



**MINISTRY OF WATER,  
SANITATION AND IRRIGATION**



**WATER SECTOR TRUST FUND**

# **WATER SECTOR TRUST FUND**

**STRATEGIC PLAN (2023 – 2027)**

DRAFT

**September 2023**

## **VISION**

**Sustainable funding of safe water and sanitation for all**

## **MISSION**

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

## **CORE VALUES**

**Quality**  
**Integrity**  
**Human dignity**  
**Equity**  
**Inclusivity**

## **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 25,000 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.

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 2023 – 2027 Strategic Plan 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 envisioned 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

<b>ASAL</b>	Arid and Semi-Arid Lands
<b>AU</b>	African Union
<b>B; Bn</b>	Billion
<b>BoT</b>	Board of Trustees
<b>BSC</b>	Balanced Score Card
<b>CC</b>	Climate Change
<b>CEO</b>	Chief Executive Officer
<b>CFAs</b>	Community Forest Associations
<b>CLTS</b>	Community Led Total Sanitation
<b>CO<sub>2</sub></b>	Carbon dioxide
<b>DTFs</b>	Decentralized Treatment Facility
<b>EAC</b>	East African Community
<b>ERP</b>	Enterprise Resource Planning
<b>GMA&amp;R</b>	General Manager Audit and Risk
<b>GMCS</b>	General Manager Corporate Services
<b>GMFD</b>	General Manager Fund Development
<b>GMLS</b>	General Manager Legal Services
<b>GMP</b>	General Manager Programs
<b>GMP&amp;QM</b>	General Manager Planning and Quality Management
<b>GoK</b>	Government of Kenya
<b>HDPE</b>	High Density Polyethylene
<b>HOCAI</b>	Holistic Organization Capacity Assessment Index
<b>HR</b>	Human Resources
<b>ICT</b>	Information and Communication Technology
<b>INGOs</b>	International Non-Governmental Organizations
<b>IPs</b>	Implementing Partners
<b>IWRM</b>	Integrated Water Resource Management
<b>Ksh.</b>	Kenya Shillings
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MCF</b>	Manager Commercial Financing
<b>MDAs</b>	Ministries Departments and Agencies
<b>MFD</b>	Manager Fund Development

<b>MHRA</b>	Manager Human Resource and Administration
<b>MICT</b>	Manager ICT
<b>M</b>	Million
<b>MQA</b>	Manager Quality Assurance
<b>MR&amp;KM</b>	Manager Research and Knowledge Management
<b>MRPM&amp;E</b>	Manager, Research Planning Monitoring and Evaluation
<b>MSCM</b>	Manager Supply Chain Management
<b>MTEF</b>	Medium Term Expenditure Framework
<b>MTP</b>	Medium Term Plan
<b>MWRCC</b>	Manager Water Resources and Climate Change
<b>MWSI</b>	Ministry of Water Sanitation and Irrigation
<b>ODF</b>	Open Defecation Free
<b>POCC</b>	Principle Officer Climate Change
<b>PE</b>	Personnel Emoluments
<b>PESTLE</b>	Political Economic Socio-cultural Technological Legal and Environmental
<b>PPCs</b>	Public Private Collaborations
<b>PPPs</b>	Public Private Partnerships
<b>PSF</b>	Public Sanitation Facilities
<b>QAC</b>	Quality Assurance and Control
<b>QMS</b>	Quality Management Systems
<b>RBF</b>	Results Based Financing
<b>RIIMS</b>	Research and Innovation Information Management System
<b>RWH</b>	Rain Water Harvesting
<b>SCAC</b>	State Corporation Advisory Committee
<b>Sq. Km</b>	Square Kilometers
<b>SWOT</b>	Strengths Weaknesses Opportunities Threats
<b>TA</b>	Technical Assistance
<b>WASREB</b>	Water Services Regulatory Board
<b>WDC</b>	WRUA Development Cycle
<b>WHO</b>	World Health Organization
<b>WRM</b>	Water Resource Management
<b>WRUAs</b>	Water Resource Users Associations
<b>WSPs</b>	Water Service Providers
<b>WaterFund</b>	Water Sector Trust Fund

## EXECUTIVE SUMMARY

Water Sector Trust Fund (WaterFund) is the Kenyan State Corporation under the Ministry of Water, Sanitation and Irrigation, 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 WaterFund is mandated 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. 18.05 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. 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 result areas:

- a. Access to safe water and dignified sanitation with a target of an additional 3.2 million people accessing safe water and dignified sanitation.
- b. Fund Development with a target to raise an additional Ksh. 52 B to finance water, sanitation, IWRM, Climate Change and Research and Innovations.
- c. Water resources management and climate change with a target to increase area under conservation to 2,500 and improve storage capacities.
- d. Bolstering research and innovation with a target to finance at least 50 research studies and 25 innovations in the water and sanitation sector.
- e. Institutional development and sustainability with a target to achieve a Holistic Organization Capacity Assessment Index (HOCAI) of 70% and above.

