

WATERFUND STRATEGIC PLAN 2023 – 2027





STRATEGIC PLAN (2023 – 2027)

VISION

Sustainable funding of safe water and sanitation for all

MISSION

To finance sustainable and climate-friendly water and sanitation initiatives for improved quality of life in Kenya.

CORE VALUES

**Quality
Integrity
Human dignity
Equity
Inclusivity
Transparency**

GUIDING PRINCIPLES

**Sustainability
Good governance
Teamwork
Learning
Innovation**

FOREWORD

The funding of water and sanitation investments is declining due to over reliance of the traditional funding models like the exchequer, conditional grants and balance sheet funding for water service providers that have developed capacity. The resultant effect of this is that the water service providers have been unable to meet the demand for water and sanitation services in all the 47 counties of the Republic of Kenya. Millions of Kenyans in urban and rural areas have therefore been left without access to safe water and dignified sanitation.

In this five-year strategic planning period (2023 – 2027), the WaterFund presents a paradigm shift in raising funds with a focus on alternative and innovative water infrastructure funding models. These includes financial markets (off budget), Public Private Partnerships (PPPs), private sector markets and own source revenue generation initiatives. This will see the funding for water and sanitation projects increase from the current Ksh. 20 B to over Ksh. 52 B in five years. The population reached with safe water is targeted to reach 2 million people while a further 1.2 million people will be supported to access dignified sanitation. A further 2,500 Sq. km of water catchment areas will be conserved alongside mitigation of climate change across all the activities. The WaterFund also plans to finance more research initiatives as well as innovations in the sector. This will revolutionize service provision in addition to generation of new knowledge.

To achieve this, the WaterFund will work with multiple stakeholders including National Government Agencies, Private Sector Entities, Implementing Partners, Development Partners, Research Institutions and County Governments. I wish to call upon all the stakeholders to work closely with the WaterFund in order to realize water in every household ("Maji Nyumbani") as the rallying call in supporting the realization of Kenyans dream of accessing safe water and dignified sanitation. Thank you!

Dr. Erick K. Rutto

**Board Chairman
Water Sector Trust Fund**

PREFACE

The Strategic Plan 2023 – 2027 for the WaterFund presents a new awakening in the business of the WaterFund. The plan seeks to operationalize the bottom-up economic transformation agenda as anchored in the Fourth Medium Term Plan (MTP) and Vision 2030 blueprint. A departure from the previous plans, the Strategic Plan puts the citizens at the core of all its activities in articulating the WaterFund's contributions towards the realization of increased water and sanitation coverage in Kenya.

In the last planning period, there were several challenges that affected the realization of the strategic goals. These included Covid 19 pandemic, capacity challenges amongst the Water Service Providers (WSPs) as well as reduced funding for water and sanitation infrastructure. To address these challenges, the WaterFund will undertake a mapping of all the underserved and marginalized areas, with a view of having a more proactive approach to addressing access challenges. Additionally, new and innovative financing models will be explored to ensure sustainability. The capacity of WSPs will be enhanced in areas of project management as well as operational efficiency which will in turn enhance project uptake and completion, increase collection efficiency as well as reduce commercial losses.

The 2023 – 2027 Strategic Plan is prepared in accordance with the fifth-generation guidelines and is aligned to the national development agenda and the Government's priorities on water and sanitation. The plan is anchored in four pillars of increasing access to safe water and dignified sanitation, fund development, water resource management and climate change, and research and innovation. These pillars are supported by a strong foundation that includes risk management, strong human resource component, prudent financial management and planning, communication as well as technology. All these are espoused in the WaterFund's core values and guiding principles.

Under each pillar, strategic goals and several targets have been identified alongside key strategic objectives. An elaborate monitoring and evaluation system has also been developed to ensure that the WaterFund will always remain on course. The plan was developed through a consultative and participatory process that involved all key internal and external stakeholders right from inception to completion. The WaterFund's management team and

staff spent considerable time and effort for the success of this process and will continue to do so to ensure its successful implementation.

I wish to express my sincere gratitude to the Board of Trustees and the other stakeholders for their valuable input throughout the formulation process. I also acknowledge the professional input provided by the Consultant, Borasoft Consulting Limited for their strategic insight and guidance. Thank you all!

Willis Ombai
Chief Executive Officer
Water Sector Trust Fund

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LIST OF ABBREVIATIONS AND ACRONYMS

ASAL	Arid and Semi-Arid Lands
AU	African Union
B; Bn	Billion
BoT	Board of Trustees
BSC	Balanced Score Card
CC	Climate Change
CEO	Chief Executive Officer
CFAs	Community Forest Associations
CLTS	Community Led Total Sanitation
CO₂	Carbon dioxide
DTFs	Decentralized Treatment Facility
EAC	East African Community
ERP	Enterprise Resource Planning
GMA&R	General Manager Audit and Risk
GMCS	General Manager Corporate Services
GMFD	General Manager Fund Development
GMLS	General Manager Legal Services
GMP	General Manager Programs
GMP&QM	General Manager Planning and Quality Management
GoK	Government of Kenya
HDPE	High Density Polyethylene
HOCAI	Holistic Organization Capacity Assessment Index
HR	Human Resources
ICT	Information and Communication Technology
INGOs	International Non-Governmental Organizations
IPs	Implementing Partners
IWRM	Integrated Water Resource Management
Ksh.	Kenya Shillings

M&E	Monitoring and Evaluation
MCF	Manager Commercial Financing
MDAs	Ministries Departments and Agencies
MFD	Manager Fund Development
MHRA	Manager Human Resource and Administration
MICT	Manager ICT
M	Million
MQARM	Manager Quality Assurance and Risk Management
MR&KM	Manager Research and Knowledge Management
MPSM&E	Manager, Planning, Strategy, Monitoring and Evaluation
MSCM	Manager Supply Chain Management
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
MWRCC	Manager Water Resources and Climate Change
MWSI	Ministry of Water Sanitation and Irrigation
ODF	Open Defecation Free
POCC	Principle Officer Climate Change
PE	Personnel Emoluments
PESTLE	Political Economic Socio-cultural Technological Legal & Environmental
PPCs	Public Private Collaborations
PPPs	Public Private Partnerships
PSF	Public Sanitation Facilities
QAC/QAM	Quality Assurance Consultants/Quality Assurance Monitors
QMS	Quality Management Systems
RBF	Results Based Financing
RIIMS	Research and Innovation Information Management System
RWH	Rain Water Harvesting
SCAC	State Corporation Advisory Committee
Sq. Km	Square Kilometers

SWOT	Strengths Weaknesses Opportunities Threats
TA	Technical Assistance
WASREB	Water Services Regulatory Board
WDC	WRUA Development Cycle
WHO	World Health Organization
WRM	Water Resource Management
WRUAs	Water Resource Users Associations
WSPs	Water Service Providers
WaterFund	Water Sector Trust Fund

EXECUTIVE SUMMARY

Water Sector Trust Fund (WaterFund) is the Kenyan State Corporation under the Ministry of Water, Sanitation and Irrigation, established under Water Act, 2016 with the mandate to provide conditional and unconditional grants to the Counties and to assist in financing the development and management of water services in the marginalized and underserved areas. The role and functions of the WaterFund are anchored in the various national, global and regional development blueprints.

In the last planning period, the WaterFund mobilized a total of Ksh. 20 B out of a target of Ksh. 23 B. Additionally; WaterFund reached a total of 2.2 million people out of the targeted 4.7 million people. There were several factors that hindered the achievement of the set targets during implementation of the strategic plan 2018-2022. These included lengthy funding cycles, rigid legislative processes, delays occasioned by bureaucracies, limited capacity of Implementing Partners and limited focus on integrated water resources management among others.

An internal analysis was conducted on the WaterFund's role of supporting the realization of the development agenda. From the lessons learnt, the key issues that had an impact on the Strategic Plan were identified as water and sanitation access, financing water and sanitation projects, water resource management, climate change, research and knowledge management and institutional strengthening.

The WaterFund has reviewed its vision to: *Sustainable Funding of safe water and sanitation for all*; while its mission has been restated to: *To finance climate friendly water and sanitation initiatives for improved quality of life in marginalized and underserved areas in Kenya.*

To achieve its long-term vision and mission, the WaterFund has identified five key strategic outcomes:

- a. Increase access to safe water and dignified sanitation to additional 3.2 million people by 2027
- b. Mobilize Ksh 52 Billion to finance water, sanitation, IWRM, climate change and research and innovations by 2027
- c. Enhance Climate Change Resilience by financing IWRM and Climate Change Initiatives to Increase water storage capacities by 0.55 Million M3 and conserve 2,500 sq Kms by 2027

- d. Bolster water sector research and innovation by financing 50 research studies and 25 innovations by 2027
- e. Achieve a Holistic Organization Capacity Assessment Index (HOCAI) of 70% and above by 2027

A strategic matrix has been developed to match the key result area with strategic objectives, appropriate strategies and initiatives outlined.

Implementation of the plan is expected to cost a total of Ksh. 38B from the 52B to be raised through increased GoK funding to Ksh. 7B, increased funding from Development Partners to Ksh. 32B, increase leveraged funding to Ksh. 7.5B, operationalize the Water Levy to unlock Ksh. 2.5B, raise Ksh. 1.8B from investment income, raise Ksh. 200Million through own source revenues in addition to Ksh. 1B to be raised through Public Private Partnerships and increase the WaterFund capability in resource mobilization. The additional Ksh. 14B to be realized from the mobilized funds is expected to be used towards supporting WaterFund beyond the strategic plan period in line with perpetual nature of the Trust Fund.

This Strategic Plan will be subjected to a continuous review of performance on the various deliverables. Annual reviews of the plan shall be conducted to assess and evaluate how funds and resources have been utilized as well as the outcomes of the resources. Other focus areas will include the challenges, issues and key lessons learnt faced during implementation of the Strategic Plan.

CHAPTER ONE:

INTRODUCTION

This chapter provides the setting and context for the Water Sector Trust Fund (WaterFund) Strategic Plan for the period 2023 – 2027. This includes a brief history of WaterFund, her mandate and functions, developmental challenges, as well as the role in national, regional, and global development agenda.

1.1 Strategy as an imperative for Organizational Success

Strategic planning in the public sector helps organizations become more proactive, goal-oriented, and responsive to the needs of the communities they serve. It fosters effective decision-making, resource optimization, stakeholder engagement, and organizational performance, leading to improved outcomes and public value.

The global water and sanitation crisis continues unabated despite the numerous efforts by governments the world over. The crisis was made severe by climate change effects as well as the Covid 19 pandemic. Key impacts of these include increased disease burden, poor economic performance, pollution and reduced quality of life. Key interventions being undertaken to improve access include strengthening water and sanitation sector governance, financing, strengthening institutions and markets, increasing equitable access to safe, sustainable and climate resilient water and sanitation services, improving climate resilient conservation and management of freshwater resources and associated ecosystems, and anticipation and reduction of conflict and fragility related to water.

According to the Kenya National Sector Plan for Environment, Water and Sanitation and Regional Development (2023 – 2027), the Sector increased water coverage from 60% in 2018 to 65.5% in 2021 while sewerage coverage in urban areas increased from 25% in 2018 to 27.7% in 2021. National sanitation coverage increased from 74.8% in 2018 to 82.5% in 2021. Data from WASREB indicates that as at 2021, 26 million Kenyans lived in areas that are served by various water utilities. Of these, 28% or 7.2 million people are from low-income areas (rural and urban). This therefore means that out of a population of 53 million, close to 27 million Kenyans rely on water sources that may not be safe including rivers, dams, springs, ponds, shallow wells among others. The Waterfund Strategic plan seeks to position the organization strategically to help alleviate challenges that result in inadequate supply of water and sanitation services in the country.

Specifically, the strategic plan is important for WaterFund since it: -

1. Assists WaterFund to align its activities and resources with overarching goals and objectives.
2. Enables WaterFund to make informed and evidence-based decisions.
3. Allows WaterFund to optimize the allocation of limited resources.

4. Facilitates engagement and collaboration with stakeholders, including citizens, community groups, businesses, and other government agencies.
5. Establishes performance measures and metrics that enable WaterFund to track progress and evaluate their performance.
6. Helps WaterFund anticipate and respond to changing circumstances and emerging challenges.
7. Promotes alignment and coordination within WaterFund.
8. Allows WaterFund to establish a long-term vision for the future, which provides a roadmap for the organization's development and growth over time, ensuring continuity beyond immediate challenges.

1.2 Context of Strategic Planning

The 2023 – 2027 strategic plan has been aligned to the Global, Regional and National development agenda as articulated in the Sustainable Development Goals (SDG), the Africa Agenda 2063, the East Africa Community (EAC) Vision 2050, Vision 2030, Fourth Medium Term Plan (MTP) IV and the Bottom-up Economic Transformation Agenda (BETA). The SDGs have been domesticated in Africa through the Africa Agenda 2063 and the EAC Vision 2050.

1.2.1 United Nations 2030 Agenda for Sustainable Development (SDGs)

The Sustainable Development Goals (SDGs) are a set of 17 global goals established by the United Nations (UN) in 2015, aimed at addressing various social, economic, and environmental challenges to achieve sustainable development by 2030. They provide a comprehensive framework for addressing social, economic, and environmental challenges facing the world. The SDGs consist of 17 interconnected goals and 169 targets, covering a wide range of sustainable development issues. They aim to end poverty, protect the planet, and ensure prosperity for all. The goals address various aspects of development, including poverty eradication, education, gender equality, health and well-being, clean water and sanitation, affordable and clean energy, decent work and economic growth, sustainable cities and communities, climate action, biodiversity, and more.

The 6th Sustainable Development Goal is to ensure availability and sustainable management of water and sanitation for all. More specifically, the targets relevant to the WaterFund's mandate include:

- a) Achieve universal and equitable access to safe and affordable drinking water for all

- b) Achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations
- c) Substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity
- d) Implement integrated water resources management at all levels, including through transboundary cooperation as appropriate
- e) Protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers, and lakes
- f) Expand international cooperation and capacity-building support to developing countries in water and sanitation related activities and programs, including water harvesting, desalination, water efficiency, wastewater treatment, recycling, and reuse technologies
- g) Support and strengthen the participation of local communities in improving water and sanitation management.

1.2.2 African Union Agenda 2063

The African Union (AU) Agenda 2063 is a strategic framework for the socio-economic transformation of Africa over a 50-year period, from 2013 to 2063. It aims to promote inclusive growth, sustainable development, and regional integration across the continent. These goals aim to address the challenges in access to clean water, sanitation facilities, and sustainable management of water resources on the continent. The key goals on water and sanitation within Agenda 2063 are:

- **Universal Access to Water and Sanitation:** The goal is to achieve universal access to clean and safe drinking water and adequate sanitation facilities for all Africans. This entails ensuring access to basic water supply, improved sanitation, and promoting hygiene practices to improve health outcomes and living standards.
- **Sustainable Management of Water Resources:** The goal is to sustainably manage water resources to meet current and future needs. This involves promoting integrated water resources management, protecting water ecosystems, and enhancing resilience to climate change impacts on water availability and quality.
- **Water Security and Water-Energy-Food Nexus:** The goal is to achieve water security, ensuring the availability and sustainable management of water resources for multiple uses, including agriculture, energy generation, and industrial activities. The water-energy-food nexus approach aims to

optimize the interlinkages and trade-offs between water, energy, and food production to enhance resource efficiency and ensure water and food security.

- **Transboundary Water Cooperation:** The goal is to enhance transboundary cooperation on shared water resources. This involves fostering dialogue, negotiation, and cooperation among African countries sharing water basins to promote equitable and sustainable management of shared water resources.
- **Water Infrastructure Development:** The goal is to enhance water infrastructure development to improve access to water supply and sanitation services. This includes the construction, rehabilitation, and maintenance of water supply systems, wastewater treatment facilities, and irrigation infrastructure to support agricultural productivity and socio-economic development.
- **Research and Innovation:** The goal is to promote research, innovation, and capacity building in water and sanitation sectors. This includes encouraging research on water-related challenges, technology development for water and sanitation services, and strengthening institutional capacities for efficient water resources management.

These goals reflect Africa's commitment to address water and sanitation challenges, improve access to clean water and adequate sanitation facilities, and ensure sustainable management of water resources for the well-being and development of its people. The implementation of these goals requires coordinated efforts among African countries, regional institutions, development partners, and other stakeholders to mobilize resources, promote policy reforms, and foster partnerships for effective water and sanitation management.

1.2.3 East Africa Community (EAC) Vision 2050

The East African Community (EAC) Vision 2050 is a long-term development framework that outlines the aspirations and goals for the East African region. Under the EAC Vision 2050, the key goals are to increase access to safe water to 81.7% by 2030 and to 92.9% by 2050. Additionally, the goal seeks to increase access to dignified sanitation to 60% by 2030 and to 90% by 2050. This is very much aligned to the AU Agenda 2063.

1.2.4 The Constitution of Kenya, 2010

The Constitution of Kenya is the supreme law of the country, providing the framework for governance, the protection of fundamental rights, and the distribution of powers among various institutions. Under the Constitution of

Kenya, 2010, there are various articles that the WaterFund is aligned to. Articles 6, 174, 175 and 176 provides for establishment of National and County Governments with the functions of water resources management as a National Government Function whereas provision of water and sanitation services being a devolved function. Article 204 provides for the Equalization Fund specifically to be used to provide basic services including water, roads, health facilities and electricity to marginalized areas. Article 62 provides that all water catchment areas including rivers, lakes and other water bodies to be vested in and held by the National Government on behalf of the people of Kenya. Finally, Article 21, and 43 provides for the citizen's right to reasonable standards of sanitation and clean and safe water in adequate quantities. It obligates the government to take steps to progressively realize this right.

1.2.5 The Kenya Vision 2030 and Fourth Medium Term Plan (MTP IV)

The Kenya Vision 2030 is the National Development Blueprint whose vision is to make Kenya a globally competitive nation with a high quality of life. The vision is anchored on three pillars; political, economic and social pillars. The goal for water and environment is to achieve a secure, sustainable and clean environment by 2030. The vision is implemented in Medium Term Plans (MTPs). The MTPs consolidate the targets under Vision 2030, the Sector Plans and the International Obligations that Kenya is a signatory to. Other National Instruments that the Fund is aligned to include the National Water Master Plan 2030, the Water Supply Development Plan, the Water Resources Development Plan, The Kenya National Water and Sanitation Investment and Financing Plan 2022 – 2030, and the Environmental Management Plan. The government has also identified the key investments that it seeks to achieve in the water sector in the next five years.

Under the Medium-Term Plan IV, the government commits to increase access to safe and adequate water and provide dignified sanitation for all. These are key drivers in all the pillars of BETA. The WaterFund is expected to mobilize for and provide financing to various Implementing Agencies within the water sector. Specific targets for which the WaterFund is contributing directly include:

1. Building drought resilience
2. Construction of small dams and water pans
3. Water harvesting for irrigation and domestic use
4. Construction of climate proof underground water reservoirs in ASALs
5. National and Transboundary Water Management Programme
6. Completion of on-going/stalled domestic water projects
7. Sanitation/sewerage for urban centers
8. Rural Water and Sanitation

9. Expanding Revenue Base
- 10.Reduction in Non-Revenue Water
- 11.Construction of 100 large dams

The Kenya National Water and Sanitation Investment and Financing Plan 2022 – 2030 that was launched in February, 2023, provides a list of priority projects for financing based on the priorities of MTP IV. These have been integrated in this strategic plan.

1.2.6 Bottom-Up Economic Transformation Agenda

Currently, the Government of Kenya is implementing Bottom-Up Economic Transformation Agenda (BETA) that is operationalized through the Fourth Medium Term Plan (MTP IV). This is anchored on five key pillars of Agriculture, MSMEs, Housing and Settlement, Health Care and Digital superhighway and creative Economy. The contribution of Waterfund to BETA is discussed below:

-

1.2.6.1 Agriculture

To support agriculture and enhance food security WaterFund will increase funding for projects that enhance access to water at the household level. Additionally, small holder irrigation projects and those that will support water harvesting and storage will also be financed.

