This is in accordance with Legal Notice 101 of 2005, the Transfer Plan of Water Services to Water Services Boards. The staff are deployed in the institutions until 30<sup>th</sup> June, 2006.

## **OPPORTUNITIES IN THE NEW INSTITUTIONAL SET-UP**

The transformation in the institutional establishment of the sector provides an opportunity for greater functional specialisation by employees as institutions take on more specific roles.

Numerous opportunities will continue to exist for staff in the sector that have the requisite skills, competencies and experience for carrying out functions of both water services and water resources management. The exploitation of these opportunities however, will require that staff are redeployed in institutions other than the Ministry and the National Water Conservation and Pipeline Corporation (NWPC). Those involved in direct provision of water services will have to look outside of government employment as water services providers ceased to be government agencies under the new Water Act. Only in exceptional circumstances will government agencies carry out this role.

To accord existing staff of the Ministry and NWPC an opportunity to transfer their services to the new institutional set-up, priority for redeployment and recruitment within both government agencies and water services providers is being given to them.



## STAFF ORGANIZATION IN THE NEW INSTITUTIONAL SET-UP

To fulfil their mandates as prescribed in the Water Act, government institutions in the water sector have developed appropriate organization and staffing structures in readiness for the redeployment process due to commence in July 2006.

The structures are developed in respect to the functions of the institutions as spelt out in the Act. Consideration is also given to issues of policy, coordination and cross cutting issues.

At the water services provider level, the process of contracting new providers by the water services boards is ongoing. The staffing requirements by water services providers should aim at achieving benchmarks defined by the Water Services Regulatory Board (WSRB) and which should form part of the licence and service provision agreements.

The current staff analysis process consolidates the views of sector institutions and international benchmarks. It is validated by the inter-ministerial committee on human resources re-organization in the water sector.

## THE RE-DEPLOYMENT PROCESS

### Staff re-organization in the new set-up

<b>Administrative (support) staff</b>	Re-deployment in institutions or sections requiring their support or return to administrators of respective schemes of service for redeployment
<b>Technical staff (MWI/NWCPC specific) staff</b>	Staff remain in MWI/NWCPC or are redeployed within new government institutions
<b>Staff in water utilities</b>	Staff leave government service for employment by new water service provider
<b>Surplus technical staff</b>	Provision of training and financial package to support separation

The procedure and criteria for redeployment in the government institutions shall follow selection and placement criteria which have been developed by an inter-ministerial technical committee on human resources reorganization in the water sector. The re-deployment process will be carried out by the institutions supported by an independent inter-ministerial committee to ensure its fairness, objectivity and integrity.

#### Selection criteria

The selection criteria will comprise the following:

- Requisite academic and professional qualifications.
- Skills, competencies and experience vital to the position and institution recruiting
- Past performance record of the applicant
- Relevant scheme of service
- Affirmative action for differently abled personnel, gender and other marginalized groups without compromise to the skills and competency sought.

All vacant positions will be advertised internally and staff invited to file applications on a designated form. Consideration will only be given to those that submit formal applications and in order of the applicant's choice of position where more than one position is applied for.

#### Employment in water utilities

The new service delivery system separates the ownership of public water supply and sewerage infrastructure and assets from direct provision of services by water services providers. Changes in the existing delivery system therefore directly impacts upon the employment of staff currently engaged in these schemes as they will be obligated to leave government service as the new WSPs take responsibility for services.

Water services providers shall be responsible for their own personnel policies within the guidelines provided by the Water Services Regulatory Board. These staff will however be assisted where possible, to secure employment with the WSPs during the ongoing process of contracting water services providers. The re-arrangement will

continue until WSBs complete the process of contracting suitable providers. During this process existing staff will remain in the employment of either the Ministry or the water services boards. The Ministry shall also continue to support the operations and of such schemes in accordance with the Transfer Plan of Water Services to Water Services Boards.