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.38 B to be raised through increased GoK funding to Ksh. 5 B, increased funding from Development Partners to Ksh. 25 B, increase leveraged funding to Ksh. 3 B, operationalize the Water Levy to unlock Ksh. 1.5 B,

raise Ksh. 1.3 B from investment income, raise Ksh. 200 million through own source revenues and increase the WaterFund capability in resource mobilization

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.

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# 1. INTRODUCTION

## 1.0 Overview

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.

## 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, Medium Term Plan (MTP) IV and the Bottom-up Development Agenda (BETA).

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: -

### **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.

### **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.

### **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.

### **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.

### **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.

## **1.3 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

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## 2. 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 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

#### 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 marginalized areas or any area which is considered by the Board of Trustees to be underserved.

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. Increase research and innovations in the water and sanitation sector
5. Enhance institutional capacity of the WaterFund

### 3. 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.

Table 3.1: Summary of Opportunities and Threats

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

ENVIRONMENTAL FACTOR	OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>Ecological</li> </ul>	<p>Increased emphasis on environmental protection</p> <p>Climate Financing</p>	<ul style="list-style-type: none"> <li>a. Pandemics</li> <li>b. Impacts of climate change on implemented projects</li> </ul>

### 3.1.2 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 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 3:2: Summary of Strengths and Weaknesses of WaterFund

Factor	Strengths	Weaknesses
Governance and Administrative Structures	<ul style="list-style-type: none"> <li>Good governance and management structure</li> <li>Well outlined mandate and objectives</li> <li>Cordial relationship with the Counties</li> <li>Resource Mobilization</li> <li>Financial Management</li> <li>Stakeholder Management</li> <li>Corporate Governance</li> <li>Oversight and Operational Excellence</li> <li>Litigations &amp; Regulatory compliance;</li> <li>Steady funding growth</li> <li>Strong partnership development and management</li> <li>Diverse and increasing Partners</li> <li>Introduction of sustainable financing models</li> <li>Competent personnel</li> <li>Programs Design and Implementation</li> </ul>	<ul style="list-style-type: none"> <li>Low staffing levels in key technical functions</li> <li>High DP dependency</li> <li>Inadequate operational funds</li> <li>Inadequate GOK development allocation especially for seed fund</li> <li>Past reliance on unsustainable traditional financing models</li> <li>Low absorption of Funds</li> <li>Inadequate consultation during programme design</li> <li>Corporate Research Function not yet established</li> <li>Inadequate Automation of Processes;</li> <li>Inadequate Automation of Records;</li> <li>Regional imbalance in terms of investments</li> <li>Inadequate Succession Planning</li> </ul>

Factor	Strengths	Weaknesses
Internal Business Processes	<ul style="list-style-type: none"> <li>○ Good systems and procedures</li> <li>○ Presence of WSTF in the Counties through County Resident Monitor and County Resident Engineer (Quality Assurance Monitors)</li> <li>○ Functional E Board System</li> <li>○ Coordination of Institutional Activities</li> <li>○ Compliance with board schedule</li> <li>○ Strong partnership development and management</li> <li>○ Strong Expertise in proposal and products development</li> <li>○ Wide database of Partners and Stakeholders</li> <li>○ Departmental Excel based proposal tracking system</li> <li>○ Efficient Institutional Planning.</li> <li>○ ISO 9001:2015 certification.</li> <li>○ Establishment of the research system and development of the Research and Innovation Framework and Policy</li> <li>○ Compliance with budgets</li> <li>○ Robust HR System</li> <li>○ Timely supply of goods and services</li> <li>○ Timely audit activities</li> </ul>	<ul style="list-style-type: none"> <li>○ Lack of system integration</li> <li>○ Non automated processes</li> <li>○ Currently no digital system for Fund Development activities</li> <li>○ Long project proposal and approval cycle</li> <li>○ Inadequate follow up mechanisms</li> <li>○ Limited budgetary allocation to implement the planned activities</li> <li>○ Limited Auditors and non-compliance to the Procedures</li> <li>○ Lack of funding for the research calls for proposal.</li> <li>○ Overambitious targets</li> <li>○ Risk and audit functions not separated</li> </ul>
Resources and Capabilities	<ul style="list-style-type: none"> <li>○ Highly skilled and knowledgeable human resources</li> <li>○ Access to financial resources</li> <li>○ National Government goodwill</li> <li>○ Well established collaboration and partnership with Development Partners</li> </ul>	<ul style="list-style-type: none"> <li>○ Inadequate capacity building of staff</li> <li>○ Over dependence on development partners funding</li> <li>○ Limited office space</li> <li>○ Aging fleet of motor vehicles</li> </ul>