1.2.6.2 MSMEs

In support of Micro, Small and Medium Term Enterprises, WaterFund will fund projects that have an impact on MSMEs, this include projects that supply water and sanitation services to the market centers and establishments such as restaurants and economic zones. These will ensure that MSMEs have the necessary infrastructure to support their activities.

1.2.6.3 Housing and Settlement

Adequate supply of water and sanitation infrastructure is an essential component of housing and settlement to support the development of affordable housing and encourage settlement. The Waterfund will support investments that enhance supply of water and sewerage infrastructure to areas earmarked for affordable housing.

1.2.6.4 Health Care

The disease burden in Kenya is exacerbated by inadequate supply of water and dignified sanitation. Affordable health care is only possible if preventive measures are adopted amongst the communities to reduce burden of diseases. The Waterfund will prioritize projects that increase access to safe

water and dignified sanitation services. Special attention will be given to communities in urban informal settlements and marginalized rural areas.

1.2.6.5 Digital Superhighway and Creative Economy

The WaterFund will support the development of this pillar by supporting research and innovations towards supporting the digitalization of water provision among the service providers. This will in turn improve collection efficiency, monitoring of the network as well as reducing non revenues water. Internally the WaterFund will digitalize its services to improve access and efficiency in service provision.

1.2.7 Sector Policies and Laws

The Strategic Plan acknowledges that there are Sector Policies and Laws that Waterfund needs to align to. These include: -

- i. Kenya Law, Constitution 2010
- ii. Water Act 2016, No. 43
- iii. Wasreb Guidelines, 2008
- iv. The Environmental Management and Coordination (Amendment) Act Of 2015
- v. The Climate Change Act, 2016
- vi. The Community Land Act, 2016
- vii. The Natural Resources (Classes of Transactions, Subject to Ratification) Act, 2016
- viii. The Forest Conservation And Management Act, No. 34 Of 2016
- ix. The Environment and Land Court Act, 2011
- x. The Agriculture Act (Cap. 318), 1955
- xi. County Government Act, 2012
- xii. The Public Health Act (Cap. 242), 1986

1.3 Brief of The WaterFund

Water Sector Trust Fund (WaterFund) is the Kenyan State Corporation under the Ministry of Water, Sanitation and Irrigation, which is mandated to assist in financing water, sanitation and water resources management projects to the underserved and marginalized rural and urban areas. In the Water Act, 2016, the mandate of the WaterFund is to provide conditional and unconditional grants to the Counties and to assist in financing the development and management of water services in the marginalized and underserved areas including:

1. Community level initiatives for the sustainable management of water resources

2. Development of water services in rural areas considered not to be commercially viable for provision of water services by licensees
3. Development of water services in the underserved poor urban areas
4. Research activities in the area of water resource management and water services, sewerage and sanitation

1.4 Strategic Planning Process

The strategic planning process was both consultative and participatory and involved the following key processes:

- Internal reflections and brainstorming
- Engagement of a strategic plan consultant
- Performance Review
- Consultations with Management, Staff, BoT and external stakeholders
- Internal Analysis
- Strategy Development Sessions
- Board Validation Sessions
- Stakeholder Validation Workshop

CHAPTER TWO:

Strategic Direction

2.0 Overview

This chapter provides the Vision, Mission, Core Values as well as the Strategic Goals for WaterFund. The strategic model is a response to the strategic issues identified during situation analysis.

2.1 Mandate

In the Water Act, 2016, the mandate of the WaterFund is to provide conditional and unconditional grants to the Counties and to assist in financing the development and management of water (and Sanitation) services in the marginalized and underserved areas.

2.2 Vision Statement

Sustainable funding of safe water and sanitation for all

2.3 Mission

To finance sustainable and climate-friendly water and sanitation initiatives for improved quality of life in Kenya.

2.4 Core Values and Guiding Principles

2.4.1 Core Values

Quality: We shall entrench a quality culture that will form part of our identity as an institution.

Integrity: We shall uphold high standards of integrity in all our dealings

Human dignity: We shall ensure that human dignity is upheld at all times

Equity: We shall be guided by the principle of equity to ensure no part of the country is left out

Inclusivity: We shall ensure that no one is left behind

Transparency: **We shall promote accountability and transparency across our operations**

2.4.2 Guiding Principles

Sustainability: We strive to ensure that all our projects serve the current and the future generations

Good governance: Our work shall be guided by all the principles of good governance

Teamwork: We shall uphold the team spirit in all our work and we shall endeavor to promote teamwork

Learning: We shall continuously collect and analyze data and information to support learning within the organization

Innovation: We will employ innovative ways to achieve our mandate.

2.5 Slogan/Rallying Call

Financing the Water Sector

2.6 Quality Statement

Water Sector Trust Fund (WaterFund) is committed to assist in financing the development and management of water and sanitation services in addition to integrated water resources, climate change, research and innovation initiatives.

WaterFund is also committed to comply with the requirements of ISO 9001:2015 and ensure continual improvement of its Quality Management System (QMS) processes and services to achieve excellence in customer satisfaction. In addition, WaterFund commits to comply with statutory and regulatory requirements relevant to its operations.

Consistent with this quality policy, WaterFund shall establish quality objectives which shall be reviewed annually for continuous suitability.

2.7 Strategic Goals

1. Improve access to safe water and dignified sanitation
2. Increase funding for water and sanitation access
3. Enhance Water Resource Management
4. Bolster research and innovations in the water and sanitation sector
5. Enhance institutional capacity of the WaterFund

CHAPTER THREE:

Situational and Stakeholder Analysis

3.0 Overview

This chapter provides a review of WaterFund operating environment. The chapter includes an internal analysis of WaterFund that includes the analysis of strengths and weaknesses. The external analysis includes identification of opportunities and threats, a review of the external environment (PESTELE) and a stakeholder analysis. It also includes an analysis of the performance of WaterFund over the 2018 – 2022 planning period, challenges encountered as well as lessons learnt during the plan period

3.1 Situational Analysis

3.1.1 External Environment

The external environment analysis looks at the macro environmental factors, the micro environmental factors as well as the industry issues. The main objective of the analysis is to identify opportunities and threats that may have an impact on the implementation of the strategic plan.

3.1.1.1 Macro-environment

PESTLE Analysis was used for this purpose. Specific Issues are discussed hereunder.

The Political, Economic, Social, Technological, Legal and Environmental (PESTLE) analysis enables the WaterFund to focus on the external environment in which it operates in and therefore appreciate the factors that will either support or impede the process of implementing the strategic plans.

1. *Political Factors*

Political factors include issues such as changes in government and government policies, political conflicts as well as political ideological differences. After a general election, the new administration is bound to bring on board new ideologies and policies that may have a direct impact on the work of the WaterFund. As devolution becomes more entrenched in Kenya, opportunities to work and collaborate with County Governments abound. Key partnerships with County governments and the WSPs is instrumental to ensure water and sanitation access is enhanced.

2. Economic Factors

These relates to the performance of the economy including an increase or decrease in GDP, factors such as inflation and forex volatility. Additionally, it includes performance of sectors such as manufacturing, trade and agriculture, which have a direct impact on the WaterFund's work. The current high cost of living, drought and unchecked inflation has affected how the WaterFund is implementing its activities as well as the availability of funding opportunities as Development Partners are shifting focus towards humanitarian support. The economic state also affects the WSTF as it is increasingly facing demands for funding while at the same time experiencing dwindling Development Partner funding. The push for commercialization of water is high and calls for a redefinition of the funding opportunities available for the WSTF.

3. Social Cultural Factors

Some of the social cultural factors are deeply entrenched cultural beliefs that relegate women to the periphery. Others include as increased population with the youth being the majority, increased opportunities in education and other spheres as well as pandemics such as COVID 19. The WaterFund is still recovering from the devastating effects of COVID 19 to the communities they serve. Additionally, the changes in demographics and preferences mean that there is widespread unemployment and an increase in social problems. Increased urbanization leads to more informal settlements mushrooming with existing ones experiencing significant growth in population. This requires more interventions in water and sanitation provision.

4. Technological Factors

Technological factors includes mobile phone penetration, increased internet penetration, social media usage, increased availability and use of technology-based solutions and cyber security. Mobile phone penetration and internet usage and coverage makes communication easier. This provides the WaterFund an opportunity to reach a wider audience at very minimal costs. The availability of technology-based solutions provides an avenue for the WaterFund to increase efficiency and effectiveness in its work. Technological advancements also provide an opportunity for the WaterFund to support innovations in the water sector in areas that could improve service delivery.

5. Ecological Factors

These are environmental factors and include climate change, continued degradation of the environment including water catchment areas and increased legislation on environmental matters. Some of the WaterFund's projects are in areas that have been affected by the devastating impacts of climate change such as flooding and drought. It is therefore imperative that the WaterFund mainstreams climate change mitigation and adaptation in its operations. Compliance with the relevant laws and statutes around the environment is paramount. Investment opportunities in climate change, conservation and natural resource management are abundant in collaboration with communities.

6. Legal and Regulatory Factors

These are factors relating to changes in laws and its impact on society. The country has become litigious owing to the Fundamental freedoms enshrined in the constitution. The changes could have positive and negative impacts on the WaterFund and its activities in the various sectors. There is need to monitor the changes in laws and ensure the WaterFund adapts to these changes and remains relevant. Some of the laws and policies have also been restrictive to the WaterFund's operations and require lobbying for their review.

3.1.1.2 Micro-environment

Micro issues in water and sanitation financing refer to specific challenges and factors that arise at the operational level when funding water and sanitation projects. These issues can impact the availability, accessibility, and sustainability of financing for water and sanitation initiatives. Some key micro issues in water and sanitation financing include:

- **Affordability:** Affordability is a significant micro issue in water and sanitation financing, particularly for low-income communities. Many individuals and households may struggle to afford the costs associated with connecting to water supply systems or constructing and maintaining sanitation facilities. Ensuring affordability requires considering income levels, cost recovery mechanisms, and targeted subsidies or financial support for marginalized communities.
- **Cost Recovery and Tariff Structures:** Achieving sustainable financing for water and sanitation services is essential. However, determining appropriate cost recovery mechanisms and tariff structures can be challenging. Setting tariffs that cover operational and maintenance costs while remaining affordable for consumers is a delicate balance. Ensuring

adequate cost recovery while prioritizing access to basic services is a micro issue that needs careful consideration.

- **Revenue Collection and Management:** Efficient revenue collection and management play a critical role in sustaining water and sanitation services. Challenges in revenue collection, such as non-payment or underpayment of bills, can hinder the financial viability of service providers. Effective billing systems, revenue tracking, and enforcement mechanisms are essential to address revenue collection micro issues.
- **Financial Sustainability:** Ensuring the financial sustainability of water and sanitation projects is crucial. Securing long-term funding sources, developing financial models that account for operational and maintenance costs, and integrating financial planning into project design are essential micro issues in achieving financial sustainability.
- **Project Design and Implementation Costs:** The design and implementation costs of water and sanitation projects can significantly impact financing requirements. Micro issues arise in optimizing project designs to balance cost-effectiveness and technical requirements. Efficient project management, competitive procurement processes, and effective monitoring and evaluation contribute to cost-efficient implementation.
- **Institutional Capacity and Governance:** Strengthening institutional capacity and improving governance structures is vital for effective water and sanitation financing. Weak capacity in financial management, project planning, and oversight can hinder the efficient use of funds. Addressing micro issues related to institutional capacity and governance involves building skills, improving accountability mechanisms, and promoting transparency in financial management.
- **Access to Financing:** Access to financing is a micro issue, particularly for smaller-scale projects and initiatives targeting marginalized communities. Limited access to financial institutions, lack of collateral, and complex bureaucratic procedures can hinder accessing funds. Microfinance mechanisms, blended finance approaches, and targeted support for community-led projects can help address these financing access micro issues.
- **Risk Management:** Water and sanitation projects often face various risks, such as construction delays, cost overruns, or changes in project scope. Managing these risks is essential to ensure the financial viability of projects. Adequate risk assessment, contingency planning, and risk mitigation measures are critical micro issues in water and sanitation financing.

Strengthening financial systems, improving governance, promoting innovative financing mechanisms, and addressing affordability concerns contribute to sustainable financing for water and sanitation initiatives

3.1.2 Summary of Opportunities and threats

Table 3-1: Summary of Opportunities and Threats

ENVIRONMENTAL FACTOR	OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Political 	<ul style="list-style-type: none"> • High potential for research in the water sector to support mandate • Presence of functional County Governments • National Government good will • Presidential directives on Water and Sanitation sector 	<ul style="list-style-type: none"> a. Poor governance among implementing Partners b. Political interest and interference from counties and national government c. Inadequate support from Counties d. Change in foreign policy/instabilities
<ul style="list-style-type: none"> • Economic 	Diverse niche funding products Private Sector Investments	<ul style="list-style-type: none"> a. Low capacity of IPs b. Inflation c. Competition in the Sector
<ul style="list-style-type: none"> • Socio-Cultural 	<ul style="list-style-type: none"> ○ Adaptation of indigenous knowledge in Water Resource Management ○ Increased Demand for water services 	<ul style="list-style-type: none"> a. Slow acquisition of project land b. Lack of sustainability measures for the implemented projects c. Insecurity
<ul style="list-style-type: none"> • Technological 	Availability of Technology Tools Big Data and AI tools	<ul style="list-style-type: none"> a. Cyber Security b. High rates of technological obsolesce
<ul style="list-style-type: none"> • Legal 	Improved Legal Framework	<ul style="list-style-type: none"> a. Changing legal And Regulatory Environment b. Litigations
<ul style="list-style-type: none"> • Ecological 	Increased emphasis on environmental protection Climate Financing	<ul style="list-style-type: none"> a. Pandemics b. Impacts of climate change on implemented projects

3.1.3 Internal Environment

This section looks at the competitiveness of WaterFund relative to its mandate. It explores the governance and administrative structures, internal business processes, resources and capability with a view of determining the strengths and weaknesses. Additionally, the section looks at the stakeholder analysis as well as a review of WaterFund past performance.

3.1.3.1 Governance and Administrative Structures

This entailed a review of the decision-making structure at WaterFund and the distribution of the various functions. A functional analysis was undertaken with a view of identifying the key strengths and weaknesses of the various functions.

The WaterFund is Governed by a Board of Trustees. The management is responsible for the day to day running of the affairs of the WaterFund and is headed by a CEO. The CEO is supported by six departments namely Corporation Secretary, Fund Development, Programmes, Planning and Quality Management, Corporate Services, Supply Chain Management and Internal Audit and Risk Assurance. Within each department, there are divisions that undertake specialized functions.

The current strengths and weaknesses are identified in table 3.3.

Table 3-2 WaterFund Functional Analysis

S/No	Functional Area	Mandate/ Description	Areas of Excellence	Pain Points and Weaknesses
1.	Board of Trustees	Develop Policies and Guidelines; Provide Oversight and Approvals Appoint of CEO and Key Management Staff	<ul style="list-style-type: none"> o Oversight o Strategy and Policy Formulation o Resource Mobilization o Financial Management o Stakeholder Management o Corporate Governance 	Frequent reshuffles.
2.	Office of the CEO	The Office of the Chief Executive Officer (CEO) is established under section 118(1) of the Water Act, 2016 and shall be the Accounting Officer of the Fund and,	<ul style="list-style-type: none"> o Oversight and Operational Excellence o Policy formulation and implementation o Stakeholder Management 	Lack of System Integration

S/No	Functional Area	Mandate/ Description	Areas of Excellence	Pain Points and Weaknesses
		subject to the directions of the Board of Trustees, shall be responsible for the management of the affairs of the Fund	<ul style="list-style-type: none"> o Strategic Planning & Implementation o Corporate Governance 	
3.	Corporation Secretary and legal affairs	The Department is responsible for provision of legal advice and attend to all matters relating to litigations, regulatory compliance, security documentation, contract management and secretarial services to the Board pursuant to the provisions of Mwongozo Code of Governance for State Corporations 2015 and Sections 114, 116(1)(a) & 118(3) of the Water Act No. 43 of 2016.	<ul style="list-style-type: none"> o Provision of legal advice; o Litigations & Regulatory compliance; o Security documentation; o Contract management; o Secretarial services to the Board. 	Low staffing levels
4.	Fund Development	The Fund Development Department is responsible for mobilizing and generating resources for the programmes and operations of the Water Sector Trust Fund through product and proposal development, partnership management, capital and financial investments including the levy, subsidiary funds and other business development activities.	<ul style="list-style-type: none"> o Steady funding growth o Strong partnership development and management o diverse and increasing Partners o Good management of Partner expectations o Introduction of sustainable financing models o Competent personnel 	<p>High DP dependency</p> <p>Inadequate operational funds</p> <p>Inadequate GOK development allocation especially for seed fund</p> <p>Past reliance on unsustainable traditional financing models</p> <p>Understaffed department</p>

S/No	Functional Area	Mandate/ Description	Areas of Excellence	Pain Points and Weaknesses
5.	Programmes	Development and management of WSTF programmes in accordance to the Water Act, 2016, Sections 114, 116 (1) (c), (d), (e), (f), (g), (h), (i) and (2).	<ul style="list-style-type: none"> o Programmes Design and Implementation o Stakeholder Management; o Programmes Management. 	<ul style="list-style-type: none"> o Low staffing levels o Low absorption of Funds o Inadequate consultation during programme design
6.	Planning and Quality Management	Ensure that the Fund develops and implements effective Corporate Strategies, Policy Formulation; Coordination of Corporate Research; Quality Assurance; Coordination of Risk Management; Performance Management; Monitoring and Evaluation Functions.	<ul style="list-style-type: none"> o Development and Implementation of Corporate Strategies; o Policy Formulation; o Quality Assurance; o Coordination of Risk Management; o Performance Management; o Monitoring and Evaluation. 	<p>Low staffing levels in some divisions.</p> <p>Corporate Research Function not yet established</p>
7.	Corporate Services	Provide leadership and coordination of Finance and Accounts, Human Resource Management and Development, Administration, Information and Communications Technology and Corporate Communications Divisions.	<ul style="list-style-type: none"> o Human Resources Management; o Human Resources Development; o Administration & Asset Management; o Corporate Communication o Financial Management; o Automation & Deployment of ICT Infrastructure. 	<ul style="list-style-type: none"> o Organization Structure; o Automation of Processes; o Automation of Records; o Understaffing of key functions.
8.	Supply Chain Management	Responsible for the procurement of goods, works & services; management of the Funds' stores and disposal of assets in accordance with the Public Procurement and Asset Disposal Act, 2015	<ul style="list-style-type: none"> o Procurement & Disposal; o Inventory Management 	Understaffed.

S/No	Functional Area	Mandate/ Description	Areas of Excellence	Pain Points and Weaknesses
9.	Internal Audit and Risk Assurance	The department is responsible for undertaking objective assessment of the adequacy and effectiveness of internal control systems, risk management and corporate governance.	<ul style="list-style-type: none"> o Internal Controls; o Risk Management; o Corporate Governance. 	Understaffed.

3.1.3.2 Internal Business Processes

Involves an assessment of the Key functions and identifying the key processes, systems and operating procedures with a view of identifying the key strengths and weaknesses. Outcomes from this assessment also informs the business process reengineering.