### **Sector Re-organization Implementation Plan (2006)**

<b>Activity</b>	<b>Period</b>	<b>Responsibility</b>
Institutions determine staffing requirements and validation	February – March	Sector institutions
Development of staffing criteria and procedures	April	Inter-ministerial technical committee
Advertisement of positions and staff selection for redeployment/appointment	April - May	Institutions / Inter-ministerial committee
Communication to staff	April - June	Institutions/ MWI
Training for outplacement	April - May	Inter-ministerial technical committee
Information to officers on placement	May - June	Inter-ministerial technical committee
Staff re-deployment	June	MWI
Management of staff redeployment process	July - December	MWI/Public Service Reform & Development Dept.

### **Support systems**

To ensure effective implementation of both the re-deployment among government agencies and employment in water utilities, the Ministry will provide the necessary professional and social support systems.

These include:

- Appropriate training in vocational skills, competencies and work culture to support placement.
- Facilitating movement to the water services providers
- Payment of terminal benefits to facilitate relocation and settlement for those that leave government service.
- Counselling services – psychological support for change

### **SEPARATION**

The reorganization of the sector will result in some of the personnel in the sector being engaged outside government employment for instance with the new water services providers. Others may not find suitable positions for deployment within government agencies. The Government has therefore developed well thought out separation packages to support employees cope with the relocation.

The packages are modelled on the current public service voluntary employment retirement scheme and take into consideration cost of living realities. They also comply with the relevant statutory provisions and regulations including the Employment Act, Pension regulations and the Public Service Commission Act.

Main components:

#### **MWI Non pensionable employees**

- Golden handshake                      KSh 140,000
- 3 months salary in lieu of notice
- 3 months severance pay for every completed year of service
- Entitlement to NSSF benefits in accordance with the NSSF Act and other Provident Fund benefits for members.

#### **MWI Pensionable employees**

- Golden handshake                      KSh 140,000
- 3 months salary in lieu of notice
- 15 days severance pay for every completed year of service
- Pension benefits in accordance with the Pensions Act including all gratuity and monthly payments

The payments will be done for all persons that leave government service. This will be done promptly and at their respective work stations to minimize inconvenience. Staff that are redeployed in government institutions will transfer their service to the new institution and will therefore however not receive any terminal benefits. Their terms and conditions of employment will be aligned with the schemes of service of the new institutions.

#### **NWCPC**

- Golden handshake                      KSh 140,000
- 3 months salary in lieu of notice
- 15 days severance pay for every completed year of service
- Employee's contribution to contributory pension scheme

#### **Comparison of Separation Packages**

The proposed Ministry of Water/NWCPC separation packages are comparable to other packages that have been offered by public institutions. They are also developed with consideration to the government's ability to pay.

	<b>Item Description</b>	<b>Voluntary Early Retirement (VERS)</b>	<b>Public Universities</b>	<b>Kenya Railways</b>	<b>Ministry of Water &amp; Irrigation</b>
1	Golden handshake (Non statutory)	120,000	40,000	80,000	140,000
2	Salary in lieu of notice (pensionable staff)	3 months	3 months	3 months	3 months
3	Severance payment (pensionable staff)	15 days	15 days	15 days	15 days
	Severance payment (non pensionable staff)	3 months for each year served	1 month pay for each year served	3 months pay for each year served	3 months pay for each year served
4	Pension/Provident fund payment e.g. NSSF)	Pension benefits	Provident fund benefits	Pension benefits	Pension benefits

## Frequently Asked Questions on the Staff Reorganization Process

**1. How have the structures and staffing levels of the sector institutions been arrived at?**

The staffing structures and levels of the institutions have been developed with respect to their functions as spelt out in the Water Act 2002. Consideration is also given to matters of policy, coordination and cross cutting issues that they should carry out. In line with the principles of reform optimum staffing levels have been designed to ensure effective execution of the mandates of the institutions.