### 3.1.4 Analysis of Past Performance

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

Table 3:3: 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 2018 – 2022 Strategic Plan. These challenges and proposed mitigation measures are outlined as follows:

1. Lengthy funding and fund management processes (negotiation and signing)
2. Inefficient collaborations
3. Inadequate funding to meet the existing demand
4. Delays occasioned by bureaucracies at the County government level
5. Limited capacity of Implementing Partners
6. Limited focus on Integrated Water Resources Management (IWRM)
7. Limited focus on sanitation
8. Limitation in documentation of sector-wide initiatives undertaken
9. Pandemic and disasters
10. Climate change mitigation and adaptation challenges
11. Limited innovation
12. Policy gaps

### 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 3:4: 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"> <li>○ Policy and Oversight</li> <li>○ Resource Mobilization and Engagement of Strategic Partners</li> </ul>	<ul style="list-style-type: none"> <li>○ Compliance with internal policies and procedures</li> <li>○ Timely reporting</li> <li>○ Prudent utilization of finances</li> <li>○ Proper implementation of projects</li> </ul>	<ul style="list-style-type: none"> <li>○ Provide strategic leadership and guidance</li> <li>○ Timely approvals</li> <li>○ Support in resource mobilization and policy influencing</li> <li>○ Allocation of budgets</li> </ul>
Staff	<ul style="list-style-type: none"> <li>○ Implementers of policies and organization wide activities</li> </ul>	<ul style="list-style-type: none"> <li>○ Conducive work environment</li> <li>○ Capacity development</li> </ul>	<ul style="list-style-type: none"> <li>○ Achievement of performance targets</li> </ul>

Name of stakeholder	Role of Stakeholder	Stakeholder's expectation from organization	Organization's expectation from the stakeholder
		<ul style="list-style-type: none"> <li>○ Favorable terms of employment</li> </ul>	<ul style="list-style-type: none"> <li>○ Upholding the values of the WaterFund</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>○ Supply of goods and services</li> </ul>	<ul style="list-style-type: none"> <li>○ Efficient procurement systems</li> <li>○ Timely payments</li> </ul>	<ul style="list-style-type: none"> <li>○ Supply of quality goods and services</li> </ul>
Development Partners	<ul style="list-style-type: none"> <li>○ Provision of financial and technical support</li> </ul>	<ul style="list-style-type: none"> <li>○ Timely implementation of projects</li> <li>○ Timely submission of quarterly and annual reports</li> <li>○ Timely steering meetings</li> <li>○ Innovative projects/programs</li> <li>○ High impact of projects</li> <li>○ Prudent utilization of funds</li> </ul>	<ul style="list-style-type: none"> <li>○ Timely release of funding and continuous partnership/engagement</li> <li>○ Offer technical support</li> <li>○</li> </ul>
National Treasury and related institutions	<ul style="list-style-type: none"> <li>○ Provision of state funding and monitoring compliance with the PFMA</li> <li>○ National Planning</li> </ul>	<ul style="list-style-type: none"> <li>○ Timely reports</li> <li>○ Prudent utilization of funds</li> </ul>	<ul style="list-style-type: none"> <li>○ Timely release of funding</li> <li>○ Protection of budgets</li> <li>○ Government co-funding</li> <li>○ Support in shortening the negotiation processes</li> </ul>
Ministry of Water, Sanitation and Irrigation	<ul style="list-style-type: none"> <li>○ Water Sector Policy and Oversight</li> </ul>	<ul style="list-style-type: none"> <li>○ Timely reports</li> <li>○ Engagement on policy issues</li> <li>○ High impact projects</li> </ul>	<ul style="list-style-type: none"> <li>○ Development of favourable policies and regulations</li> <li>○ Support in lobbying for additional budgets</li> <li>○ Submission of proposals to the National Treasury</li> <li>○ Financial support (GoK priority programs)</li> </ul>
Constitutional Commissions and Independent Offices	<ul style="list-style-type: none"> <li>○ Implementation and monitoring of various constitutional provision</li> </ul>	<ul style="list-style-type: none"> <li>○ Compliance with the constitutional provisions</li> <li>○ Timely provision of reports</li> </ul>	<ul style="list-style-type: none"> <li>○ Highlighting issues affecting provision of water and sanitation services</li> </ul>
Other MDAs	<ul style="list-style-type: none"> <li>○ Implementation of NG policy</li> </ul>	<ul style="list-style-type: none"> <li>○ Partnerships and collaborations</li> </ul>	<ul style="list-style-type: none"> <li>○ Enhanced collaborations in areas of mutual interest</li> </ul>
County Governments	<ul style="list-style-type: none"> <li>○ Provision of devolved services to the citizenry</li> </ul>	<ul style="list-style-type: none"> <li>○ Continuous engagement</li> <li>○ Adequate consultations on projects</li> <li>○ Equitable funding for water and sanitation projects</li> </ul>	<ul style="list-style-type: none"> <li>○ Timely contributions of counterpart funding</li> <li>○ Timely issuance of letters of support</li> <li>○ Collaboration in project development</li> </ul>