Table 3-3: Internal Processes Analysis

S/N o.	Functional Area	Key Processes and Systems	Areas of Excellence	Pain Points and Weaknesses
1.	Board of Trustees	<ul style="list-style-type: none"> o Board Meetings o Committee Meetings 	<ul style="list-style-type: none"> o Functional E Board System 	Frequent Reshuffle
2.	Office of the CEO	<ul style="list-style-type: none"> o Organization planning, implementation and monitoring and evaluation of various activities 	<ul style="list-style-type: none"> o Coordination of Institutional Activities 	Lack of system integration
3.	Corporation Secretary and legal affairs	<ul style="list-style-type: none"> o Litigation Tracking o Contract Management o Legal Advisory (due diligence) 	<ul style="list-style-type: none"> o Compliance with board schedule 	Nonau-tomated processes
4.	Fund Development	<ul style="list-style-type: none"> o Partnerships Development and Management o Funding Proposal Development o Products Development o Business Proposal Development o Database Development o 	<ul style="list-style-type: none"> o Strong partnership development and management o Strong Expertise in proposal and products development o Wide database of Partners and Stakeholders o Departmental Excel based 	Currently no digital system for Fund Development activities Inadequate number of staff

S/N o.	Functional Area	Key Processes and Systems	Areas of Excellence	Pain Points and Weaknesses
			proposal tracking system	
5.	Programmes	<ul style="list-style-type: none"> o Projects Appraisals o Project Selections o Projects Financing o Projects Supervision o Projects Reporting 	<ul style="list-style-type: none"> o Project appraisal systems o Project monitoring 	Lengthy project appraisals and approval processes
6.	(Water Resources and Climate Change)	<ul style="list-style-type: none"> o Proposal appraisal and approval for funding 	<ul style="list-style-type: none"> o Highly skilled and knowledgeable human resources 	Long project proposal and approval cycle
		<ul style="list-style-type: none"> o Financing 	<ul style="list-style-type: none"> o Good will from the National Government 	Over dependence on development partners funding Regional imbalance in terms of investments
		<ul style="list-style-type: none"> o Project monitoring during implementation 	<ul style="list-style-type: none"> o Good systems and procedures 	Inadequate follow up mechanisms
7.	Planning and Quality Management	<ul style="list-style-type: none"> o Monitoring and Evaluation 	<ul style="list-style-type: none"> o Development and Implementation of Monitoring systems 	Limited Budgetary allocation.
		<ul style="list-style-type: none"> o Institutional planning 	<ul style="list-style-type: none"> o Efficient Institutional Planning. 	Limited budgetary allocation to implement the planned activities
		<ul style="list-style-type: none"> o Quality Assurance and Risk Management Coordination 	<ul style="list-style-type: none"> o ISO 9001:2015 certification. 	Limited Auditors and areas of improvement to the Procedures
		<ul style="list-style-type: none"> o Corporate Research, Innovation and Knowledge Management 	<ul style="list-style-type: none"> o Establishment of the research system and development of the Research and Innovation Framework and Policy 	Lack of funding for the research calls for proposal. Unavailability of staff in the research division.
		<ul style="list-style-type: none"> o Corporate strategy development and implementation 	<ul style="list-style-type: none"> o Development of the Institutional strategic Plan 	Overambitious targets
8.	Corporate Services	<ul style="list-style-type: none"> o Financial Management 	<ul style="list-style-type: none"> o Compliance with budgets 	Lack of systems integration

S/N o.	Functional Area	Key Processes and Systems	Areas of Excellence	Pain Points and Weaknesses
		<ul style="list-style-type: none"> o Human Resource Management o Management of Administration o Management of Communication 	<ul style="list-style-type: none"> o Robust HR System o Management of admin services 	
9.	Supply Chain Management	<ul style="list-style-type: none"> o Procurement planning o Tendering o Monitoring of procurement processes 	<ul style="list-style-type: none"> o Timely supply of goods and services 	Process largely not automated
10.	Internal Audit and Risk Assurance	<ul style="list-style-type: none"> o Assurance o Management of Risk 	<ul style="list-style-type: none"> o Timely audit activities 	Rusk and audit functions not separated

3.2.3 Resources and Capabilities

The Resource based analysis was used to identify the internal strengths and weaknesses. This involved identifying the key resources at WaterFund and mapping them using an improved VRIO assessment.

Table 3-4.: Resource Based and Capability Analysis

Resource Category	Key Resources	State the extent to which its valuable to WaterFund (1 – 5) where 1 =least valuable and 5 Very Valuable	State the Extent to which this resource is difficult to find (1-5) 1= Very Easy and 5 Very difficult	State the Extent to which this resource is imitate (1- 5) 1= Very Easy and 5 Very difficult	State the Extent to which this resource is Durable (1- 5) 1= Not Durable at all and 5 Very durable	State the Extent to which this resource is difficult to Substitute (1-5) 1= Very Easy and 5 Very difficult	To what extent has WaterFund organized itself to capture value from this resource.
Financial Resources	National Government Guaranteed Financing	5	3	4	4	5	Operational efficiency improved, Blending, seed for other business models, National Programmes implemented
	Profits; earnings; earning assets; liquid assets; guarantees	5	3	3	5	4	Blending, revenue generating investments undertaken, Sustainable financing achieved
Physical Resources	facilities;						Enables ease of connectivity to water and sanitation

Resource Category	Key Resources	State the extent to which its valuable to WaterFund (1 -5) where 1 =least valuable and 5 Very Valuable	State the Extent to which this resource is difficult to find (1-5) 1= Very Easy and 5 Very difficult	State the Extent to which this resource is imitate (1-5) 1= Very Easy and 5 Very difficult	State the Extent to which this resource is Durable (1-5) 1= Not Durable at all and 5 Very durable	State the Extent to which this resource is difficult to Substitute (1-5) 1= Very Easy and 5 Very difficult	To what extent has WaterFund organized itself to capture value from this resource.
	equipment; inventory	5	3	3	5	5	Pursuing land and resources allocation to realize own Office Premises, Assets enable efficiency in WaterFund operations
Human Resources	Staffing; employee relations; organizational culture; Skills	5	2	2	5	5	Highly competent staff, strong work ethics organizational culture, Strong team work towards Organizational vision

Resource Category	Key Resources	State the extent to which its valuable to WaterFund (1 -5) where 1 =least valuable and 5 Very Valuable	State the Extent to which this resource is difficult to find (1-5) 1= Very Easy and 5 Very difficult	State the Extent to which this resource is Durable (1-5) 1= Not Durable at all and 5 Very durable	State the Extent to which this resource is difficult to Substitute (1-5) 1= Very Easy and 5 Very difficult	To what extent has WaterFund organized itself to capture value from this resource.
Intellectual Resources	Brand equity; Patents; Copyrights; Partnerships; Databases; leadership, softwares/apps/progs	5	1	4	5	WaterFund's brand equity has enabled many partnerships resulting in increased funding. Tools, systems and other soft components have supported productivity for the Fund

3.2.4 Summary of Strengths and Weaknesses

Based on the issues arising from the internal analysis, the following key strengths and Weaknesses have been identified. these are summarized in table 3.5.

Table 3-5: Summary of Strengths and Weaknesses of WaterFund

Factor	Strengths	Weaknesses
Governance and Administrative Structures	<ul style="list-style-type: none"> o Good governance and management structure o Well outlined mandate and objectives o Cordial relationship with the Counties o Resource Mobilization o Financial Management o Stakeholder Management o Corporate Governance o Oversight and Operational Excellence o Litigations & Regulatory compliance; o Steady funding growth o Strong partnership development and management o Diverse and increasing Partners o Introduction of sustainable financing models o Competent personnel o Programs Design and Implementation 	<ul style="list-style-type: none"> o Low staffing levels in key technical functions o High DP dependency o Inadequate operational funds o Inadequate GOK development allocation especially for seed fund o Past reliance on unsustainable traditional financing models o Low absorption of Funds o Inadequate consultation during programme design o Corporate Research Function not yet established o Inadequate Automation of Processes; o Inadequate Automation of Records; o Regional imbalance in terms of investments o Inadequate Succession Planning
Internal Business Processes	<ul style="list-style-type: none"> o Good systems and procedures o Presence of WSTF in the Counties through County Resident Monitor and County Resident Engineer (Quality Assurance Monitors) o Functional E Board System o Coordination of Institutional Activities o Compliance with board schedule o Strong partnership development and management o Strong Expertise in proposal and products development o Wide database of Partners and Stakeholders o Departmental Excel based proposal tracking system o Efficient Institutional Planning. o ISO 9001:2015 certification. 	<ul style="list-style-type: none"> o Lack of system integration o Non automated processes o Currently no digital system for Fund Development activities o Long project proposal and approval cycle o Inadequate follow up mechanisms o Limited budgetary allocation to implement the planned activities o Limited Auditors and non-compliance to the Procedures o Lack of funding for the research calls for proposal. o Overambitious targets o Rusk and audit functions not separated

Factor	Strengths	Weaknesses
	<ul style="list-style-type: none"> o Establishment of the research system and development of the Research and Innovation Framework and Policy o Compliance with budgets o Robust HR System o Timely supply of goods and services o Timely audit activities 	
Resources and Capabilities	<ul style="list-style-type: none"> o Highly skilled and knowledgeable human resources o Access to financial resources o National Government goodwill o Well established collaboration and partnership with Development Partners 	<ul style="list-style-type: none"> o Inadequate capacity building of staff o Over dependence on development partners funding o Limited office space o Aging fleet of motor vehicles

3.1.5 Analysis of Past Performance

During the Strategic Plan period 2018-2022, the WaterFund targeted to achieve the following strategic objectives.

Table 3-6: Performance Targets 2018 - 2022

S No.	STRATEGIC OBJECTIVE	TARGET (s)
1.0	Mobilize Ksh. 23 B to improve access to water and sanitation to the underserved poor	Ksh. 23 B
2.0	Improve water and sanitation access to the underserved poor in Kenya reaching out an additional 4.7 million people by 2022	4.7 million
3.0	Bolster water sector research and innovation initiatives through financing 200 projects by 2022	200
4.0	Institutional development systems strengthening	Composite Performance Score of 6.73(100%)

3.1.5.1 Achievements of the 2018 - 2022 Strategic Plan

Under the fund mobilization key result area, WaterFund mobilized a total of Ksh. 20 B out of a target of Ksh. 23 B. These included Ksh. 14.4 B from existing partners, Ksh. 3.6 B from GoK, Ksh. 1.4 B leveraged from commercial banks in the Results Based Financing (RBF) Programme, and Ksh. 600 million from other innovative financing schemes..

Under the improved water and sanitation access key result area, WaterFund reached a total of 2.2 million people out of the targeted 4.7 million people. These included 1.2 million people in urban and peri-urban areas and .977 million people in rural areas.

No research works were financed during this period. However, during this period, development of the Research Financing Framework and Policy was undertaken with six collaborations with Research Institutions established and 2 (two) internal research studies to enhance operational efficiency conducted. One research funding cycle was established and one activity on Research and Innovation in investment of programs was undertaken.

Under the institutional development systems strengthening key result area, the WaterFund achieved a combined composite score that was realized by 46% of project completion rate, training of 75% of the staff, career development plans for 52% of the staff, 100% of staff on Balanced Score Card (BSC), a wellness index of 80%, automation levels of 68.1% and compliance levels of 89%.

3.1.5.2 Challenges

There are several factors that hindered the achievement of the set targets during implementation of the 2028 – 2022 Strategic Plan. These challenges and proposed mitigation measures are outlined as follows:

Table 3-7: Implementation Challenges

S/N	Challenges	Proposed Mitigation Measures
1.	Lengthy funding cycle	
1.1	Lengthy funding and fund management processes (negotiation and signing)	<ul style="list-style-type: none"> o Diversification of funding partners to ensure funding cycle continuity o Mainstream risk at the programme development phase
1.2	Rigid legislative process	<ul style="list-style-type: none"> o Seeking an extension through Cabinet Memos
1.3	Inefficient collaborations	<ul style="list-style-type: none"> o Collaborative process from the concept note o Routine meetings to brainstorm interventions o Mapping of key stakeholders
2.	Inadequate funding to meet the existing demand	<ul style="list-style-type: none"> o Continue to lobby for Seed Fund to cushion against risk of declining budget o Implementing of the Water Levy o Integration of ICT in resource mobilization o Collaborative efforts in resource mobilization o Increased County engagements
3	Delays occasioned by bureaucracies	

S/N	Challenges	Proposed Mitigation Measures
3.1	Delays occasioned by bureaucracies at the County government level	<ul style="list-style-type: none"> Review of our system to allow for performance-based allocation of the projects
3.2	Delays in approval in opening the bank accounts	<ul style="list-style-type: none"> Engage the Implementing Partners on the requirements before the programme commences
3.3	Delay by various institutions e.g. National Treasury	<ul style="list-style-type: none"> Continuous engagement with the National Treasury
3.4	Delays in counterpart funding	<ul style="list-style-type: none"> Reallocate funds to other projects in case of delays in counterpart funding by the County Introduction of the conditions in the financing contract Disbursements to be done as per the works done supported by certificates of completion
4	Limited capacity of Implementing Partners	<ul style="list-style-type: none"> Develop capacity building programs for Implementing Partners Develop stand-alone proposals for capacity building County support and involvement in the Implementing Partners capacity building Conducting Implementing Partners exchange programs Developing consortium with high performing WSPs Technical support to the Counties e.g.. Quality Assurance Consultants and Technical Assistance
5	Limited focus on Integrated Water Resources Management (IWRM)	<ul style="list-style-type: none"> Develop alternative financing mechanism to Water Resources Management (WRM) Expanding the partnerships in WRM Review of the WRUA Development Cycle (WDC) Capacity building of the IPs on the WRM Review the project designs to include WRM Develop and fundraise more programs on WRM, including disaster management and water storage Invest in awareness campaigns in IWRM and climate change
6.	Limited focus on sanitation	<ul style="list-style-type: none"> Develop and fundraise more programs on sanitation
7.	Limitation in documentation of sector-wide initiatives undertaken	<ul style="list-style-type: none"> Develop a sector-based Knowledge Hub that can provide potential revenue
8	Pandemic and disasters	<ul style="list-style-type: none"> Develop an elaborate Business Continuity Plan (BCP)
9.	Climate change mitigation and adaptation challenges	<ul style="list-style-type: none"> Collaborations with Institutions to develop agile programs Introduce programs on climate change mitigation and adaptation

S/N	Challenges	Proposed Mitigation Measures
10.	Limited innovation	<ul style="list-style-type: none"> ○ Encourage innovation through Innovation Challenges
11	Policy gaps	<ul style="list-style-type: none"> ○ Influence policy through evidence-based studies ○ Legislation support to the Counties to develop policies, bills and masterplans

3.1.5.3 Lessons Learnt

Lessons learnt indicate the knowledge gained during implementation of previous strategic plan which show how issues were addressed or should be addressed in the future for the purpose of improving future performance. Some of the lessons learnt include: -

- The lengthy funding cycle has led to delays in implementation of some of the projects under consideration hence reduced outcomes. There is need to increase the number of partners available for funding as well as mainstream the risk at the onset of project development.
- The demand for projects outstrips the available funding. The implementation of the Water Levy will provide the additional finances to meet the existing demand. Additionally, new fundraising techniques including private sector financing will ensure the WaterFund is able to raise more finances to meet the demand.
- Building the capacity of Implementing Partners in key areas such as project management, procurement, monitoring and evaluation and supervision, will reduce delays in implementation as well as enhance accountability of the Implementing Partners.
- Continuous engagement with National Treasury and Parliament among other partners ensures timely release of funds and reduces unnecessary budget cuts.
- Raising awareness among stakeholders on Integrated Water Resource Management, disaster management and water storage increases funding and mainstreaming opportunities within the WaterFund.
- Mainstreaming climate change into the projects will help build resilience of the infrastructure as well as support in mitigation and adaptation among the communities.
- Enhancing awareness and developing capacities in fundraising for sanitation will lead to increased visibility and focus on sanitation.
- Developing and implementing an elaborate knowledge management system will support information gathering and sharing which will in turn enhance innovations in the Sector.

3.2 Stakeholder Analysis

This section presents an analysis of key stakeholders in a matrix format. The matrix contains the stakeholder category, name of stakeholder, Stakeholder expectation from WaterFund, and WaterFund's expectation from the stakeholder. Stakeholder analysis is summarized in table 3.8:

Table 3-8: Stakeholder Analysis

Name of stakeholder	Role of Stakeholder	Stakeholder's expectation from organization	Organization's expectation from the stakeholder
Board of Trustees	<ul style="list-style-type: none"> o Policy and Oversight o Resource Mobilization and Engagement of Strategic Partners 	<ul style="list-style-type: none"> o Compliance with internal policies and procedures o Timely reporting o Prudent utilization of finances o Proper implementation of projects 	<ul style="list-style-type: none"> o Provide strategic leadership and guidance o Timely approvals o Support in resource mobilization and policy influencing o Allocation of budgets
Staff	<ul style="list-style-type: none"> o Implementers of policies and organization wide activities 	<ul style="list-style-type: none"> o Conducive work environment o Capacity development o Favorable terms of employment 	<ul style="list-style-type: none"> o Achievement of performance targets o Upholding the values of the WaterFund
Suppliers	<ul style="list-style-type: none"> o Supply of goods and services 	<ul style="list-style-type: none"> o Efficient procurement systems o Timely payments 	<ul style="list-style-type: none"> o Supply of quality goods and services
Development Partners	<ul style="list-style-type: none"> o Provision of financial and technical support 	<ul style="list-style-type: none"> o Timely implementation of projects o Timely submission of quarterly and annual reports o Timely steering meetings o Innovative projects/programs o High impact of projects o Prudent utilization of funds 	<ul style="list-style-type: none"> o Timely release of funding and continuous partnership/engagement o Technical support o Alignment of support to WaterFund Policy guidelines and frameworks
National Treasury and related institutions	<ul style="list-style-type: none"> o Provision of state funding and monitoring compliance with the PFMA o National Planning 	<ul style="list-style-type: none"> o Timely reports o Prudent utilization of funds 	<ul style="list-style-type: none"> o Timely release of funding o Protection of budgets o Government co-funding o Support in shortening the negotiation processes

Name of stakeholder	Role of Stakeholder	Stakeholder's expectation from organization	Organization's expectation from the stakeholder
Ministry of Water, Sanitation and Irrigation	<ul style="list-style-type: none"> Water Sector Policy and Oversight 	<ul style="list-style-type: none"> Timely reports Engagement on policy issues High impact projects 	<ul style="list-style-type: none"> Development of favourable policies and regulations Support in lobbying for additional budgets Submission of proposals to the National Treasury Financial support (GoK priority programs)
Constitutional Commissions and Independent Offices	<ul style="list-style-type: none"> Implementation and monitoring of various constitutional provision 	<ul style="list-style-type: none"> Compliance with the constitutional provisions Timely provision of reports 	<ul style="list-style-type: none"> Highlighting issues affecting provision of water and sanitation services
Other MDAs	<ul style="list-style-type: none"> Implementation of NG policy 	<ul style="list-style-type: none"> Partnerships and collaborations 	<ul style="list-style-type: none"> Enhanced collaborations in areas of mutual interest
County Governments	<ul style="list-style-type: none"> Provision of devolved services to the citizenry 	<ul style="list-style-type: none"> Continuous engagement Adequate consultations on projects Equitable funding for water and sanitation projects 	<ul style="list-style-type: none"> Timely contributions of counterpart funding Timely issuance of letters of support Collaboration in project development
Implementing Partners	<ul style="list-style-type: none"> Provision of last mile connection of water and sanitation services 	<ul style="list-style-type: none"> Capacity development Timely financing of projects 	<ul style="list-style-type: none"> Accountability in funds utilization Timely completion of projects Submission of timely reports.
Water Sector institutions	<ul style="list-style-type: none"> Implementation of specific provisions of the Water Act 	<ul style="list-style-type: none"> Development of joint funding proposals Consultations 	<ul style="list-style-type: none"> Increased collaborations in project development and fundraising
Civil Society Organizations	<ul style="list-style-type: none"> Advocacy and provision of basic services to the vulnerable groups 	<ul style="list-style-type: none"> Collaborations and partnerships Accountability High impact projects 	<ul style="list-style-type: none"> Support in mobilization of communities Support in financing projects Support in projects implementation Partnerships in areas of mutual interest
Investor interest groups	<ul style="list-style-type: none"> Provision of financing options for projects 	<ul style="list-style-type: none"> Partnerships Accountability 	<ul style="list-style-type: none"> Provision of funding for projects

Name of stakeholder	Role of Stakeholder	Stakeholder's expectation from organization	Organization's expectation from the stakeholder
Research Institutions and Academia	<ul style="list-style-type: none"> ○ Undertake research and knowledge generation 	<ul style="list-style-type: none"> ○ Partnerships in research and innovations ○ Funding for research works 	<ul style="list-style-type: none"> ○ Provision of accurate data and information ○ Collaborations in research and innovation
Private Sector	<ul style="list-style-type: none"> ○ Provision of financing ○ Production of goods and services for the citizenry 	<ul style="list-style-type: none"> ○ Partnerships ○ Funding for innovations 	<ul style="list-style-type: none"> ○ Support in financing and PPPs
Communities/Users/Beneficiaries	<ul style="list-style-type: none"> ○ Consumers of good and services from the public and private sector 	<ul style="list-style-type: none"> ○ Adequate financing for water and sanitation ○ Engagement in prioritization of projects identification, implementation and sustainability ○ Involvement in WRM 	<ul style="list-style-type: none"> ○ Cooperation ○ Citizen oversight in the projects ○ Enhancing of O&M of funded project through payment of agreed tariffs. ○ Protection and conservation of water resources

CHAPTER FOUR:

Strategic Issues, Goals and Objectives

4.0 Overview

Based on the strategic direction for WaterFund, strategic issues that the strategy ought to address have been identified alongside the goals and objectives for the period. This forms the basis for this chapter.