**2. What are the opportunities for staff under the re-organized water sector?**

Tremendous prospects exist for staff in the re-organized sector. Opportunities include employment within both government institutions and amongst water services providers (WSPs). Staff should however strive to possess qualifications and skills relevant to the positions they wish to take up in the institutions to ensure their survival. There will be external openings through formation of water services providers and provision of services to WSPs.

**3. The qualifications sought in the advertisement by some of the institutions are considered too high and beyond what is available in the sector?**

The positions advertised are on the basis of the requirements sought by the organizations. Staff that possess the required qualifications should therefore feel free to apply. It is advisable for staff to go for the position which meet his qualification and competence.

**4. Why has WRMA advertised 250 positions whereas the HR management and capacity building strategy provides for 483?**

483 is considered the optimal staffing level for WRMA. However, the numbers are expected to increase progressively as organizational capacity is built within the next two or so years. Discussions are however going on with the Ministry to consider ways to have the organization step up its numbers sooner than later.

**5. How will self-sustainability of water schemes and the new institutions be realized to ensure they cater appropriately for staff remuneration?**

Self sustainability is one of the pillars of the water sector reforms hence all sector institutions including water supplies are expected to attain sustainability. Recognizing that water schemes and new institutions may not achieve this immediately and to maintain continuity of services, the Transfer Plan of Water Services provides for continued support to water supplies and institutions by the Ministry up to 2008 in situations identified.

**6. June 30<sup>th</sup> 2006, is indicated as the timeline marking the end of the transition period. What happens thereafter?**

June 30<sup>th</sup> is an indicative date ending the initial transition period of the Transfer Plan. The staff redeployment process therefore begins on the 1<sup>st</sup> of July, 2006 and will continue until all sector institutions are optimally staffed. This will include the contracting and staffing process for Water Services

Providers. Where there will be no WSPs contracted, the status quo will remain until this is done.

**7. What happens to common cadre staff personnel that are not deployed in the sector institutions?**

Common cadre personnel in the Ministry who are not deployed in the institutions will go back to administrators of their schemes for redeployment in government. Those employed by the NWCPC will however have their contracts terminated and their terminal benefits paid.

**8. Are all staff eligible for Voluntary Early Retirement (VER)?**

Staff aged 53 years and over are not eligible for VER. Others whose applications may not be successful are those considered to have too many liabilities and whose safety net benefits would therefore go towards debt repayment at the expense of supporting their relocation from their current positions.

**9. When will VER payments be made?**

Staff that opt for VER or those that are not redeployed in sector institutions will be paid before their last day in service. Payment will be done at respective work stations to minimize inconvenience.

**10. Can one appeal against being retired against their will?**

Abolition of office is one of the provisions to which an employee consents to be retired early under the terms and conditions of service of the Government of Kenya. It is therefore generally recognized that that an employee may not appeal against this particular provision for instance in the current situation where the sector is undergoing re-organization.

**11. Are NWCPC staff eligible for the golden handshake?**

Yes. NWCPC are eligible for the KSh 140,000 golden handshake and other safety net benefits accruing to Ministry personnel except for government pension payments.

**12. What are the modalities for transfer of service?**

Staff under the employ of the Ministry will have their services transferred through a formal letter of “transfer of service” to the new government institution. Those redeployed from the NWCPC will however have to terminate their contracts and obtain their final dues from their current employer (NWCPC) in order to move to the new institutions. They may also choose to transfer their pension contribution to the pension scheme of the new institution where this is established.

**13. Is the Ministry advertising for its positions?**

No. The approved positions have staff who are already serving and are therefore not considered to be vacant.

**14. To what extent have Trade Unions been involved in the re-organization process?**

Trade Unions as representative of workers have been kept informed of the reforms process since the process started. However full engagement with the relevant unions and sensitization commenced after the Human resource reorganization strategy is finalized. Union representatives also forms part of the core teams that are being sensitized first in order to be able to communicate to staff effectively on issues affecting their members.