Name of stakeholder	Role of Stakeholder	Stakeholder's expectation from organization	Organization's expectation from the stakeholder
Implementing Partners	<ul style="list-style-type: none"> <li>○ Provision of last mile connection of water and sanitation services</li> </ul>	<ul style="list-style-type: none"> <li>○ Capacity development</li> <li>○ Timely financing of projects</li> </ul>	<ul style="list-style-type: none"> <li>○ Accountability in funds utilization</li> <li>○ Timely completion of projects</li> <li>○ Submission of timely reports.</li> </ul>
Water Sector institutions	<ul style="list-style-type: none"> <li>○ Implementation of specific provisions of the Water Act</li> </ul>	<ul style="list-style-type: none"> <li>○ Development of joint funding proposals</li> <li>○ Consultations</li> </ul>	<ul style="list-style-type: none"> <li>○ Increased collaborations in project development and fundraising</li> </ul>
Civil Society Organizations	<ul style="list-style-type: none"> <li>○ Advocacy and provision of basic services to the vulnerable groups</li> </ul>	<ul style="list-style-type: none"> <li>○ Collaborations and partnerships</li> <li>○ Accountability</li> <li>○ High impact projects</li> </ul>	<ul style="list-style-type: none"> <li>○ Support in mobilization of communities</li> <li>○ Support in financing projects</li> <li>○ Support in projects implementation</li> <li>○ Partnerships in areas of mutual interest</li> </ul>
Investor interest groups	<ul style="list-style-type: none"> <li>○ Provision of financing options for projects</li> </ul>	<ul style="list-style-type: none"> <li>○ Partnerships</li> <li>○ Accountability</li> </ul>	<ul style="list-style-type: none"> <li>○ Provision of funding for projects</li> </ul>
Research Institutions and Academia	<ul style="list-style-type: none"> <li>○ Undertake research and knowledge generation</li> </ul>	<ul style="list-style-type: none"> <li>○ Partnerships in research and innovations</li> <li>○ Funding for research works</li> </ul>	<ul style="list-style-type: none"> <li>○ Provision of accurate data and information</li> <li>○ Collaborations in research and innovation</li> </ul>
Private Sector	<ul style="list-style-type: none"> <li>○ Provision of financing</li> <li>○ Production of goods and services for the citizenry</li> </ul>	<ul style="list-style-type: none"> <li>○ Partnerships</li> <li>○ Funding for innovations</li> </ul>	<ul style="list-style-type: none"> <li>○ Support in financing and PPPs</li> </ul>
Communities/Users/Beneficiaries	<ul style="list-style-type: none"> <li>○ Consumers of good and services from the public and private sector</li> </ul>	<ul style="list-style-type: none"> <li>○ Adequate financing for water and sanitation projects</li> <li>○ Involvement in WRM</li> </ul>	<ul style="list-style-type: none"> <li>○ Cooperation</li> <li>○ Citizen oversight in the projects</li> <li>○ Protection and conservation of water resources</li> </ul>

## 4. 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.

- i. Inadequate Water and Sanitation Access
- ii. Inadequate Financing of Water and Sanitation Infrastructure
- iii. Dwindling Water Resources
- iv. Climate Change impacts
- v. Inadequate data, information on water, sanitation and water resource management
- vi. Inadequate Institutional capacity

### 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.

*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

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## 5. 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.