4.1 Strategic Issues

Strategic issues stem from the analysis of the Mandate and the Role of WaterFund, Performance, Challenges, lessons learnt, strengths, weaknesses, opportunities, threats, and stakeholder analysis. These issues indicate fundamental policy choices, critical challenges gap or opportunities that must be addressed or tapped in order for WaterFund to achieve its vision and mission.

4.1.1 Water and Sanitation Access

Access to safe water and dignified sanitation still remains a challenge for many Kenyans. Despite improvements, water coverage was still at 65.5% in 2021 while sewerage coverage in urban areas increased to 27.7% in 2021 while the national sanitation coverage increased to 82.5% in 2021. This therefore means that close to 70% of urban dwellers are at risk of not enjoying dignified sanitation while 34% of Kenyans have no access to safe water. The key challenge in improving access is the limited capacity of the WSPs to extend water coverage into rural areas, urban informal settlements and other marginalized areas especially in the ASAL areas. These areas are mostly considered commercially unviable. Other issues that affect water and sanitation access include but not limited to water availability, climate change impacts, pollution, over abstraction, limited infrastructure, poverty and hydro politics.

4.1.2 Financing Water and Sanitation Infrastructure

Kenya and most developing countries rely on public financing for the water and sanitation sector infrastructure. The deficits in financing are usually plugged in through loans and grants from Development Partners. However, the recent trends have seen public funding for the Sector reduce considerably due to competing budgetary priorities. Most of the Water Service Providers are unable to negotiate for commercial financing due to their uncompetitive balance sheets that are as a result of low revenue flows, high operational and management costs and high levels of non-revenue water. This makes infrastructure improvements and development of new water sources difficult. Other challenges to water infrastructure financing are project identification, prioritization and preparation resulting in slow development and implementation of water infrastructure projects. There is need therefore to improve on the financing models for the water and sanitation sector. Some of the key recommendations in improving water financing include but not limited to:

- Increase human resource management capacity for long-term capital planning at the level of the responsible government entity to evaluate life-cycle project costs and utilize and manage alternative procurement processes
- Ensure integrative long-term planning around the three sources of finance for water supply, tariffs, transfers and taxes, to enable the continued expansion and maintenance of water networks
- Establish tariffs reflective of the values of waters (economic, environmental, social, cultural) while ensuring basic guaranteed water standards for all
- Mainstream new technologies to improve asset management and financial governance of water utilities
- Increase private sector participation in the delivery of water infrastructure and related services through long-term performance-based contracting.

4.1.3 Water Resource Management

Water resources include any of the entire range of natural waters that occur on the earth, regardless of their state i.e. vapor, liquid, or solid and are of potential use to humans. Of these, the resources most available for use are the waters of the oceans, rivers, and lakes. Other available water resources include springs, groundwater and deep subsurface waters and glaciers. The continued growth of population and the ever-widening utilization of water for agricultural, industrial and recreational purposes has put a strain on the available resources. This situation has given rise to growing concern over the availability of adequate water supplies to accommodate the future needs of society.

The water resource management challenge is perhaps best put into perspective by the Organization for Economic Cooperation and Development (OECD). Available literature indicates that the challenge of water security is global and growing. As populations, cities and economies grow and the climate changes, greater pressure is being placed on water resources. This has contributed to increased exposure of people and assets to water risks hence increasing the frequency and severity of extreme climatic events. Rising water stress and increasing supply variability, flooding, inadequate access to safe drinking water and sanitation, and higher levels of water pollution are creating a drag on economic growth and needs to be addressed urgently. Water availability is a key ingredient in the access equation. Water scarcity is slowly gaining traction and needs concerted efforts to address the dwindling resource.

4.1.4 Climate Change

The impact on climate change leads to increased demand for water due to low rainfall which can cause water sources (including boreholes and springs) to run dry. Conversely, heavy rainfall and flooding can damage water sources and sanitation facilities by carrying runoff and waste into streams and lakes hence contaminating the water supply. Literature has shown that water scarcity through climate change and the resulting increase in the costs of water can lead to inequitable access. Efforts must be made to promote the development of climate resilient infrastructure as well as support in measures that will improve mitigation and adaptability against the devastating effects of climate change. These efforts must involve local communities as well as other key stakeholders. This must be supported by adequate financing.

4.1.5 Research and Knowledge Management

The ever-changing landscape in the water supply, sanitation and water resource sector requires new thinking and innovative solutions. Sustainability can only be attained if the sector has accurate and up-to-date data. Another key area will be the development of innovations that will ensure efficiency, effectiveness and sustainability. Reliable data can enable use of financial resources in a most effective way, promotes inclusion, can be used to promote climate resilient interventions, aid in quick political decision making and can support learning and development of innovations.

4.1.6 Institutional Strengthening

The SWOT Analysis revealed some areas that the WaterFund has reduced competitiveness. Additionally, the strengths of the WaterFund were also mapped out. Some of the challenges identified were as a result of internal weaknesses. To adequately drive the water and sanitation financing agenda, there is need to develop capabilities in water access, financing, water resource management, climate change, research and knowledge management and project management. Institutional governance is also key in ensuring that the WaterFund does not deviate from its mission in addition to ensuring accountability.

4.2 Strategic Goals

From the Strategic Issues discussed in 4.1, WaterFund will pursue the following strategic goals over the plan period.

- a. Improve access to safe water and dignified sanitation
- b. Increase funding for water and sanitation access
- c. Enhance Water Resource Management
- d. Increase research and innovations in the water and sanitation sector
- e. Enhance institutional capacity of the WaterFund

4.3 Key Result Areas

Arising from the strategic issues, the Vision and Mission Statement, and strategic goals, strategic areas of focus have been identified for the 2023 – 2027 planning period.

4.2.1 KRA1: Access to safe water and dignified sanitation

This KRA addresses projects and interventions geared towards increasing access to safe water and dignified sanitation with a target of reaching 3.2 million Kenyans. The key areas of intervention under this pillar include increasing access to safe water and sanitation to the marginalized and the underserved areas and enhancing the WaterFund's and the Implementing Partners capabilities in the provision of water and sanitation interventions.

4.2.2 KRA2: Fund Development

The KRA addresses the financing of projects in water, sanitation, water resource management, climate change as well as research and innovation with a target of raising Ksh. 52B. The pillar addresses GoK funding, development partner financing, leveraged funding, PPPs and other Private Sector Collaboration (PPCs), Water Levy, investment incomes, own source revenues as well as developing the capability of the WaterFund in resource mobilization.

4.2.3 KRA3: Integrated Water Resource Management and Climate Change

This KRA is concerned with the challenges of depletion of water resources as well as the impacts of climate change. The key areas to be addressed include water conservation, water storage, climate proofing, reduction of carbon emissions as well as developing capabilities of the WaterFund and Implementing Partners in Integrated Water Resource Management and climate change mitigation and adaptation.

4.2.4 KRA 4: Bolstering Research and Innovation

The KRA addresses the need to bolster research and innovation at the WaterFund and within the Sector. The key areas to be addressed include financing of 50 research initiatives, improvement of policies in the sector, financing of 25 innovation initiatives, up scaling of 10 successful innovations and establishment of a Knowledge Hub that will provide data and information to the Sector.

4.2.5 KRA 5: Institutional Strengthening and Sustainability

The KRA addresses the capacity of the WaterFund to deliver on its mandate. The key areas of development include human resource, asset management, financial management, ICT, governance, communication and stakeholder engagement, quality management, risk management, supply chain management, corporate planning and monitoring and evaluation. By strengthening the institutional capacity, the WaterFund is expected to cumulatively enhance its capacity by 10% over the Strategy period.

Table 4-1: Summary of Key Result Areas

Strategic Issue	Goal	Key Result Areas
Water and Sanitation Access	Improve access to safe water and dignified sanitation	Access to safe water and dignified sanitation
Financing Water and Sanitation Infrastructure	Increase funding for water and sanitation access	Fund Development
Water Resource Management	Enhance Water Resource Management	Integrated Water Resource Management and Climate Change
Climate Change		
Research and Knowledge Management	Increase research and innovations in the water and sanitation sector	Bolstering Research and Innovation
Institutional Strengthening	Enhance institutional capacity of the WaterFund	Institutional Strengthening and Sustainability

CHAPTER FIVE:

Strategic Objectives and Strategies

5.0 Overview

This section discusses the strategic results that WaterFund seeks to achieve within the strategic planning period. It includes the performance projections on each of the Key Result Areas, the strategic objectives as well as the strategies to be deployed in achieving the desired results.

1.1 Performance Projections

The performance projections under each key result area are summarized in table 5.1.

Table 5-1: Results Projections

Objective	Outcome	Outcome Indicator	Target	Projection				
				Year 1	Year 2	Year 3	Year 4	Year 5
KRA 1: Access to safe water and dignified sanitation								
Increase the number of persons accessing safe water and dignified sanitation	Additional 2.2 million people accessing safe water	No. of persons in Millions reached with safe water	2.2 M	205,000	349,000	403,000	565,000	678,000
	Additional 1 million people accessing dignified sanitation	No. of persons in Millions reached with dignified sanitation	1M	93,000	158,500	183,000	256,500	309,000
KRA 2: Fund Development								
Increase funding for Waterfund activities	An additional Ksh. 52 B to finance water, sanitation, IWRM, climate change and research and innovations	Amount in KES Billion of funds mobilized	52 B	5.55	9.09	11.11	12.68	13.57
KRA 3: Integrated Water Resource Management and Climate Change								
Increase area under conservation	Area under conservation increased	Area in Km ² conserved	2,500	275	430	470	520	805
	Storage Capacity increased	Capacity in m ³ of storage increased	0.55 Million M ³	0.066	0.088	0.11	0.132	0.154
KRA 4: Bolstering Research and Innovation								
Increase the research outputs from WaterFun	At least 50 research studies in the water and sanitation	No. of Research Studies Financed	50	4	6	8	10	12

Objective	Outcome	Outcome Indicator	Target	Projection				
				Year 1	Year 2	Year 3	Year 4	Year 5
d financing	Sector funded							
	At least 25 innovations in the water and sanitation sector funded	No. of Innovations Financed	25	0	4	6	7	8
KRA 5: Institutional Strengthening and Sustainability								
Increase Organizational Capacity to Deliver on Mandate	Holistic Organizational Capacity Assessment Index (HOCAI) of 70% and above achieved	Percentage Score of HOCAI	70%+	63	65	67	69	71

1.2 Strategic Choices

Under each strategic objective, there are various strategies that have been proposed. These strategies, if implemented will lead to the achievement of the proposed strategic objectives. These are summarized in table 5.3.

Table 5-2: Summary of Strategic Objectives and Strategies

No.	Objectives	Strategies
Key Result Area 1: Safe water and dignified sanitation		
1	Increase the number of persons accessing safe water and dignified sanitation	<ol style="list-style-type: none"> 1. Finance water projects in marginalized areas (35% of the target, i.e..770,000 people) 2. Finance water projects in underserved areas (65% of target population i.e..1,430,000.00) 3. Finance sanitation projects in marginalized areas 4. Finance sanitation projects in underserved areas 5. Reduce the turnaround time for financing and implementation of projects 6. Reduce questionable costs 7. Mainstream Green Growth
Key Result Area 2: Fund Development		
2	Increase funding for Waterfund activities	<ol style="list-style-type: none"> 1. Increase recurrent funding 2. Increase development funding 3. Sustain funding from current Development Partners 4. Increase funding from new Development Partners 5. Seek funding from Private Sector Collaborations (PPP) 6. Seek Co-funding contributions from Counties

No.	Objectives	Strategies
		<ul style="list-style-type: none"> 7. Seek Co-funding contributions from Implementing Partners 8. Introduce Blended finance from Implementing Partners and financial institutions 9. Operationalization of the Water Levy 10. Operationalize the approved business models 11. Seek Investments in the Financial and Capital Markets 12. Develop additional revenue generation streams for WaterFund 13. Increase staffing levels in Fund Development Department Utilize Information Management System for Fund Development Department
KRA 3: Integrated Water Resource Management and Climate Change		
3	Increase area under conservation and improve storage capacities	<ul style="list-style-type: none"> 1. Restoration of degraded areas 2. Protection of existing areas 3. Increase area under conservation 4. Develop additional water storage infrastructure 5. Climate proofing of all infrastructure 6. Adoption of Green Water, sanitation and water resources technologies 7. Promotion of water recycling and reuse 8. Support Ground water recharge 9. Adopt other climate change mitigation and adoption measures
KRA 4: Bolstering Research and Innovation		
4	Increase the research outputs from WaterFund financing	<ul style="list-style-type: none"> 1. Document the state of the water sector 2. Finance Research for water supply systems 3. Finance Research on sanitation 4. Finance research in sewerage systems 5. Finance Research in water resources and climate change initiatives 6. Develop Research product towards improving water governance in the sector 7. Finance policy studies in the water sector 8. Finance Innovations concepts in water supply, sanitation, sewerage water resources & climate change 9. Finance Innovative solutions towards water governance 10. Finance upscaling of Innovations 11. Develop and deploy the Knowledge Hub 12. Build staff capacity in research and knowledge management
KRA 5: Institutional Strengthening and Sustainability		
5	Increase Organizational Capacity to Deliver on Mandate	<ul style="list-style-type: none"> 1. Enhance employee satisfaction 2. Improve employee productivity 3. Increase functionality of assets 4. Adopt prudence in financial management 5. Automation of processes 6. Improve legal compliance 7. Improve corporate governance 8. Improve stakeholder engagement

No.	Objectives	Strategies
		9. Improve customer satisfaction 10. Improve on brand equity 11. Enhance visibility 12. Reduction of risk exposure 13. Enhance efficiency and value for money in supply chain 14. Enhance institutional performance index 15. Enhance compliance of operations and projects Integrate quality into the Fund's operations

CHAPTER SIX:

Implementation and Coordination Framework

6.0 Overview

This chapter presents the framework that will be used in the implementation of the strategic plan. It outlines the structure and outlines any gaps in the establishment. It also outlines the various human development strategies that will be employed. The risks and mitigation measures are also identified under each strategic objective.

6.1 Implementation Plan

6.1.1 Action Plan

Implementation of the strategic plan will be undertaken through various activities that have been outlined under each strategy. This has been set out in the action plan found in Annex 1. It outlines the objectives, the strategies, activities, annual targets, budgets and responsibilities.

6.1.2 Annual Work plan and Budget

Every year, an annual work plan based on the strategic plan shall be developed. This shall guide the development of the annual budget for WaterFund. The annual work plan shall also form the basis of monitoring implementation of the strategic plan.

6.1.3 Performance Contracting

The costed annual work plans shall be the basis of the performance contracts of which WaterFund shall commit to annually. The management shall ensure that all the prerequisite objectives, targets and activities are included in the annual performance contracts.

6.2 Coordination Framework

6.2.1 Institutional Framework

The WaterFund is in the process of implementing the revised organizational structure. Internal analysis revealed that most of the technical functions are understaffed. It is therefore imperative for some of the critical functions need to be adequately staffed to support successful implementation of the Strategic Plan. Additionally, there is need to update the policies and procedures to respond to the current policy and legislative environment.

6.2.2 Staff Establishment, Skill Set and Competence Development

Currently, the WaterFund has an approved establishment of 175 staff members. However, within the approved establishment, there are only 92 staff members in post leaving a variance of 83 staff members. The detailed establishment per cadre is summarized in Table 6.1 below.

Table 6-1: Staff Establishment

Cadre	Approved Establishment	Optimal Levels	In-Post	Variance (In post- optimal)
CEO	1	1	1	0
General Managers	6	6	5	1
Managers	17	17	7	10
Principal Officers	31	48	20	28

Cadre	Approved Establishment	Optimal Levels	In-Post	Variance (In post- optimal)
Senior Officers	82	113	42	71
Officers	9	15	2	13
Clerical	29	55	18	37
Total	175	255	95	160

The current structure is attached in annex II.

WaterFund will deploy the following strategies to address the human resource gaps: -

- a. Recruit staff into critical positions to ensure there is no overload nor capacity gaps
- b. Undertake staff training in critical competencies
- c. Enhance the performance management system to ensure staff productivity
- d. Implement the staff reward system to enhance staff motivation

The Skills gaps and competence requirements for each cadre is summarized in table 6.2.

Table 6-2: Skills and Competence Gaps

Cadre	Skills Set Required	Skills Gap	Competency Development
CEO	<ul style="list-style-type: none"> o Professional qualification and membership where applicable o Leadership course lasting not less than four (4) weeks. o Proficiency in Computer Applications 	<ul style="list-style-type: none"> o None 	<ul style="list-style-type: none"> o None
General Managers	<ul style="list-style-type: none"> o Professional qualification and membership where applicable o Leadership course lasting not less four (4) weeks. o Proficiency in Computer Applications 	<ul style="list-style-type: none"> o None 	<ul style="list-style-type: none"> o None
Managers	<ul style="list-style-type: none"> o Professional qualification and membership where applicable o Leadership course lasting not less four (4) weeks. 	<ul style="list-style-type: none"> o Managers have undertaken the Senior Management Course lasting not less four (4) weeks however, some are yet to undertake Leadership course 	<ul style="list-style-type: none"> o Strategic Leadership Development Programme

Cadre	Skills Set Required	Skills Gap	Competency Development
	<ul style="list-style-type: none"> o Management course lasting not less four (4) weeks. o Proficiency in Computer Applications 		
Principal Officers	<ul style="list-style-type: none"> o Professional qualification and membership where applicable o Management course lasting not less four (4) weeks. o Proficiency in Computer Applications 	<ul style="list-style-type: none"> o Most Principal Officers have undertaken Senior Management course lasting not less four (4) weeks. 	<ul style="list-style-type: none"> o Senior Management Course
Senior Officers	<ul style="list-style-type: none"> o Supervisory course lasting not less two (2) weeks. o Proficiency in Computer Applications 	<ul style="list-style-type: none"> o Most Senior Officers have not undertaken Supervisory course lasting not less two (2) weeks. 	<ul style="list-style-type: none"> o Supervisory Skills Development / Supervisory Skills Management
Officers	<ul style="list-style-type: none"> o Proficiency in Computer Applications 	<ul style="list-style-type: none"> o None 	<ul style="list-style-type: none"> o None
Clerical	<ul style="list-style-type: none"> o Technical Skills in relevant areas o Proficiency in Computer Applications 	<ul style="list-style-type: none"> o None 	<ul style="list-style-type: none"> o None

6.2.3 Leadership

The office of the CEO Shall be responsible for the overall coordination of strategic plan implementation. The Research, Planning and Strategy Department shall provide secretariat services. There shall be a strategic plan implementation committee chaired by GM Fund Development and shall draw membership from all the directorates. The Research, Planning and Strategy Department shall coordinate the activities of the committee. Additionally, there shall be thematic subcommittees that shall be responsible for each of the key result areas in the strategic plan. The membership of the Committee is attached in Annex VI.

6.2.4 Systems and Procedures

Being an ISO 9001 certified institution, the WaterFund has all the necessary systems and procedures required for implementation of the strategic plan. However, there will be need to update some of the procedures in light of additional activities required in this strategic plan. There will also be need to update some of the systems to comply with relevant Government directives

such as the single pay bill number and the soon to be launched e-procurement and centralized human resource management systems.

6.3 Risk Management Framework

The purpose of the Matrix is to identify high level risks that may hinder the realization of the strategic plan. A description of risks and their categorization is also provided. The risks have been categorized and prioritized based on the likelihood of occurrence and expected impact with suggested actions for mitigation as shown in table 6.3.

Table 6-3: Risk Management Framework

Risk Category	Risk and Description	Likelihood (L/H/M)	Impact (L/H/M)	Overall Risk Level	Mitigation Measure(s)	Risk Owner*
Operational risk	Exposures to the WaterFund that could arise as a result of failures or deficiencies related to/occasioned by systems, processes and people	M	M	M	Undertake regular audits and take corrective actions	ALL
Market risk	Exposures arising from competitive activities and market changes	H	M	M	Undertake risk-based budgeting and incorporate market fluctuations in program development	ALL
Technology risk	Exposures occasioned by reliance on technology for the purpose of carrying out business transactions	H	H	H	Ensure staff and partner capacities in technology is enhanced	ALL
Cyber Risk	Exposure occasioned by the developments in technology and growth of cyber based systems intrusions	H	H	H	Invest in strong cyber security systems and develop capacity in cyber security	ALL

Risk Category	Risk and Description	Likelihood (L/H/M)	Impact (L/H/M)	Overall Risk Level	Mitigation Measure(s)	Risk Owner*
Strategic risk	WaterFund may fail to achieve its strategic objectives	M	M	M	Enhance the performance management system as well as monitoring and evaluation	ALL
Capital risk	WaterFund may fail to mobilize sufficient funding for the projected growth	H	M	M	Develop and implement a robust resource mobilization strategy	ALL
Fiduciary Risk	Failure to establish risk controls with respect to financial operations	L	H	H	Continuous review of the Risk Management Framework and compliance to Financial Policies and Frameworks	ALL
Governance risk	Failure to adhere to established good governance principles	M	M	M	Enhance compliance with <i>Mwongozo</i> and other statutory instruments	ALL
Reputation risk	WaterFund's reputation could be negatively impacted by the actions of the employees and agents	M	H	M	Develop and implement a robust communication strategy	ALL
Climate Change	Availability of funding and water supply may be adversely affected by the effects of climate change	H	H	H	Mainstream climate change mitigation and adoption	ALL
Other risks political, legal & regulatory	The day-to-day business of the WaterFund could be disrupted by	M	H	M	Continuously monitor the legal and regulatory environment and make	ALL

Risk Category	Risk and Description	Likelihood (L/H/M)	Impact (L/H/M)	Overall Risk Level	Mitigation Measure(s)	Risk Owner*
	changes in government, laws or regulations				adjustments accordingly	

L= Low (chances of occurring or having an impact are very low)

M = Medium (chances of occurring are rare and the impact may not significantly disrupt operations)

H = High (there is a high possibility of occurrence and the impact will disrupt operations at WaterFund)

6.4 Corporate Communication and Visibility Framework

In alignment with the overall strategic objectives of Water Sector Trust Fund, has in place a Communication Strategy that serves a crucial component in supporting and enhancing the effectiveness of the organizational Strategic Plan.

The Communication Strategy outlines the following:

1. Guidance for effective customer, public, and stakeholder relations, enhancing reputation, visibility, dynamism, and service delivery.
2. The tools and tactics employed by the Corporate Communication Unit to track progress and measure success.
3. Identification of target key stakeholders, promoting WaterFund's strategy, plans, and performance.
4. Established systems to quantify and qualify the impact of communication efforts on various stakeholders and the public.

The integration of the communication and visibility actions into WaterFund's Strategic Plan will ensure that WaterFund's Strategic objectives are not only met but also communicated effectively, fostering a positive and informed environment for stakeholders and the public.

CHAPTER SEVEN:

Resource Requirements and Mobilization Strategies

7.0 Overview

This section looks at the financial requirements for implementing the strategic plan, the available financing, the funding gaps, resource mobilization strategies as well as financial management at Waterfund

7.1 Financial Requirements

It is projected that implementation of the plan is expected to cost approximately KES 52 Billion. The overall resource requirements per year are shown in table 7.1. Additionally, the funding deficit is shown in table 7.2.

Table 7-1: Financial Requirements

Cost Area	Projected Resource Requirement (Ksh.M)					
	Year 1	Year 2	Year 3	Year4	Year 5	Total
Access to safe water and dignified sanitation	2056	3609.25	4,024.5	5,797.25	6,900.5	22,387.5
Fund Development	218	176	195	338	426	1,353
Water Resources Management and Climate Change	409	1,102.5	1,192	1,197	2,146.5	6,047
Bolstering Research and Innovation	236	392.5	599.5	768.5	1,070.5	3,067
Institutional Development and Sustainability	132.1	109.6	687.3	744.6	803.3	2,476.9
Other budget items (e.g.. PE, Operational Cost, etc)	550	590	635	680	740	3,195
Seed Capital for loan fund and opening balances for next planning period	1,000	2,000	3,000	4,000	5,000	14,000
Total	4,601.1	7,979.85	10,333.3	13,525.35	17,086.8	52,526.4

Financing Gaps

The implementation of the plan is faced with a resource deficit of approximately KES 30 Billion over the five-year period. The annual deficits are summarized in table 7.2.

Table 7-2: Financing Gaps

Period	Requirement Ksh.M	Estimated Resource Allocations Ksh. M	Variance Ksh.M
Year 1	4,601.10	4,100	-501.1
Year 2	7,979.85	4,240	-3,739.9
Year 3	10,333.3	4,370	-5,963.3
Year 4	13,525.35	4,510	-9,015.4
Year 5	17,086.8	4,650	-12,436.8
Total	52,526.40	21,870	-30,656.4

7.2 Resource Mobilization Strategies

To bridge the resource gaps, WaterFund shall pursue various resource mobilization strategies, with an aim to increasing sustainable financing sources. The Fund aims to finance at least 25% of its Strategic Budget through innovative financing including: Leveraging on commercial banks and other financing institutions for blended financing arrangements: Leveraging on other private sector sources, including Public Private Partnerships, and initiatives towards viability gap funding: Carbon Trading Project and other initiatives to realize climate finance: Investment income through participating in Capital and Financial Markets: the Water Levy as envisioned in the Water Act 2016 and: Other revenue generation activities such as office building and monetization of the knowledge hub etc.

Under the Strategy, 75% of the funding is expected to come from the Government and Development Partner sources (13.5% GOK, 61.5% DPs). WaterFund expects to progressively increase its sustainable sources of funding over time, to more than 25%.

Below are the sources of funding to be pursued under this Strategic Period:

1. Increase National Government (GoK) Funding to Ksh. 6 B
2. Increase funds leveraged from County Governments Ksh. 1 B
3. Increase funding from development partners to Ksh. 32 B
4. Increase leveraged funding from commercial and private sources to Ksh. 7.5 B
5. Operationalize the Water Levy to unlock Ksh. 2.5 B
6. Raise Ksh. 1.8 B from investment income including capital and financial markets
7. Raise Ksh. 200 Million through own source revenues e.g office premises and the knowledge hub
8. Raise 1 billion through viability financing and other PPPs activities

7.3 Resource Management

To enhance resource management, WaterFund shall undertake the following strategic steps:

- a. Automation of key processes to improve efficiency hence reduce costs
- b. Enhance compliance with budgets and other statutory requirements
- c. Improve on project delivery turnaround time
- d. Build capacity of Implementing Partners to increase on performance
- e. Enhance prudent utilization of funds by each and every officer as well as enhance value for money in the procurement of goods and services

CHAPTER EIGHT:

Monitoring, Evaluation and Reporting Framework

8.0 Overview

Effective planning ends up with effective strategy implementation. But this can only be achieved with an effective functional monitoring and evaluation framework. An effective monitoring and evaluation mechanism will help ensure cost effectiveness, timeliness and quality in achieving the objectives in the strategic plan. This section applies to most of the MCDAs for purposes of standardization of M&E, and discusses the M&E approach to the strategic plan.

8.1 Monitoring Framework

This Strategic Plan will be subjected to a continuous review of performance on the various deliverables. There shall also be annual reviews of the plan. The reviews will be focused on how the available inputs have been used and what outputs and short-term outcomes have been produced. This review shall also focus on challenges, issues and key lessons learnt.

The following M&E framework will be adopted in order to ensure successful implementation of the strategic plan: -

1. The sole prerogative of strategy implementation and as a result monitoring and evaluation rests on the Board of Trustees (BOT).
2. The BOT delegates power to the different relevant committees with the role of monitoring the implementation of the plan
3. The management should hold regular meetings (preferably quarterly) chaired by the CEO to review the status of the strategic plan implementation as it relates to their respective roles. In addition, areas requiring strategy change should be identified and proposed to the BOT through the relevant Committee.
4. The management will avail progress reports regularly (preferably quarterly) to the BOT on the progress made towards the attainment of the goals.

8.2 Performance Standards

This will involve monitoring the implementation of the planned activities and evaluating their impacts on the desired goals. The monitoring activities will result to identifying any gaps or deficiencies which will then be addressed by management. Daily, weekly, monthly and quarterly reporting will be critical for the monitoring function. To ensure effective participation in plan implementation, there will be need to:

- a. Determine the Key Performance Indicators in the action matrix
- b. Establish the requisite baselines. Where there are no baselines, they shall be established within the first year.
- c. Establish standard formats for data collection and reporting;
- d. Clearly spelt out documents to be prepared, periods covered, and details of information to be supplied;
- e. Implement a Performance Management system making every officer to be accountable to the use of resources and attainment of set objectives; and
- f. Effectively use available resources to ensure smooth implementation of the strategic plan.

The following performance measures shall inform the Monitoring and Evaluation Plan.

- **Outcome Indicators**

The outcome indicators will measure the specific changes or results achieved as a result of interventions. They are quantitative including proportion of persons accessing safe water; proportion of persons accessing dignified sanitation.

- **Output Indicators**

The output indicators will measure the direct products, services, or activities delivered by a program or project. The indicators quantify the volume or extent of work completed including number of research studies on water services undertaken or amount of money raised from GoK or number of staff trained.

- **Efficiency Indicators:**

Efficiency indicators assess how well resources such as time, money or personnel are used to achieve desired results. Efficiency indicators for example productivity indices will be used to evaluate the cost-effectiveness of the strategies.

- **Effectiveness Indicators**

Effectiveness indicators measure the extent to which an intervention achieves its intended objectives. They provide insight into whether an intervention is achieving its goals and targets such as increase in area under conservation or number of projects completed and operational or project efficiency levels.

- **Impact Indicators:**

Impact indicators assess the broader, long-term effects of an intervention on the target population or community. They evaluate the changes in quality of life, well-being, and social conditions that can be attributed to the interventions for example economic development and access to services.

- **Stakeholder Satisfaction:**

Stakeholder satisfaction indicators measure the perceptions and feedback of beneficiaries, participants, and other stakeholders regarding the intervention's quality, relevance, and impact. Beneficiary or customer satisfaction index are measures of stakeholder satisfaction.

8.3 Evaluation Framework

The purpose of evaluation is to measure the actual performance against target levels and establishing the size of variance, causal factors for the

variance and recommending appropriate remedial measures, including a review of the objectives and/or strategies. The evaluation plan will help determine objectively the relevance, effectiveness and efficiencies of the activities proposed in the strategic plan. A mid-term evaluation will be undertaken with the purpose of verifying that the plan is on the right track and provide information to correct observed deficiencies including the revision of objectives, strategies or activities. The mid-term review will be conducted mid-2025. The final evaluation will assess the achievement of the activities of the plan and identify and document the success or failure. The final evaluation will be undertaken at the end of the plan period which is 2027.

The evaluations will be guided by key questions to address key evaluation criteria including relevance, effectiveness, efficiency, impacts and or sustainability. Some of the questions shall include:

- a. To what extent were the planned objectives consistent with customer needs and expectations?
- b. How were the financial, technical and human resources utilized to achieve the desired results?
- c. To what extent the objectives were achieved, or are expected to be achieved, taking into account their relative importance?
- d. What were/are the positive and negative effects achieved/produced during the strategy implementation period?
- e. What were/are the major obstacles to reaching the desired goals in the strategic plan? What can be done to overcome these obstacles?
- f. What are the lessons learnt that can inform further strategy development for WaterFund?

Table 8-1: Evaluation Framework

Key Result Area	Outcome	Outcome Indicator	Baseline		Target	
			Value	Year	Mid-Term	End Term
Access to safe water and dignified sanitation	Additional 2.2 million people accessing safe water	Additional 2.2 million people accessing safe water	2.46 million	2023	1.6	3.2 Million
	Additional 1 million people accessing dignified sanitation	Additional 1 million people accessing dignified sanitation				
Fund Development	Increased funding for Projects	Amount in KES of funds mobilized	20 Billion	2023	25	52 Billion
Integrated Water Resource Management and Climate Change	Area under conservation increased	Area under conservation increased	1241.09 km ²	2023	1250	2,500
	Storage Capacity increased	Storage Capacity increased				
Bolstering Research and Innovation	At least 51 research studies in the water and sanitation Sector funded	No. of Research Studies Financed	0	2023	25	51
	At least 25 innovations in the water and sanitation sector funded	No. of Innovations Financed				
Institutional Strengthening and Sustainability	Holistic Organization Capacity Assessment Index (HOCAI) of 70% and above achieved	Percentage Score of HOCAI	70%	2023	75%	80%

8.4 Reporting

The Reporting of the progress made and the achievements shall be guided by table 8.2.

Table 8-2: Reporting Framework

Type of Report	Reporting to	Reporting by	Frequency
End Term Evaluation Report	Board of Directors	Board Subcommittee	End of Strategic Plan Period
	Board Subcommittee ¹	CEO	End of Strategic Plan Period
	CEO	Strategic Plan Implementation Committee	End of Strategic Plan Period
	Strategic Plan Implementation Committee	WaterFund Departments and Divisions	End of Strategic Plan Period
Mid Term Evaluation Report	Board of Directors	Board Subcommittee	Mid Term of Strategic Plan Period
	Board Subcommittee	CEO	Mid Term Strategic Plan Period
	CEO	Strategic Plan Implementation Committee	Mid Term of Strategic Plan Period
	Strategic Plan Implementation Committee	WaterFund Departments and Divisions	Mid Term of Strategic Plan Period
Annual Progress Report	Board of Directors	Board Subcommittee	Annually
	Board Subcommittee	CEO	Annually
	CEO	Strategic Plan Implementation Committee	Annually
	Strategic Plan Implementation Committee	WaterFund Departments and Divisions	Annually
Quarterly Progress Reports	Board of Directors	Board Subcommittee	End of Every Quarter
	Board Subcommittee	CEO	End of Every Quarter
	CEO	Strategic Plan Implementation Committee	End of Every Quarter
	Strategic Plan Implementation Committee	WaterFund Departments and Divisions	End of Every Quarter

¹ This is the Subcommittee responsible for Strategy

Type of Report	Reporting to	Reporting by	Frequency
Monthly Progress Reports	WaterFund Departments and Divisions	Heads of departments/sections	End of Every Month

The WaterFund will develop and implement a knowledge management system that will support learning and adaptation within the organization. Key to this system shall be a learning-oriented monitoring and evaluation system, an information management system that shall support identification and documentation of good practices, a communication system that shall support internal and external communication and finally a system that supports experimentation and innovation. The various reporting templates are summarized in table 8.3, 8.4 and 8.5.

Quarterly Progress Reporting Template

Table 8-3 Quarterly Reporting Template

Expected output	Output Indicator	Annual Target (A)	Quarter for Year			Cumulative To-date			Remarks	Corrective Action
			Target (B)	Actual (C)	Variance (C-B)	Target (E)	Actual (F)	Variance (F-E)		

Annual Progress Reporting Template

Table 8-4: Annual Progress Reporting Template

Expected output	Output Indicator	Annual Target (A)	Achievement for Year.....			Cumulative To-date			Remarks	Corrective Action
			Target (A)	Actual (B)	Variance (B-A)	Target (D)	Actual (E)	Variance (E-D)		

Evaluation Reporting Template

Table 8-5: Evaluation Reporting Template

Key Result Area	Outcome	Outcome Indicator	Baseline		Mid-term Evaluation		End of Plan Period Evaluation		Remarks	Corrective Intervention
			Value	Year	Target	Achievement	Target	Achievement		
KRA1										
KRA2										
KRA3										
KRA4										

ANNEX 1: IMPLEMENTATION MATRIX

KRA 1

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years					Target					Budget (Ksh.Mn)					Responsibility	
				Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5		Lead
Strategic Issue: Water and Sanitation Access																				
Strategic Goal: Improve access to safe water and dignified sanitation																				
KRA: Access to safe water and dignified sanitation																				
Objective: Increase the number of persons accessing safe water and dignified sanitation																				
Outcome: Additional 2.2 million people accessing safe water : Additional 1 million people accessing dignified sanitation																				
Financing of water projects in marginalized areas (35% of the target, i.e..770,000 people)	Financing of water projects under GoK and DPs support to reach marginalized populations	Projects for Marginalized groups financed	Amount in Million KES that has funded projects in marginalized areas	6,900	520	1,040	1,560	1,800	1,980	520	1,040	1,560	1,800	1,980	GMP					MWSS
	Financing of water projects under PPP funding	Water projects under PPP Financed	Amount in Mn KES financed through PPPs	2,400	0	0	680	795	925	0	0	680	795	925	GMP					MCF
	Financing of water projects through innovative/blend ed financing e.g. banks and financial institutions	Water projects financed through innovative/blend ed financing e.g. banks and financial institutions	Amount in Mn KES financed through innovative/blend ed financing e.g. banks and financial institutions	1,040	80	160	240	260	300	80	160	240	260	300	GMP					MCF

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years					Target					Budget (Ksh.Mn)					Responsibility		
				Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support	
Financing of water projects in underserved areas (65% of target population i.e. 1,430,000.00)	Finance water projects under GoK and DPs	Water projects under GoK and DPs for underserved populations financed	Amount in Mn KES of financing of water projects under GoK and DPs	10,687	769	1,538	2,306	2,921	3,153	769	1,538	2,306	2,921	3,153	GMP				MWSS		
	Finance water projects through PPP funding	Water projects under PPP for underserved populations financed	Amount in Mn KES of financing of water projects under PPP	815	0	0	250	270	295	0	0	250	270	295	GMP				MCF		
	Finance water projects through innovative/blend ed financing e.g. banks and financial institutions	Water projects under innovative financing for underserved populations financed	Amount in Mn KES of financing of water projects under innovative financing	791	63	125	188	205	210	63	125	188	205	210	GMP				MCF		
Financing of sanitation projects in marginalized areas	Finance Community Led Total Sanitation (CLTS) Initiatives	Community Led Total Sanitation (CLTS) Initiatives Funded	Amount in KES funding for CLTS initiatives	482	37	58	75	98	214	37	58	75	98	214	GMP				MWSS		
	Finance Public Sanitation Facilities (PSFs) Initiatives	Public Sanitation Facilities (PSFs) Initiatives Financed	Amount in KES funding for public sanitation facilities	401	56	70	85	90	100	56	70	85	90	100	GMP				MWSS/M CF		