### 5.1 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 <sup>2</sup> conserved	2,500	275	430	470	520	805
	Storage Capacity increased	Capacity in m <sup>3</sup> of storage increased	0.55 Million M <sup>3</sup>	0.066	0.088	0.11	0.132	0.154

KRA 4: Bolstering Research and Innovation								
Increase the research outputs from WaterFund financing	At least 50 research studies in the water and sanitation Sector funded	No. of Research Studies Financed	50	4	6	8	10	12
	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

### 5.3 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
<b>Key Result Area 1: Safe water and dignified sanitation</b>		
1	Increase the number of persons accessing safe water and dignified sanitation	Increase the population accessing safe water by 2.2 million
		Increase the population accessing dignified sanitation by 1 million people
		Enhance the capability of the WaterFund and Implementing Partners in water and sanitation projects implementation
<b>Key Result Area 2: Fund Development</b>		
2	Increase funding for Waterfund activities	Increase GoK Funding to Ksh. 7 B
		Increase funding from development partners to Ksh. 32 B
		Increase leveraged funding to Ksh. 7.5 B
		Operationalize the Water Levy to unlock Ksh. 2.5 B
		Raise Ksh. 1.8 B from investment income
Raise Ksh. 200 Million through own source revenues		

No.	Objectives	Strategies
		Raise 1 billion through viability financing and other PPPs activities
		Increase the WaterFund capability in resource mobilization
<b>KRA 3: Integrated Water Resource Management and Climate Change</b>		
3	Increase area under conservation and improve storage capacities	Conserve 2,500 Sq. Km of water catchment areas
		Increase water storage capacity
		Build climate change resilience in 100% of the Fund's Projects
		Contribute towards the reduction of greenhouse carbon emissions
<b>KRA 4: Bolstering Research and Innovation</b>		
4	Increase the research outputs from WaterFund financing	To generate sector-wide information on the water sector
		To generate information to strengthen decision making support systems
		To generate cost effective and efficient solutions in areas of water supply, sanitation, water resources and climate change to improve service delivery
		To adopt innovations in water sector programs
		To increase access and availability of knowledge in the water sector
		To strengthen capacities for research establishment
<b>KRA 5: Institutional Strengthening and Sustainability</b>		
5	Increase Organizational Capacity to Deliver on Mandate	Augment human resource capacity
		Augment institutional capacity in assets administration and management
		Enhance financial management
		Increase the application of ICT
		Improve corporate governance
		Enhance communication and stakeholder management
		Improve supply chain management function
		Improve on corporate planning
		Improve on quality management
		Enhance monitoring and evaluation

## **6. 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
Senior Officers	82	113	42	71
Officers	9	15	2	13
Clerical	29	55	18	37
<b>Total</b>	<b>175</b>	<b>255</b>	<b>95</b>	<b>160</b>

### 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 Corporate Services 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 6.2: Risk Management Framework

Risk Category	Risk and Description	Likelihood (L/H/M)	Impact (L/H/M)	Overall Risk Level	Mitigation Measure(s)	Risk Owner*
<b>Operational risk</b>	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

<b>Risk Category</b>	<b>Risk and Description</b>	<b>Likelihood (L/H/M)</b>	<b>Impact (L/H/M)</b>	<b>Overall Risk Level</b>	<b>Mitigation Measure(s)</b>	<b>Risk Owner*</b>
<b>Market risk</b>	Exposures arising from competitive activities and market changes	H	M	M	Undertake risk-based budgeting and incorporate market fluctuations in program development	ALL
<b>Technology risk</b>	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
<b>Cyber Risk</b>	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
<b>Strategic risk</b>	WaterFund may fail to achieve its strategic objectives	M	M	M	Enhance the performance management system as well as monitoring and evaluation	ALL
<b>Capital risk</b>	WaterFund may fail to mobilize sufficient funding for the projected growth	H	M	M	Develop and implement a robust resource mobilization strategy	ALL
<b>Governance risk</b>	Failure to adhere to established good governance principles	M	M	M	Enhance compliance with <i>Mwongozo</i> and other statutory instruments	ALL
<b>Reputation risk</b>	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
<b>Climate Change</b>	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
<b>Other risks</b>	The day-to-day business of the WaterFund could be disrupted by	M	H	M	Continuously monitor the legal and regulatory environment and	ALL

Risk Category	Risk and Description	Likelihood (L/H/M)	Impact (L/H/M)	Overall Risk Level	Mitigation Measure(s)	Risk Owner*
political, legal & regulatory	changes in government, laws or regulations				make 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)

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## 7. 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 KNBS.

### 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.

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
<b>Total</b>	<b>4,601.1</b>	<b>7,979.85</b>	<b>10,333.3</b>	<b>13,525.35</b>	<b>17,086.8</b>	<b>52,526.4</b>

### 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.

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
<b>Total</b>	<b>52,526.40</b>	<b>21,870</b>	<b>-30,656.4</b>

## 7.2 Resource Mobilization Strategies

To bridge the resource gaps, WaterFund shall undertake the following key activities:

1. Increase GoK Funding to Ksh. 7 B
2. Increase funding from development partners to Ksh. 32 B
3. Increase leveraged funding to Ksh. 7.5 B
4. Operationalize the Water Levy to unlock Ksh. 2.5 B
5. Raise Ksh. 1.8 B from investment income
6. Raise Ksh. 200 Million through own source revenues
7. 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

## 8. 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 Performance Standards

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.

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 <sup>2</sup>	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%

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## ANNEX 1: IMPLEMENTATION MATRIX

### KRA 1

<b>Strategic Issue: Water and Sanitation Access</b>				
<b>Strategic Goal: Improve access to safe water and dignified sanitation</b>				
<b>KRA: Access to safe water and dignified sanitation</b>				
<b>Objective: Increase the number of persons accessing safe water and dignified sanitation</b>				
<b>Outcome: Additional 2.2 million people accessing safe water : Additional 1 million people accessing dignified sanitation</b>				
<b>Strategy</b>	<b>Key Activity</b>	<b>Expected Output</b>	<b>Output Indicator</b>	<b>Target for Five Years</b>
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	Increased access to safe water	Number of persons accessing water under GoK and DPs Projects	520,000
	Financing of water projects under PPP funding	Increased access to safe water	Number of persons accessing water under PPP projects	170,000
	Financing of water projects through innovative/blended financing e.g. banks and financial institutions	Increased access to safe water	Number of persons accessing water under innovative financing projects	80,000
Financing of water projects in underserved areas (65% of target population i.e..1,430,000.00)	Financing of water projects under GoK and DPs	Increased access to safe water	Number of persons in underserved areas accessing water under GoK and DPs Projects	1,230,000
	Financing of water projects through PPP funding	Increased access to safe water	Number of persons in underserved areas accessing water under PPP Projects	100,000
	Financing of water projects through innovative/blended financing e.g. banks and financial institutions	Increased access to safe water	Number of persons in underserved areas accessing water under innovative financing projects	100,000
Financing of sanitation projects in marginalized areas	Financing of Community Led Total Sanitation (CLTS) Initiatives	Increased access to dignified sanitation	Number of villages declared ODF	310
	Financing of Public Sanitation Facilities (PSFs) Initiatives	Increased access to dignified sanitation	Number of persons accessing dignified sanitation in marginalized areas under PSFs	150,000

<b>Strategic Issue: Water and Sanitation Access</b>				
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<b>KRA: Access to safe water and dignified sanitation</b>				
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<b>Strategy</b>	<b>Key Activity</b>	<b>Expected Output</b>	<b>Output Indicator</b>	<b>Target for Five Years</b>
	Financing of Waste Water Management / Treatment Facilities e.g. DTFs & Sewer Systems	Increased access to dignified sanitation	Number of persons accessing dignified sanitation in marginalized areas under DTFs	200,000
	Financing of household level sanitation projects	Increased access to dignified sanitation	Number of persons accessing dignified sanitation in marginalized areas under household levelsanitation facilities	100,000
	Financing of institutional sanitation facilities in schools, public facilities & dispensaries	Increased access to dignified sanitation	Number of persons accessing dignified sanitation in marginalized areas under institutional sanitation facilities	200,000
Financing of sanitation projects in underserved areas	Financing of Community Led Total Sanitation (CLTS) initiatives	Increased access to dignified sanitation	Number of villages declared ODF villages	310
	Financing of Public Sanitation Facilities (PSFs) initiatives	Increased access to dignified sanitation	Number of persons accessing dignified sanitation in marginalized areas under PSFs	100,000
	Financing of Waste Water Management/ Treatment Facilities e.g.. DTFs & Sewer Systems	Increased access to dignified sanitation	Number of persons accessing dignified sanitation in marginalized areas under DTFs	150,000
	Financing of household level sanitation projects	Increased access to dignified sanitation	Number of persons accessing dignified sanitation in marginalized areas under household levels sanitation facilities	100,000

<b>Strategic Issue: Water and Sanitation Access</b>				
<b>Strategic Goal: Improve access to safe water and dignified sanitation</b>				
<b>KRA: Access to safe water and dignified sanitation</b>				
<b>Objective: Increase the number of persons accessing safe water and dignified sanitation</b>				
<b>Outcome: Additional 2.2 million people accessing safe water : Additional 1 million people accessing dignified sanitation</b>				
<b>Strategy</b>	<b>Key Activity</b>	<b>Expected Output</b>	<b>Output Indicator</b>	<b>Target for Five Years</b>
	Financing of institutional sanitation facilities in schools, public facilities & dispensaries	Increased access to dignified sanitation	Number of persons accessing dignified sanitation in marginalized areas under institutional sanitation facilities	50,000
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
	Stakeholder engagement during project design and implementation	Project ownership/get community contribution	Proportion of projects that have stakeholder engagement in design	100
Reduce questionable costs	Training of the Implementing Partners	To build the Ips capacity to sustain projects and realize value for money	Number of IPs trained	580
	Review QAC model	To implement projects within the set timelines and realize value for money	Number of reviews undertaken	3
	Review & implement County engagement strategy	Effective project implementation	Time taken to review and implement the County engagement strategy	6 Months
	Adoption of lessons learnt	Effective project implementation	Proportion of projects that have utilized the lessons documented	100