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years					Target					Budget (Ksh.Mn)					Responsibility		
				Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support	
				75	84	90	102	113	75	84	90	102	113	75	84	90	102	113	GMP	MCF	
	Finance Waste Water Management / Treatment Facilities e.g. DTfs &Sewer Systems	Waste Water Management / Treatment Facilities e.g. DTfs &Sewer Systems Financed	Amount in Mn KES of Waste Water Management / Treatment Facilities e.g. DTfs &Sewer Systems Financed	462	75	84	90	102	113	75	84	90	102	113	75	84	90	102	113	GMP	MCF
	Finance household level sanitation projects	household level sanitation projects financed	Amount in Mn KES of Financing for household level sanitation projects	289	38	56	60	65	70	38	56	60	65	70	38	56	60	65	70	GMP	MCF
	Finance institutional sanitation facilities in schools, public facilities & dispensaries	Projects on institutional sanitation facilities in schools, public facilities & dispensaries financed	Amount in Mn KES spent on financing projects on institutional sanitation facilities in schools, public facilities & dispensaries	424	75	75	86	90	98	75	75	86	90	98	75	75	86	90	98	GMP	MWSS/M CF
Financing of sanitation projects in underserved areas	Finance Community Led Total Sanitation (CLTS) Initiatives	Community Led Total Sanitation (CLTS) Initiatives Funded	Amount in KES funding for CLTS initiatives	281	40	45	50	56	90	40	45	50	56	90	40	45	50	56	90	GMP	MWSS

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years					Target					Budget (Ksh.Mn)					Responsibility		
				Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support	
				416	63	70	88	95	100	63	70	88	95	100	63	70	88	95	100	GMP	MWSS/M CF
	Financing of Public Sanitation Facilities (PSFs) Initiatives	Public Sanitation Facilities (PSFs) Initiatives Financed	Amount in KES funding for public sanitation facilities	416	63	70	88	95	100	63	70	88	95	100	63	70	88	95	100	GMP	MWSS/M CF
	Finance Waste Water Management / Treatment Facilities e.g. DTfs & Sewer Systems	Waste Water Management / Treatment Facilities e.g. DTfs & Sewer Systems Financed	Amount in Mn KES of Waste Water Management / Treatment Facilities e.g. DTfs & Sewer Systems Financed	279	31	40	45	78	85	31	40	45	78	85	31	40	45	78	85	GMP	MCF
	Finance household level sanitation projects	household level sanitation projects financed	Amount in Mn KES of Financing for household level sanitation projects	225	32	35	38	56	64	32	35	38	56	64	32	35	38	56	64	GMP	MCF
	Finance institutional sanitation facilities in schools, public facilities & dispensaries	Projects on institutional sanitation facilities in schools, public facilities & dispensaries financed	Amount in Mn KES spent on financing projects on institutional sanitation facilities in schools, public facilities & dispensaries	217	25	33	36	58	65	25	33	36	58	65	25	33	36	58	65	GMP	MWSS/M CF

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years					Target					Budget (Ksh.Mn)					Responsibility		
				Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support	
Reduce the turnaround time for financing and implementation of projects	Review of Project Cycle (Review disbursements process, project tools, projects management & County support to IPs)	To implement projects within the set timelines and realize value for money	Number of reviews undertaken	3	1	0	1	0	1	0	2	0	0	2	0	2	GMI	GM,PQ M			
	Stakeholder engagement during project design and implementation	Stakeholder engagement incorporated in the project design	Proportion of projects that have stakeholder engagement in design	100	100	100	100	100	100	100	4	4	4	4	4	4	GMI	GM,PQ M			
Reduce questionable costs	Train the Implementing Partners	Implementing Partners trained	Number of IPs trained	580	100	110	120	120	130	20	25	30	35	50	50	50	GMI	MWSS/M CF			
	Review QAC model	QAC Model Reviewed	Number of reviews undertaken	3	1	0	1	0	1	5	0	7	0	10	10	10	GMI	M,QA			
	Review & implement County engagement strategy	County engagement strategy reviewed	Number of Reviews undertaken	1	1	1	0	0	0	5	5	0	0	0	0	0	GMI	GM,PQ M			
	Adoption of lessons learnt	Lessons from projects adopted	Proportion of projects that have utilized the lessons documented	100	100	100	100	100	100	6	6	6	6	6	6	6	GMP	M,RKM			

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years					Target					Budget (Ksh.Mn)					Responsibility	
				Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Adopt roads for water initiatives	Roads for water initiatives adopted	Number of initiatives adopted	4	2	2	0	0	2	0	0	2	0	0	2	0	0	GMP	MWSS/M CF	
	Conduct mapping and baseline survey for WSTF programme areas	Baseline and Mapping surveys undertaken	Number of Baseline study & mapping undertaken	25	4	5	5	6	10	15	15	15	18	15	15	18	GM,P QM	GMP		
	Finance the County water bills, masterplans, strategies and policies	County Water Bills, Masterplans ,Strategies and Policies	Number of County Bills Masterplans ,Strategies and Policies financed	18	2	4	4	4	30	45	50	55	60	45	50	55	GM,P QM	GMP		
	Collaborate with WASREB and the County Governments for inclusion of cost recovery tariffs for funded PPP and blended financed projects	Joint Collaborations with WASREB and County Governments held annually	Number of lobbying events held annually	10	2	2	2	2	2	2	2	2	2	2	2	2	GM,P QM	GMP		
Mainstream Green Growth	Review of the Green Growth strategy	Green Growth Strategy Review undertaken	Number of Reviews undertaken	1	0	1	0	0	0	5	0	0	0	0	0	0	GM,P QM	GMP		

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years					Target					Budget (Ksh.Mn)					Responsibility			
				Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support		
	Implement and cascade the Green Growth Strategies to various Counties and Partners	Green Growth Strategy implemented	Percentage implementation of the Green Growth Strategy	100	20	40	60	80	100	3	5	5	7	8							GM,P QM	GMP

KRA 2

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years					Target (Funds are in Ksh.Mn)					Budget (Ksh.Mn)					Responsibility		
				Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5		Lead	Support
Strategic Issue: Financing Water and Sanitation Infrastructure																					
Strategic Goal: Increase funding for water and sanitation access																					
KRA: Fund Development																					
Objective: Increase funding for Waterfund activities																					
Outcome: An additional Ksh. 52 B to finance water, sanitation, IWRM, climate change and research and innovations																					
Lobby for increased recurrent funding	Hold bi-annual engagements meetings with the Ministry, Treasury and Parliamentary Committee	Lobbying Meetings held	Recurrent funds mobilized	2,000	200	300	500	500	500	4	4	4	4	4	4	4	GMFD	GMCs			
	Develop and submit Policy Position Papers addressing key issues:	Number of engagement meetings held	Number of policy and position papers developed and submitted	10	2	2	2	2	2	1	2	2	2	2	2	2	GMFD	GMCs			
Lobby for increased development funding	Develop and submit a Cabinet Memo on Seed Fund budget allocation to WaterFund from Gok	Cabinet memo on Seed Fund budget allocation to WaterFund from Gok submitted	Number of Cabinet memos developed and submitted	1	1	0	0	0	0	1	2	0	0	0	0	0	GMFD	GM, PGM			
	Develop and submit a Cabinet Memo on Seed Fund budget allocation to WaterFund from Gok	Cabinet memo on Seed Fund budget allocation to WaterFund from Gok submitted	Number of Cabinet memos developed and submitted	1	1	0	0	0	0	1	2	0	0	0	0	0	GMFD	GMP			

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years					Target (Funds are in Ksh.Mn)					Budget (Ksh.Mn)					Responsibility						
				Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support					
									Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5							
	Develop and submit funding concepts for national programs	Funding Concepts for National Programs Submitted	Development funds mobilized	2,000	300	400	500	600	200	300	400	500	600	1	1	1	1	1	GMFD	GMP					
				5	1	1	1	1																	
	Factor in National Government counterpart funds in 80% of proposals to Development Partners	Budgeted allocation for Government counterpart funding incorporated	Development Funds mobilized	2,000	300	500	500	500	200	300	500	500	500	2	2	2	2	2	GMFD	GMC					
				80	50	70	80	80																	
	Enter into collaboration with Counties for co-funding and key support in 70% of new programs	Collaboration agreements on co-funding with counties established	Development funds mobilized	1,000	200	200	300	200	100	200	200	300	200	1	1	1	1	1	GMFD	GMC					
				70	40	60	70	70																	
Sustained funding from current Development Partners	Review and implement fund development strategies and frameworks	fund development strategies and frameworks reviewed	Number of frameworks reviewed and are being implemented	3	1	1	0	0	1	1	1	0	0	1	1	0	0	GMFD	GMC & GMP						

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years	Target (Funds are in Ksh.Mn)					Budget (Ksh.Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Quarterly engagement and networking forums	Engagement and networking forums held quarterly	Number of engagement forums held	20	4	4	4	4	4	6	6	7	7	8	GMFD	GMC S & GMP
	Quarterly reporting on ongoing programs and achievements (print and video formats)	reporting on ongoing programs and achievements (print and video formats)	Number of reports submitted annually	20	4	4	4	4	4	1	1	1	1	1	GMFD	GMC S, GMP, PQM & GMP
	Submit annual external audit reports	annual external audit reports submitted	Number of reports submitted	5	1	1	1	1	1	0	0	0	0	0	GMFD	GMP ARA
	Lobby current Partners for increased management fee to 10%	Partners lobbied for increased management fees	Number of lobbying events held	10	5	7	8	9	10	2	3	3	3	1	GMFD	GMC S
	Develop and submit new funding concepts and proposals	new funding concepts and proposals developed and submitted	Number of new concepts developed and submitted	15	3	3	3	3	3	1	1	1	1	1	GMFD	GMP
	Negotiate and sign funding agreements	Funding agreements negotiated and signed	Amount of funds mobilized	16,000	2,000	3,000	4,000	4,000	3,000	1	1	1	1	1	GMFD	GMP

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years	Target (Funds are in Ksh.Mn)					Budget (Ksh.Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
				7	1	1	2	2	1						GMFD	GMP
	Hold engagement forums with Development Partners for collaboration on implementation of the WaterFund loan facility	engagement forums with Development Partners for collaboration on implementation of the WaterFund loan facility held	Number of signed agreements Number of engagement forums held annually	5	1	1	1	1	1	2	2	2	2		GMFD	GMP
Increased funding from new Development Partners	Undertake comprehensive Development Partner mapping annually Develop and disseminate innovative WaterFund pitching materials such as documentaries, publications & reports	comprehensive Development Partner mapping undertaken WaterFund pitching materials developed	Number of mapping exercises Number of pitching packages developed	5	1	1	1	1	1	1	0	1	0	0	GMFD	GMC S
				5	1	1	1	1	1	2	2	2	2		GMFD	GMC S

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years	Target (Funds are in Ksh.Mn)					Budget (Ksh.Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Develop and submit new funding concepts and proposals	New funding concepts and proposals developed	Number of new concepts and proposals submitted annually	15	3	3	3	3	3	2	2	2	2	2	GMFD	GMP
	Negotiate and sign new funding agreements	New funding agreements negotiated and signed	Amount of Funds Mobilized	9,000	1,000	2,000	2,000	3,000	1,000	1	1	1	1	1	GMFD	GMP
	Utilize data and information development from key studies required for new concepts and proposals	Data and information utilized for new concepts and proposals	Percentage of concepts utilizing data from key studies	100	1	2	2	3	2						GMFD	GMP
	Develop new niche products for funding of Climate Change/COP 27 Outputs, Disaster Management Facility, Water Innovation, Advocacy	New niche products for funding of Climate Change/CO P 27 Outputs, Disaster Management Facility, Water Innovation, Advocacy developed	Number of niche products developed	5	1	1	1	1	1	2	2	2	2	2	GMFD	GMP

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years	Target (Funds are in Ksh.Mn)					Budget (Ksh.Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Develop and submit proposals for Climate Change and Disaster Management Facility	Proposals for Climate Change and Disaster Management Facility developed	Amount of funds mobilized	3,000	400	700	800	700	400	1	1	1	1	1	GMFD	GMP QM
	Develop and submit proposals aligned with Presidential and Government priorities	Concepts and proposals aligned with Presidential and Government priorities submitted	Number of proposals developed on climate change and disaster management	5	1	1	1	1	1	1	1	1	1	1	GMFD	GMP QM
	Factor in 10% management fee in all new funding proposals	10% management fee factored in all new funding proposals	Amount of funds mobilized	1,000	200	200	200	200	200	1	1	1	1	1	GMFD	GMP QM
			Number of concepts developed from Presidential directives	5	1	1	1	1	1	1	1	1	1	1	GMFD	GMC S
			Percentage of proposals factoring in 10% management fees	100	50	60	70	80	100	0	0	0	0	0	GMFD	GMC S

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years	Target (Funds are in Ksh.Mn)					Budget (Ksh.Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
Funding from Private Sector Collaborations (PPP)	Develop and submit new funding concepts and proposals for capacity enhancement and governance training for Implementing Partners and Collaborating Institutions	new funding concepts and proposals for capacity enhancement and governance training for Implementing Partners and submitted	Amount of funds mobilized	1,000	50	200	300	300	150	1	1	0	0	1	GMFD	GMP
					1	1	1	1	1	1	0	0	0	0	GMFD	GMP
	Develop a framework for Public Private Collaboration	Framework for Public Private Collaboration	Number of new concepts and proposals targeting capacity development	1	1	0	0	0	0	2	0	0	0	0	GMFD	GMP QM
					2	2	2	2	2	4	4	4	4	4	GMFD	GMP
Organize and hold bi-annual engagement forums	Bi-annual engagement forums held	Number of forums held	10	2	2	2	2	2	4	4	4	4	4	GMFD	GMP	
				1	1	1	1	1	1	1	1	1	1	GMFD	GMP	
Develop Private Sector Partnerships for collaboration on innovation and research	Framework for Public Private Partnerships developed	Number of frameworks developed	5	1	1	1	1	1	1	1	1	1	1	GMFD	GMP	
				1	1	1	1	1	1	1	1	1	1	GMFD	GMP	

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years	Target (Funds are in Ksh.Mn)					Budget (Ksh.Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
Develop and submit concepts and proposals for Private Sector funding and collaboration	Concepts and proposals for private sector funding developed	Amount of funds mobilized	1,000	200	200	200	200	200	200	1	1	1	1	1	GMFD	GMP
	Mobilized from the Private Sector	Number of concepts developed and submitted	7	2	2	1	1	1	1	0	0	0	0	0	GMFD	GMP
Develop and submit concepts and proposals for PPPs and PPCs	concepts and proposals for PPPs and PPCs developed	Amount of Funds Mobilized	1,000	100	100	200	300	300	300	2	1	1	0	0	GMFD	GMP
		Number of concepts and proposals developed	3	1	1	1	0	0	0						GMFD	GMP
Factor in 10% management fee in new Private sector funding proposals	10% management fee in new Private sector funding proposals initiated	Percentage of proposals factoring in 10% management fees	100	100	100	100	100	100	100	0	0	0	0	0	GMFD	GMCs
	Acquire technology tools for effective Fund Development Management	Number of new technology tools acquired	1	1	0	0	0	0	0	5	0	0	0	0	GMFD	GMCs

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years	Target (Funds are in Ksh.Mn)					Budget (Ksh.Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
Co-funding contributions from Counties	Hold annual County engagement forums to sensitize on new and potential programs	annual County engagement forums to sensitize on new and potential programs held	Number of forums held with counties	5	1	1	1	1	1	5	5	5	5	5	GMFD	GMP
				70	60	70	70	70	0	0	0	0	0	GMFD	GMP	
Co-funding contributions from Implementing Partners	Factor in County contribution in 70% of new program funding proposals	County contribution in 70% of new program funding proposals factored in new proposals	Percentage of projects with County contributions factored in	3,500	400	600	800	900	800	1	1	1	1	0	GMFD	GMP
				80	60	70	80	80						GMFD	GMP	

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years	Target (Funds are in Ksh.Mn)					Budget (Ksh.Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
Blended finance from Implementing Partners and financial institutions	Hold engagement forums with financial institutions for collaboration in blended finance programs held	engagement forums with financial institutions for collaboration in blended finance programs held	Number of engagement forums held	5	1	1	1	1	1	2	2	2	2	2	GMFD	GMC S
	Develop proposals for blended financing - Public & Private sector finance	Funds mobilized from financial institutions	Amount of funds mobilized	4,000	600	700	800	900	1,000	1	1	1	1	1	GMFD	GMC S
	Hold engagement forums with Implementing Partners for uptake of blended finance products held	proposals for blended financing - Public & Private sector finance developed	Number of proposals developed	5	1	1	1	1	1	1	1	1	1	1	GMFD	GMC S
	Hold engagement forums with Implementing Partners for uptake of blended finance products held	engagement forums with Implementing Partners for uptake of blended finance products held	Number of engagement forums held	5	1	1	1	1	1	2	2	2	2	2	GMFD	GMCS

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years	Target (Funds are in Ksh.Mn)					Budget (Ksh.Mn)					Responsibility		
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5			
Lobby for operationalization of the Water Levy	Hold engagement forums with the Ministry for the Gazettement of the WSTF Water Levy	engagement forums with the Ministry for the Gazettement of the WSTF Water Levy held	Number of engagement forums held	3	2	1	0	0	0	3	2	0	0	0	0	GMFD	GMLS
	Develop and submit a Cabinet Memo on operationalization of the Water Levy	Cabinet Memo on operationalization of the Water Levy developed and submitted	No. of Cabinet Memos submitted	1	1	0	0	0	0	1	0	0	0	0	0	GMFD	GMLS
Operationalize the approved	Engage and collaborate with key water sector actors for levy collection, including WASREB, water companies, and other relevant institutions	key water sector actors for levy collection, including WASREB, water companies, and other relevant institutions engaged	Amount of Funds Generated	2,500	100	300	500	600	1,000	2	3	1	1	1	1	GMFD	GMCS &GMP
	Operationalize the loan facility and the	loan facility and the	Number of engagement forums undertaken	7	2	2	1	1	1							GMFD	GMCS &GMP
			Amount of funds generated	1,000	50	100	200	250	400	2	2	0	0	0	0	GMFD	GMCS &GMP

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years	Target (Funds are in Ksh.Mn)					Budget (Ksh.Mn)					Responsibility		
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5		Lead	Support
business models	and the Endowment Fund.	Operationalized	Number of facilities operationalized	2	1	0	0	0	0							GMFD	
	Hold engagement forums with the Capital Markets Authority for WaterFund's participation in the bonds market	undertaken	Number of engagement forums with CMA	3	2	1	0	0	0	2	1	0	0	0	0	GMFD	GMCS
Seek Investments in the Financial and Capital Markets	Hold engagement forums with the Nairobi Stock Exchange for participation in the Stock Market	undertaken	Number of engagement forums with NSE	3	2	1	0	0	0	2	1	0	0	0	0	GMFD	GMCS
	Operationalize Stock Market portfolios	operationalized	Amount of funds generated	300	0	20	50	100	130	5	10	20	50	50	GMFD	GMCS	
		Capital markets	Amount of funds generated	200	0	10	50	60	80	5	5	10	20	30	GMFD	GMCS	

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years	Target (Funds are in Ksh.Mn)					Budget (Ksh.Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5		
	Operationalize Capital Markets products	products operationalized	Number of capital markets products operationalized	5	1	1	1	1	1	10	10	5	5	5	GMFD	GMCS
	Engage banking partners for increased interest on WaterFund accounts	Banking partners engaged on increased interest rates	Amount of funds generated Number of banking partners engaged	300 10	50 2	50 2	70 2	80 1	1	1	1	2	1	1	GMFD	GMCS
Develop additional revenue generation streams for WaterFund	Monetize the Knowledge Hub	Knowledge Hub monetized	Amount of funds generated	50	0	10	10	10	20	1	1	1	0	0	GMFD	GMPQM
	Pursue initiatives for own premises to realize asset value and / or rental income	initiatives for own premises to realize asset value and / or rental income undertaken	Number of income generating activities arising from the Knowledge Hub	5	1	1	1	1	1						GMFD	GMPQM
			Amount of funds generated	50	0	0	0	50	20	50	200	300	100	50	200	GMFD
Acquire expertise to	Acquire expertise to develop a	expertise to develop a	Amount of funds generated	100	0	0	20	30	50	70	30	0	0	0	GMFD	GMP

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years	Target (Funds are in Ksh.Mn)										Budget (Ksh.Mn)			Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support			
	develop a carbon credit program for carbon credit trading	carbon credit program for carbon credit trading acquired	Number of experts engaged	3	2	1	0	0	0	0	0	0	0	0	0	0	0	GMFD	GMP
	Dispose of assets for additional income source	disposal of assets for additional income source undertaken	Percentage of assets earmarked and disposed off	100	100	100	100	100	100	100	1	1	1	1	1	1	1	GMFD	GMCS
Increase staffing levels in Fund Development Department	Employ additional staff for Fund Development Department	additional staff for Fund Development Department employed	Number of additional staff engaged	5	2	2	1	1	0	0	0	0	0	0	0	0	0	GMFD	GMCS
	Conduct training for Fund Development Department	Training of fund development staff conducted	Percentage of staff whose skills have been enhanced	100	60	70	80	90	100	100	0	0	0	0	0	0	0	GMFD	GMCS
Utilize Information Management System for Fund Development Department	Acquire technology tools for effective Fund Development Management	tools for effective Fund Development Management acquired	Number of technological tools acquired	1	1	0	0	0	0	0	20	0	0	0	0	0	0	GMFD	GMCS
			Percentage utilization of acquired tools	100	20	100	100	100	100	100	0	0	0	0	0	0	0	GMFD	GMCS

KRA 3

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years					Budget (Ksh.Mn)					Responsibility				
				Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support			
				Target	Target	Target	Target	Target	Target	Target	Target	Target	Target	Target	Target	Target		
Strategic Issue: Water Resource Management and Climate Change																		
Strategic Goal: Enhance Water Resource Management and climate change mitigation																		
KRA: Integrated Water Resource Management and Climate Change																		
Objective: Increase area under conservation and Storage Capacity																		
Outcome: Area under conservation increased; Storage Capacity increased																		
Restoration of degraded areas	Finance restoration of areas under WRUAs (150Sq. Km)	restoration of areas under WRUAs (150Sq. Km) financed	Areas under WRUAs funded for restoration	150 Sq. Km	20	30	50	80	100	100	80	40	30	50	100	40	GM,P	M,WR M&CC
	Finance restoration of areas under CFAs (300 Sq. Km)	restoration of areas under CFAs (300 Sq. Km) financed	Area under CFAs funded for restoration	300Sq. Km	30	50	100	80	50	25	40	20	15	25	50	20	GM,P	M,WR M&CC
	Finance restoration of areas under Conservancies (50 Sq. Km)	restoration of areas under Conservancies (50 Sq. Km) financed	Areas under conservancies funded for restoration	50Sq. Km	5	10	15	10	10	10	15	10	10	5	10	10	GM,P	M,WR M&CC
Protection of existing areas	Finance protection of areas under WRUAs (225 Sq. Km)	protection of areas under WRUAs (225 Sq. Km) financed	Areas under WRUAs funded for protection	225Sq. Km	25	45	70	45	45	70	45	40	25	45	70	40	GM,P	M,WR M&CC
	Finance protection of areas under WRUAs (225 Sq. Km)	protection of areas under WRUAs (225 Sq. Km) financed	Areas under WRUAs funded for protection	225Sq. Km	25	45	70	45	45	70	45	40	25	45	70	40	GM,P	M,WR M&CC

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years		Target					Budget (Ksh.Mn)					Responsibility		
				Y1	Y2	Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5		Lead	Support
	Finance protection of areas under CFAs(225 Sq. Km)	protection of areas under CFAs(225 Sq. Km) financed	Area under CFAs funded for protection	225Sq. Km	45	70	45	40	25	22	35	22.5	20	GM,P	M,WR M&CC			
	Finance protection of areas under INGOs (225Sq. Km)	protection of areas under INGOs (225Sq. Km) financed	Areas under INGOs funded for protection	225Sq. Km	45	70	45	40	12.5	22.5	35	22.5	20	GM,P	M,WR M&CC			
	Finance protection of areas under Conservancies (225Sq. Km)	protection of areas under Conservancies (225Sq. Km) financed	Areas under Conservancies funded for protection	225Sq. Km	45	70	45	40	25	45	70	45	40	GM,P	M,WR M&CC			
	Finance institutional greening programs- (100Sq. Km) (Schools, colleges , hospitals, churches, mosques, etc)	Areas under institutional greening protected through financing	Areas under institutions funded for protection	100Sq. Km	10	40	20	20	5	5	20	10	10	GM,P	M,WR M&CC			
Increase area under conservation	Finance conservation of areas under WRUAs (225 Sq. Km)	conservation of areas under WRUAs (225 Sq. Km) financed	Areas under WRUAs funded for conservation	225Sq. Km	25	45	70	45	25	45	70	45	40	GM,P	M,WR M&CC			

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years		Target					Budget (Ksh.Mn)					Responsibility	
				Y1	Y2	Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
				Y1	Y2	Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5		
	Finance conservation of areas under CFAs. (225 Sq. Km)	conservation of areas under CFAs. (225 Sq. Km) financed	Area under CFAs funded for conservation	25	45	70	45	40	12.5	22.5	35	22.5	20	GM,P	M,WR M&CC		
	Finance conservation of areas under INGOs (225Sq. Km),	conservation of areas under INGOs (225Sq. Km), financed	Areas under INGOs funded for conservation	25	45	70	45	40	12.5	22.5	35	22.5	20	GM,P	M,WR M&CC		
	Finance conservation of areas under Conservancies (225Sq. Km)	Conservation of Areas under conservancies financed	Areas under Conservancies funded for conservation	25	45	70	45	40	25	45	70	45	40	GM,P	M,WR M&CC		
	Finance institutional greening programs- (100Sq. Km) (schools, colleges , hospitals, churches, mosques, etc)	Institutional greening programs financed	Areas under institutions funded for conservation	10	10	40	20	20	5	5	20	10	10	GM,P	M,WR M&CC		
Develop additional water storage infrastructure	Finance construction of water pans (330,000m3)	construction of water pans (330,000m3) financed	Capacity of water pans constructed	90,000	90,000	90,000	30,000	30,000	36	36	36	12	12	GM,P	M,WR M&CC		

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years		Target					Budget (Ksh.Mn)					Responsibility	
				Y1	Y2	Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
				Y1	Y2	Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Finance construction of sand dams (30,000m3)	construction of sand dams (30,000m3) financed	Capacity of sand dams constructed	30,000 m3	6,000	9,000	6,000	6,000	6,000	10	20	30	20	20	GM,P	M,WR M&CC	
	Finance acquisition of Rain Water Harvesting (RWH) tanks (70,000m3)	Water Harvesting (RWH) tanks (70,000m3) financed	Capacity of water harvesting tanks installed	70,000 m3	14,000	27,000	14,000	14,000	14,000	12	168	324	168	168	GM,P	M,WR M&CC	
	Finance construction of Djabias (70,000m3)	construction of Djabias (70,000m3) financed	Capacity of Djabias Constructed	70,000 m3	140,000	270,000	140,000	140,000	140,000	30	420	810	420	420	GM,P	M,WR M&CC	
	Finance construction of small dams (50,000 m3)	construction of small dams (50,000 m3) financed	Capacity of small dams constructed	50,000 m3	10,000	20,000	10,000	10,000	10,000	2	4	8	4	2	GM,P	M,WR M&CC	
	Finance roads for water	Roads for water projects financed	Number of Kms road for water financed	100km	5	25	50	10	10	4.5	22.5	45	9	9	GM,P	M,WR M&CC	
	Finance blue-green infrastructure	Blue green infrastructure projects financed	Number of blue-green infrastructure constructed	10	1	4	2	1	2	2	4	8	4	2	GM,P	M,WR M&CC	
	Finance water canals to promote food security	Construction of water canals financed	Length in Kms of water canals constructed	50 Km	5	10	20	10	10	25	50	100	50	25	GM,P	M,WR M&CC	
Climate proofing of	Finance water pans not less than 30,000m3	Combat climate change effects	Proportion of water pans climate proofed	100%	50	100	100	100	100	2.5	5	5	5	5	GM,P	M,WR M&CC	

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years		Target					Budget (Ksh.Mn)					Responsibility						
						Y1	Y2	Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3		Y4	Y5	Lead	Support		
						Y1	Y2	Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3		Y4	Y5				
all infrastructure	Finance of solarized & HDPE piping of supply schemes	Solarization of water schemes financed	Proportion of supply schemes solarized	100%	50	100	100	100	100	100	100	100	100	100	100	2.5	5	5	5	5	GM,P	M,WR M&CC
	Finance gravity schemes	Gravity schemes funded	Proportion of infrastructure under gravity funded	100%	50	100	100	100	100	100	100	100	100	100	100	2.5	5	5	5	5	GM,P	M,WR M&CC
	Sensitize on use of desalination plants	Sensitizations on desalination plants undertaken	Number of sensitizations done	4	0	1	1	1	1	1	1	1	1	1	1	0	3	3	3	3	GM,P	M,WR M&CC
	Sensitize on use Decentralized of Treatment Facilities (DITs)	Stakeholders sensitized of the use of DIT	Number of sensitizations on use of DIT done	2	0	0	1	0	1	0	1	0	1	0	1	0	0	0	2	0	2	GM,P
Adoption of Green water, sanitation and water resources technologies	Finance technologies in water pans	technologies in water pans financed	Proportion of water pans using green technologies	100%	50	100	100	100	100	100	100	100	100	100	2.5	5	5	5	5	5	GM,P	M,WR M&CC
	Finance solarized &HDPE piping of supply schemes	solarized &HDPE piping of supply schemes funded	Proportion of supply schemes using green technologies	100%	50	100	100	100	100	100	100	100	100	100	2.5	5	5	5	5	5	GM,P	M,WR M&CC
	Finance construction of gravity schemes	Gravity schemes projects funded	Proportion of infrastructure under gravity financed	100%	50	100	100	100	100	100	100	100	100	100	2.5	5	5	5	5	5	GM,P	M,WR M&CC

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years		Target					Budget (Ksh.Mn)					Responsibility					
				Y1	Y2	Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support				
				Y1	Y2	Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	
	Financing of desalination plants	Construction of desalination plants funded	Number of desalination plants constructed	5	1	1	1	1	1	1	1	1	1	1	10	10	10	10	10	GM,P	M,WR M&CC
	Decentralized of Treatment Facilities (DTFs)	Greening of DTFs funded	Number of DTFs using green technologies	10	1	2	3	2	2	2	2	2	2	10	20	30	20	20	20	GM,P	M,WR M&CC
Promotion of water recycling and reuse	Awareness creation on development of technologies /methods of recycling & reuse provision of infrastructure at household and institutional level	Awareness creation on various recycling technologies conducted	Number of awareness creation sessions undertaken	2.00	0	0	1	0	1	0	1	0	0	0	3.5	3.5	0	0	3.5	GM,P	M,WR M&CC
Ground water recharge	Research trainings technologies	Trainings on different technologies undertaken	Number of research training technologies conducted	1	0	1	0	0	0	0	0	0	0	0	5	0	0	0	0	GM,P	M,WR M&CC
Adopt other climate change mitigation and adoption measures	Finance vegetation cover projects (trees growing, tree supermarkets bamboos, mangroves, etc)	Vegetation cover projects financed	Number of projects financed on vegetation cover (47	2	5	20	10	10	25	100	50	50	10	25	100	50	50	50	GM,P	M,WR M&CC

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years		Target					Budget (Ksh.Mn)					Responsibility						
				Y1	Y2	Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support					
				Y1	Y2	Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5		
	Establish Centres of Excellence (role modelling, learning, knowledge exchange)	Knowledge management and retention centers established	Number of Centres established	6	0	2	2	2	2	2	2	2	0	0	0	10	10	10	10	0	GM,P	M,WR M&CC
	Undertake baseline and after interventions mapping for impact assessment	One baseline undertaken by Q2 2023	Number of baseline surveys undertaken	1	1	0	0	0	0	0	0	0	0	10	0	0	0	0	0	0	GM,P	M,WR M&CC
	Develop monitoring reports	Monitoring reports generated	proportion of reports submitted on time	100%	100	100	100	100	100	100	100	100	100	10	10	10	10	10	10	10	GM,P	M,WR M&CC
	Review the WDC financing mechanism	WDC Financing reviewed	Number of reviews undertaken	1	1	0	0	0	0	0	0	0	0	18	0	0	0	0	0	0	GM,P	M,WR M&CC
	Trainings in Climate Change Mitigation and Adaptation	Trainings in Climate Change Mitigation and Adaptation undertaken	Number of IPs trained per catchment/region	9	1	2	3	1	2	3	1	2	2	2.5	5	7.5	3	6	6	6	GM,P	M,WR M&CC

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years	Target					Budget (Ksh.Mn)					Responsibility				
					Y1	Y2	Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3		Y4	Y5	Lead	Support
					Y1	Y2	Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3		Y4	Y5	Lead	Support
	Increase staffing in Climate Change Mitigation and Adaptation	staffing in Climate Change Mitigation and Adaptation increased	Number of new staff on boarded	4	1	2	1	1	0	0.5	1	0	0	0	0	0	0	GM,P	M,WR M&CC
	Undertake research on new and efficient technologies.	research on new and efficient technologies. undertaken	Number of studies undertaken	3	0	1	1	1	1	2	2	0	0	2	2	0	0	GM,P	M,WR M&CC
	Conduct assessments on climate proofing water technologies	assessments on climate proofing water technologies done	Number of assessments undertaken	4	1	1	1	1	1	2	2	0	0	2	2	0	0	GM,P	M,WR M&CC

KRA 4

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years	Target					Budget (Ksh.Mn)					Responsibility		
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5		Lead	Support
Strategic Issue: Research and Knowledge Management																	
Strategic Goal: Increase research and innovations in the water and sanitation sector																	
KRA: Bolstering Research and Innovation																	
Objective: Increase the research outputs from WaterFund financing																	
Outcome: At least 51 research studies in the water and sanitation Sector funded; At least 25 innovations in the water and sanitation sector funded																	
Document the state of the water sector	Undertake sector-wide study to assess and incorporate the mapping findings (from WASREB) of water and sanitation levels	Study report	Number of studies undertaken	1	0	1	0	0	0	0	10	0	0	0	0	GMPQM	GMP
	Develop research concepts	Research concepts developed and submitted	Number of concepts developed	5	1	1	1	1	1	2	2	2	2	2	2	GMFD	GMPQM
Finance research for water supply systems	Develop calls for research in water supply	research studies in water supply financed	Number of calls for research undertaken	5	1	1	1	1	1	50	50	70	100	150	100	GMPQM	GMP

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years	Budget (Ksh.Mn)										Responsibility				
					Target										Lead	Support			
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5					
	Review existing research and innovation financing framework	Research and Innovation Financing Framework in place	Number of review reports on research and innovation Frameworks	2	1	0	1	0	0	0	2	0	3	0	0	0	GMPQM	GMLS	
	Develop research and innovation financing policy	Research and Innovation Financing Policy in place	Number of research and innovation financing policies in place	2	1	0	1	0	0	0	2.5	0	2	0	0	0	GMPQM	GMLS	
	Operationalize the RIIMS systems	Reports Generated from the RIIMS	Number of reports on utilization of RIIMS	2	1	0	1	0	0	0	1	0	1	0	0	0	GMPQM	GMP	
	Review of the RIIMS systems	RIIMS Review undertaken	Number of reviews undertaken	2	0	0	1	0	1	0	0	0	2	0	1	0	GMPQM	GMP	
	Establish collaborations with other research institutions on specific thematic issues	collaborations with other research institutions on specific thematic issues established	Number of collaborations established	5	1	1	1	1	1	1	5	25	6	8	10	10	GMFD	GMPQM	

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years	Target					Budget (Ksh.Mn)					Responsibility		
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support	
Finance Research on sanitation	Develop research concepts in sanitation	funding of the research concepts	Number of concepts developed and submitted for funding	5	1	1	1	1	1	2	2	2	2	2	2	GMFD	GMPQM
	Develop calls for research in sanitation	calls for research in sanitation made	Number of calls made	5	1	1	1	1	1	30	50	70	100	150	150	GMPQM	GMP
Finance research in sewerage systems	Develop research concepts in sewerage	research concepts in sewerage developed	Number of concepts developed	5	1	1	1	1	1	2	2	2	2	2	2	GMFD	GMPQM
	Develop calls for research in sewerage	calls for research in sewerage made	Number of calls made	5	1	1	1	1	1	30	50	70	100	150	150	GMPQM	GMP
Finance Research in water resources and climate change initiatives	Develop research concepts for water resources and climate change	concepts for water resources and climate change made	Number of Research concepts developed and submitted for funding	5	1	1	1	1	1	2	2	2	2	2	2	GMFD	GMPQM
	Develop calls for research in IWRM and CC	calls for research in IWRM and CC made	Number of calls made	5	1	1	1	1	1	40	70	100	150	200	200	GMPQM	GMP

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years	Target										Budget (Ksh.Mn)			Responsibility		
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support				
Develop Research product towards improving water governance in the sector	Develop research products	research products developed	Number of research products developed and submitted for funding	5	1	1	1	1	1	2	2	2	2	2	2	GMD	GMPQM			
	Develop calls for research in water governance	calls for research in water governance undertaken	Number of research calls made and funded	5	1	1	1	1	1	10	30	50	70	100	GMPQM	GMP				
Finance policy studies in the water sector	Undertake policy gap analysis for water sector research thematic areas	policy gap analysis for water sector research thematic areas undertaken	Number of gaps analysis undertaken	5	1	1	1	1	1	5	3	3	3	3	GMPQM	GMLS				
	Develop policy position papers	Policy position papers developed	Number of position papers done	5	1	1	1	1	1.5	1.5	1.5	1.5	1.5	GMLS	GMPQM					
Finance Innovations concepts in water supply, sanitation,	Develop innovation concepts	Innovation concepts developed	Number of concepts developed	25	5	5	5	5	5	3	3	3	3	3	GMFD	GMPQM				

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years		Target					Budget (Ksh.Mn)					Responsibility		
				Y1	Y2	Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support	
				Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5
sewerage water resources & climate change	Develop calls for innovations in water supply, sanitation, sewerage water resources and climate change	Calls for innovations in water supply, sanitation, sewerage water resources and climate change made	Number of calls made	5	1	1	1	1	1	1	20	50	80	120	150	GMPQM	GMP	
	Develop and operationalize phase II of the RIMs systems	phase II of the RIMs systems operationalized	Percentage implementation of RIMs phase II	100%	0	0	100	0	0	0	0	0	7	0	0	GMPQM	GMP	
Finance innovative solutions towards water governance	Establish collaborations with other innovation labs	collaborations with other innovation labs established	Number of collaborations established	5	1	1	1	1	1	2	3	4	4	5	GMLS	GMFD		
	Develop innovation concepts	Concepts on Innovations in Water Governance developed	Number of concepts developed	5	1	1	1	1	1	2	2	2	2	2	2	GMPQM	GMP	
Finance innovative solutions towards water governance	Develop calls for innovations in water governance	calls for innovations in water governance done	Number of calls made	5	1	1	1	1	1	40	70	120	160	200	GMPQM	GMP		