<b>Strategic Issue: Water and Sanitation Access</b>				
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<b>Objective: Increase the number of persons accessing safe water and dignified sanitation</b>				
<b>Outcome: Additional 2.2 million people accessing safe water : Additional 1 million people accessing dignified sanitation</b>				
<b>Strategy</b>	<b>Key Activity</b>	<b>Expected Output</b>	<b>Output Indicator</b>	<b>Target for Five Years</b>
	Adopt roads for water initiatives	To leverage on artificial aquifers for increased access to water services	Time taken for adoption of roads for water initiatives	1 Year
	Conducting mapping and baseline survey for WSTF programme areas	Baseline and Mapping Reports	Baseline study & mapping undertaken	25
	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
	Collaborate with WASREB and the County Governments for inclusion of cost recovery tariffs for funded PPP and blended financed projects	Collaboration Framework	Number of lobbying events held annually	10
Mainstream Green Growth	Review of the Green Growth strategy	Green Growth Strategy Review Report	Review strategy in place	1
	Implementation and cascading of the Green Growth Strategies to various Counties and Partners	Cascade Green Growth Strategy	Percentage implementation of the Green Growth Strategy	100

## KRA 2

<b>Strategic Issue: Financing Water and Sanitation Infrastructure</b>						
<b>Strategic Goal: Increase funding for water and sanitation access</b>						
<b>KRA: Fund Development</b>						
<b>Objective: Increase funding for Waterfund activities</b>						
<b>Outcome: An additional Ksh. 52 B to finance water, sanitation, IWRM, climate change and research and innovations</b>						
<b>Strategy</b>	<b>Key Activity</b>	<b>Expected Output</b>	<b>Output Indicator</b>	<b>Target for Five Years</b>		
Lobby for increased recurrent funding	Hold bi-annual engagement meetings with the Ministry, Treasury and Parliamentary Committee	Increased recurrent funding	Recurrent funds mobilized	2,000		
			Number of engagement meetings held	10		
Lobby for increased development funding	Develop and submit Policy Position Papers addressing key issues such as: 1) Ease of funding mobilization and funds flow 2) Amendment of the WaterFund mandate for wider sector financing (Water Act)	1)Structured funding mobilization system 2) Widened WaterFund Mandate as the Sector Financier	Number of policy and position papers developed and submitted	3		
			Develop and submit a Cabinet Memo on Seed Fund budget allocation to WaterFund from GoK	Allocated Budget for seed fund	Number of Cabinet memos developed and submitted	1
			Develop and submit funding concepts for national programs	Funding for National Programs allocated to WSTF	Development funds mobilized	2,000
				Funding for National Programs allocated to WSTF	Number of funding concepts developed and submitted	5
			Factor in National Government counterpart funds in 80% of proposals to Development Partners	Budgeted allocation for Counterpart funding	Development Funds mobilized	2,000
Budgeted allocation for Counterpart funding	Percentage of proposals with National Government co-funding	80				

<b>Strategic Issue: Financing Water and Sanitation Infrastructure</b>				
<b>Strategic Goal: Increase funding for water and sanitation access</b>				
<b>KRA: Fund Development</b>				
<b>Objective: Increase funding for Waterfund activities</b>				
<b>Outcome: An additional Ksh. 52 B to finance water, sanitation, IWRM, climate change and research and innovations</b>				
<b>Strategy</b>	<b>Key Activity</b>	<b>Expected Output</b>	<b>Output Indicator</b>	<b>Target for Five Years</b>
	Enter into collaboration with Counties for co-funding and key support in 70% of new programs	County budgets allocated to co-funding	Development funds mobilized	1,000
		County budgets allocated to co-funding	Percentage of Counties with collaboration agreements with WSTF	70
Sustained funding from current Development Partners	Review and implement fund development strategies and frameworks (resource mobilization, business models framework, revenue generation policy)	To increase funds	Number of frameworks reviewed and are being implemented	3
	Quarterly engagement and networking forums	To retain existing DPs and attract new ones	Number of engagement forums held	20
	Quarterly reporting on ongoing programs and achievements (print and video formats)	Approvals on programme progress	Number of reports submitted annually	20
	Submission of annual external audit reports	Approvals on programme progress	Number of reports submitted	5
	Lobby current Partners for increased management fee to 10%	Inrcreased Management fee to WSTF	Number of lobbying events held	10
	Develop and submit new funding concepts and proposals	To raise additional funds	Number of new concepts developed and submitted	15
	Negotiate and sign funding agreements	To raise additional funds	Amount of funds mobilized	16,000