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years					Target					Budget (Ksh.Mn)					Responsibility		
				Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support	
Finance upscaling of Innovations	Adopt innovative solutions into the programs	innovative solutions adopted into the programs	Number of innovative solutions adopted into programs	10	0	1	2	3	4	0	3	5	9	10	GMPQM	GMP					
	Undertake Innovations challenge	Innovations challenges undertaken	Number of innovation challenges held	2	0	0	1	0	1	0	0	50	0	50	GMPQM	GMP					
Develop and deploy the Knowledge Hub	Develop and implement the knowledge management strategy for the WaterFund	knowledge management strategy for the WaterFund implemented	Percentage implementation of the knowledge management strategy	100%	80	90	100	100	100	7	10	14	17	20	GMPQM	GMP					
	Set up the Knowledge Hub	Knowledge hub constructed	Percentage completion of the Knowledge Hub	100%	50	70	90	10	10	5	2	3	4	5	GMPQM	GMP					
Build staff capacity in research and knowledge management	Document and disseminate existing and new knowledge in the sector	existing and new knowledge in the sector documented and disseminated	Proportion of known knowledge documented and disseminated	100%	70	80	90	100	100	2	2	2	2	2	GMPQM	GMP					
	Recruitment of additional staff in research	additional staff in research recruited	Number of additional staff recruited	6	2	1	1	1	1	0	0	0	0	0	GMCS	GMPQM					

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years	Target					Budget (Ksh.Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Train staff in documentation and knowledge management	Staff trained in documentation and knowledge management	Proportion of staff trained	100%	100	100	100	100	100	0	0	0	0	0	GMCS	GMPQM

KRA 5

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years					Target					Budget (Ksh.Mn)					Responsibility	
				Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5		Lead
Strategic Issue: Institutional Strengthening																				
Strategic Goal: Enhance institutional capacity of the WaterFund																				
KRA: Institutional Strengthening and Sustainability																				
Strategic Objective: Increase Organizational Capacity to Deliver on Mandate																				
Outcome: Holistic Organization Capacity Assessment Index (HOCAI) of 70% and above achieved																				
Enhance employee satisfaction	Establishment and Implementation of a Fair compensation, rewards and benefits scheme for the Fund	Fair compensation, rewards and benefits scheme established and reviewed periodically	Number of Compensation & Reward Schemes Developed & Reviewed.	1	1	0	0	1	0	2	0	0	0	0	0	0	0	0	GMCS	MHRA
	Establishment and Implementation of clear career plans for all the Fund's staff	Career progression plan established for all staff	Number of Career Plans Reviewed and Established	2	1	0	0	1	0	2	0	0	0	0	0	0	0	0	0	GMCS
	Provision of adequate office space and tools of trade to all staff	Working tools, equipment and space created for all staff.	Proportion of staff provided with working equipment and tools	100%	100	100	100	100	100	10	15	20	10	15	10	15	10	15	GMCS	MHRA

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years	Target										Responsibility		
					Budget (Ksh.Mn)												
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5		Lead	Support
	Enhance staff welfare and work-life balance initiatives at the Fund	Welfare and worklife balance initiatives implemented	Number of welfare initiatives implemented	10	2	2	2	2	2	2	17	19	21	23	25	GMCS	MHRA
Improve employee productivity	Undertake talent recruitment in line with the approved staff establishment	Talent recruited in line with staff establishment	Number of Positions recruited	85%	55	60	65	75	85	264	312	408	468	516	GMCS	MHRA	
	Development of staff competence through training, coaching, mentorship and job shadowing/understudying	Staff competence developed through various initiatives	Proportion of staff taken through competence development	100%	20	60	80	90	100	20	22	24	27	30	GMCS	MHRA	
Increase functionality of assets	Implementation of the Asset utilization report	Asset utilization report implemented	% implementation of the asset utilization report	80%	80	80	80	80	80	40	50	60	70	80	GMCS	MHRA	
	Fleet management automation	Fleet management System	proportion of fleet management automated	100%	20	40	60	80	100	0	7	0.5	0.5	0.5	GMCS	MHRA	

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years	Target										Responsibility							
					Budget (Ksh.Mn)																	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5		Lead	Support					
Adopt prudent financial management	Comply with relevant laws, guidelines and circulars	Compliance with relevant laws, guidelines and circulars	Percentage compliance levels	100%	100	100	100	100	100	100	100	100	100	100	10	10	10	10	10	10	GMCS	GMPQM
	Develop and implement financial management frameworks	Financial Management Frameworks Implemented	% implementation of the Financial Management Frameworks	100%	100	100	100	100	100	100	100	100	100	100	5	5	5	5	5	5	GMCS	GMPQM
Automation of processes	Automate HR processes	HR Management Systems automated	Proportion of HR processes automated	100%	25	75	100	100	100	100	100	100	100	100	2.5	1	1	0	0	0	GMCS	MICT
	Automate audit processes	Audit Management System automated	Proportion of audit processes automated	100%	25	75	100	100	100	100	100	100	100	100	1	1	2	0	0	0	GMPARA	MHRA
	Automate research and innovations processes	Automated Research and innovation management system	Proportion of research and innovation processes automated	100%	25	50	75	100	100	100	100	100	100	100	4	2	2	2	0	0	GMPQM	MHRA
	Automate projects management	Automated Project management system	Proportion of project management processes automated	100%	20	40	60	90	100	100	100	100	100	100	2	5	5	3	2	2	GMP	MHRA

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years	Target										Responsibility		
					Budget (Ksh.Mn)												
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5		Lead	Support
	Automate fleet management	Automated Fleet management System	Proportion of fleet management processes automated	100%	0	25	75	100	100	100	0	2	1	1	0	GMCS	MHRA
	Enhance ERP to more functions	Increase ERP functions	Proportion of functions on ERP	100%	0	25	50	80	100				3	2	1	GMCS	MHRA
	Automate document management processes	Electronic document management system in place	Proportion of document management processes automated	100%	0	10	40	80	100	100	0	1	5	5	1	GMCS	MHRA
	Leverage on technology tools for effective fund development management	Automate Fund Development Management System	Proportion of the Fund Development system automated	100%	50	70	80	90	100	100	5	2	2	2	2	GMFD	MHRA
Improve legal compliance	Review the legal management and compliance function	Legal management and compliance function reviewed	% Implementation of the legal management review report	100%	40	60	80	100	100	100	4	4	4	4	4	GMLS	GMCS
	Undertake annual legal compliance audits	Legal Compliance audit undertaken	Number of legal compliance audits undertaken	5	1	1	1	1	1	1	2.5	3	3.5	4.5	5	GMCS	MHRA

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years	Target										Responsibility		
					Budget (Ksh.Mn)												
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5		Lead	Support
	Review of standard financing contracts	Financing Contracts Reviewed	Proportion of financing contracts reviewed	100%	100	100	100	100	100	100	0.5	1.5	2	2	3	GMRA	GMCS
	Resource the Legal Department	Additional staff on boarded in the legal department	Number of additional staff on boarded	7	1	2	1	1	1	2	0	0	0	0	0	GMCS	GMCS
		Legal books acquired	Number of books purchased	37	5	6	10	6	10	6	0.1	0.1	0.3	0.1	0.3	GMCS	GMCS
Improve corporate governance	Board trainings in each financial year	Board trainings conducted as scheduled	Number of board trainings conducted	14	2	3	3	3	3	3	5	6	6	6	6	GMCS	GMCS
	Board evaluation involving SCAC	Annual Board Evaluations undertaken	Number of board evaluations undertaken	5	1	1	1	1	1	1	1	1	1	1	1	GMCS	GMCS
	Board Charter annual review	Board Charter Reviewed Annually	Number of reviews undertaken	5	1	1	1	1	1	1	0.5	1	1	1	1	GMCS	GMCS

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years	Target										Responsibility				
					Budget (Ksh.Mn)														
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5		Lead	Support		
Improve stakeholder engagement	Stakeholder mapping	Stakeholder mapping reports	Number of stakeholder mapping exercises undertaken	5	1	1	1	1	1	1	1	1	1	1	1	1	1	GMP QM	GMP
	Development of Stakeholder Engagement Framework	Stakeholder Engagement Frameworks in place	Number of stakeholder engagement frameworks developed, implemented and reviewed	1	1	0	1	0	0	0	0	0	0	0	0	0	0	GMP QM	GMP
	Development of a crisis communication policy	Crisis Communication policy	Number of Crisis Communication policies developed, implemented and reviewed	1	1	0	1	0	0	0	0	0	0	0	0	0	0	GMCS	MCC
Improve customer satisfaction	Annual customer satisfaction survey	Annual Customer Satisfaction Surveys conducted	Number of surveys undertaken	5	1	1	1	1	1	1	1	1	1	1	2	2	2	GMCS	MCC
	Streamline complaints resolution processes	Complaints resolution processes streamlined	Proportion of processes streamlined	100%	100	100	100	100	100	100	100	100	100	100	0	0	0	GMCS	MCC

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years	Target										Responsibility			
					Budget (Ksh.Mn)													
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5		Lead	Support	
	Comply with the Customer Service Delivery Charter	Compliance with Customer Service Delivery Charter	Compliance level to commitments to the CSDC	100%	100	100	100	100	100	100	0	0	0	0	0	0	GMCS	MCC
Improve on brand equity	Undertake biennial brand surveys	Biannual brand surveys undertaken	Number of surveys undertaken	3	1	0	1	0	3	0	3	0	3	0	3	0	GMCS	MCC
	Develop brand identity guidelines and evaluate every two years	Brand Identity guidelines	Number of brand identity guidelines developed and reviews undertaken	1	1	0	1	0	1	0	1	0	1	0	1	0	GMCS	MCC
Enhance visibility	Media engagement campaigns	Media Engagement Campaigns undertaken	Number of campaigns undertaken annually	1	1	1	1	1	1	1	10	10	10	10	10	10	GMCS	MCC
	Review the communication strategy	Communication Strategy Reviewed	Number of reviews undertaken	1	1	0	0	0	0	0	0	0	0	0	0	0	GMCS	MCC
	Monitor social media presence, campaigns and platforms	Media Monitoring Reports generated	Number of monitoring reports	5	1	1	1	1	1	1	1	1	1	1	1	1	GMCS	MCC

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years	Target										Budget (Ksh.Mn)	Responsibility		
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5			Lead	Support
	Recruit additional staff for corporate communications	Additional staff for the corporate communications recruited	Number of new staff engaged in the communications section	4	1	2	1	0	0	0	0	0	0	0	0	GMCS	MCC	
Reduction of risk exposure	Undertake Statutory audits	Statutory Audit undertaken	Compliance rates of statutory audits	100	100	100	100	100	100	100	2	2	2	2	2	GMRA	GMP	
	Governance audit of WaterFund	Governance Audits undertaken	% compliance with the governance audits scheduled	100	100	100	100	100	100	100	3	3	3	3	3	GMRA	GMLS	
	Undertake project related audits (external audits)	External audits for projects undertaken	Number of external audits undertaken	25	5	5	5	5	5	5	25	25	30	30	30	GMRA	GMP	
	Undertake project related audits (internal audits)	Internal Audit undertaken	Proportion of funded projects audited	Mini mum 50%	≥50	≥50	≥50	≥50	≥50	≥50	20	20	20	20	20	GMRA	GMP	
	Review of WaterFund risk management policy and framework	Waterfund Risk Management Policy Reviewed	Number of reviews undertaken	2	1	0	0	1	0	3	0	0	3	0	0	GMRA	GMP	

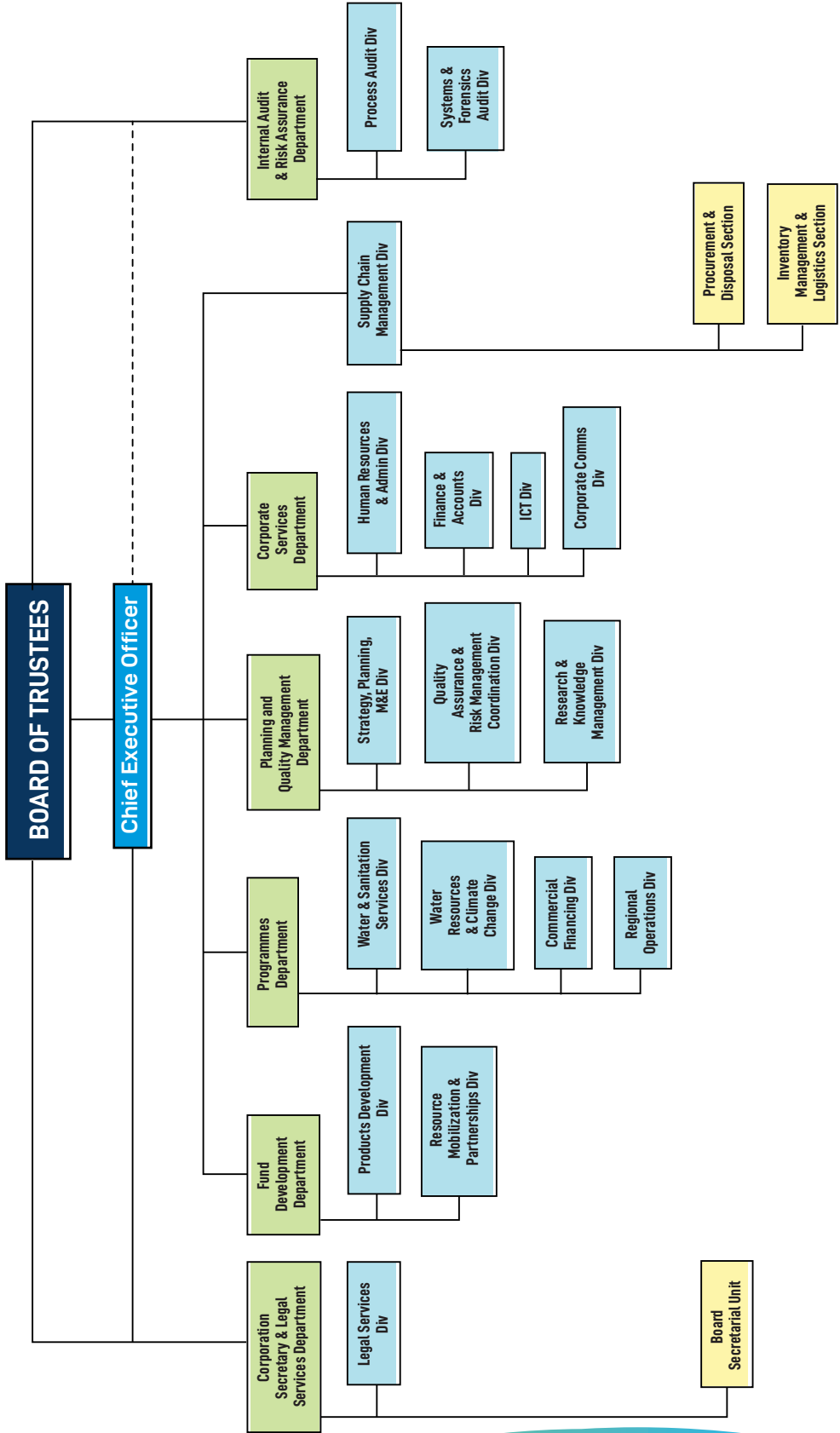
Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years	Target										Responsibility							
					Budget (Ksh.Mn)																	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5		Lead	Support					
	Governance audits of IPs funded by Fund	Governance status of different IPs undertaken	Number of Governance Audits undertaken	5	1	1	1	1	1	1	1	1	1	1	12	12	12	12	12	12	GMRA	GMP
	Support IPs in the implementation of integrity management toolbox	IPs supported with integrity management toolbox	Number of IPs supported	≥3 per year	3	3	3	3	3	3	3	3	3	13	3	3	3	3	3	3	GMP	GMPARA
Enhance efficiency and value for money in supply chain	Develop procurement and asset disposal plans	Procurement and asset disposal Plans developed	Number of plans developed on time	5	1	1	1	1	1	1	1	1	1	1	0.5	0.5	0.5	0.5	0.5	0.5	GMCS	MSCM
	Undertake annual market survey	Market surveys undertaken	Number of surveys undertaken annually	5	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	MSCM	GMCS
	Increase the number of supply chain staff	Additional supply chain staff engaged	Number of staff engaged	6	2	1	1	1	1	1	1	1	1	1	0	0	0	0	0	0	GMCS	MSCM
	Develop the procurement policy	Procurement policy in place	Number of policy documents	1	1	0	0	0	0	0	0	0	0	0	5	0	0	0	0	0	MSCM	GMCS

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years	Target										Responsibility		
					Budget (Ksh.Mn)												
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5		Lead	Support
	Automation of supply chain processes	Supply chain Management System automated	Proportion of procurement processes automated	90%	50	60	70	80	90	10	3	3	3	3	3	MSCM	MICT
	Training of procurement and institutional staff	Staff trained on procurement	Proportion of staff trained on procurement	85%	15	30	50	75	85	0	0	0	0	0	0	GMCS	MSCM
Enhance institutional performance index	Develop performance management tools and systems	Performance management tools and systems	Number of tools and systems developed and deployed	1	1	0	0	1	0	1	0	1	0	0	0	GMP QM	GMCS
	Develop, implement and review corporate strategy	Reviewed corporate strategy implemented	Percentage implementation of the strategy	100%	10	30	50	70	100	0	0	0	0	0	0	GMP QM	GMCS
	Develop and monitor the implementation of institutional annual work plans	Institutional work plan monitoring reports developed	Number of monitoring reports on the work plans	5	1	1	1	1	1	0	0	0	0	0	0	GMP QM	GMCS
	Establish and operationalize Institutional Results Framework	Approved Results Framework in place	Number of Institutional Results Framework implemented	1	1	0	0	0	0	1	1	1	0	0	0	GMP QM	GMCS

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years	Target										Responsibility				
					Budget (Ksh.Mn)														
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5		Lead	Support		
Enhance compliance of operations and projects	Develop Monitoring and Evaluation Policy	Approved Monitoring and Evaluation Policy	Number of Monitoring and Evaluation Policies developed and Implemented	1	0	1	0	0	0	0	0	0	0	0	0	0	0	GMP QM	GMCS
	Undertake results based monitoring of institutional operations and projects	Implementation of projects monitored and reported on	Number of monitoring reports	10	2	2	2	2	2	2	2	2	2	2	2	1	1	GMP QM	GMP
	Develop and operationalize institutional M&E system	Institutional M&E System developed	Number of Functional institutional M&E system	1	0	1	1	1	1	1	1	1	1	1	1	0	0	GMP QM	GMP
Integrate quality into the Fund's operations	Develop, implement and standardize operating manuals for all operational processes	Departmental process manuals developed	Number of manuals developed and deployed	12 per year	12	12	12	12	12	12	12	12	12	12	3	0	2	GMP QM	GMCS
	Pursue Certification of Organizational Management System e.g.. QMS, ISMS	ISO Certification attained	Number of certifications attained	1gy	1	0	1	0	1	0	3	0	0	0	1	0	0	GMP QM	GMCS

Strategy	Key Activity	Expected Output	Output Indicator	Target for Five Years	Target					Budget (Ksh.Mn)					Responsibility		
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5		Lead	Support
	Establish, operationalize and review projects flagging system	Project Flagging System in place	Number of systems in place	1	0	1	1	1	1	1	0	0	0	0	0	GMP QM	Support GMCS

ANNEX II: ORGANIZATION STRUCTURE



ANNEX III: STRATEGY IMPLEMENTATION COMMITTEE

No.	Department/Division
a.	General Manager, Programme
b.	General Manager, Fund Development
c.	General Manager, Corporate Services
d.	General Manager, Legal Services & Corporation Secretary
e.	General Manager, Internal Audit & Risk Assurance
f.	Ag. Manager, Research, Planning and M&E
g.	Manager, Water Resources and Climate Change
h.	Manager, Commercial Financing/Urban Investments
i.	Manager, Water & Sanitation Services
j.	Manager, ICT
k.	Manager, Human Resources and Administration
l.	Manager, Supply Chain
m.	Principal Officer, Corporate Communication