<b>Strategic Issue: Financing Water and Sanitation Infrastructure</b>					
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<b>KRA: Fund Development</b>					
<b>Objective: Increase funding for Waterfund activities</b>					
<b>Outcome: An additional Ksh. 52 B to finance water, sanitation, IWRM, climate change and research and innovations</b>					
<b>Strategy</b>	<b>Key Activity</b>	<b>Expected Output</b>	<b>Output Indicator</b>	<b>Target for Five Years</b>	
		To raise additional funds	Number of signed agreements	7	
	Hold engagement forums with Development Partners for collaboration on implementation of the WaterFund loan facility	To raise seed capital to implement the loan facility	Number of engagement forums held annually	5	
Increased funding from new Development Partners	Undertake comprehensive Development Partner mapping annually	To increase development partners base	Number of mapping exercises	5	
	Develop and disseminate innovative WaterFund pitching materials such as documentaries, publications & reports	To enhance WaterFund's visibility	Number of pitching packages developed	5	
	Develop and submit new funding concepts and proposals	To raise additional funds to finance, water, sanitation, IWRM & CC and research	Number of new concepts and proposals submitted annually	15	
	Negotiate and sign new funding agreements		To raise additional funds to finance, water, sanitation, IWRM & CC and research	Amount of Funds Mobilized	9,000
			To raise additional funds to finance, water, sanitation, IWRM & CC and research	Number of signed agreements	10
Utilize data and information development from key studies required for new concepts and proposals	To develop and submit bankable concepts and proposals to DPs	Percentage of concepts utilizing data from key studies	100		

<b>Strategic Issue: Financing Water and Sanitation Infrastructure</b>				
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<b>KRA: Fund Development</b>				
<b>Objective: Increase funding for Waterfund activities</b>				
<b>Outcome: An additional Ksh. 52 B to finance water, sanitation, IWRM, climate change and research and innovations</b>				
<b>Strategy</b>	<b>Key Activity</b>	<b>Expected Output</b>	<b>Output Indicator</b>	<b>Target for Five Years</b>
	Develop new niche products for funding of Climate Change/COP 27 Outputs, Disaster Management Facility, Water Innovation, Advocacy	To raise additional funds to finance,water,sanitation,IWRM&CC and research	Number of niche products developed	5
	Develop and submit proposals for Climate Change and Disaster Management Facility	Implementation of Knowledge Management Strategies	Amount of funds mobilized	3,000
		Documented knowledge of lessons learnt	Number of proposals developed on climate change and disaster management	5
	Develop and submit concepts and proposals aligned with Presidential and Government priorities	Effective project implementation as a result of utilization of new and existing knowledge	Amount of funds mobilized	1,000
		Increased productivity	Number of concepts developed from Presidential directives	5
	Factor in 10% management fee in all new funding proposals	Increased management fee for WSTF	Percentage of proposals factoring in 10% management fees	100
	Develop and submit new funding concepts and proposals for capacity enhancement and	To capacity build IPs for effective project implementation	Amount of funds mobilized	1,000

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<b>Outcome: An additional Ksh. 52 B to finance water, sanitation, IWRM, climate change and research and innovations</b>				
<b>Strategy</b>	<b>Key Activity</b>	<b>Expected Output</b>	<b>Output Indicator</b>	<b>Target for Five Years</b>
	governance training for Implementing Partners and Collaborating Institutions	To capacity build IPs for effective project implementation	Number of new concepts and proposals targeting capacity development	5
Funding from Private Sector Collaborations (PPP)	Develop a framework for Public Private Collaboration	Approved Framework for Public Private Collaboration	Framework in place by June 2024	1
	Organize and hold bi-annual engagement forums	Approved Framework for Public Private Collaboration	Number of forums held	10
	Develop Private Sector Partnerships for collaboration on innovation and research	Approved Framework for Public Private Collaboration	Signed / endorsed collaboration frameworks	5
	Develop and submit concepts and proposals for Private Sector funding and collaboration	Mobilized from the Private Sector	Amount of funds mobilized	1,000
		Mobilized from the Private Sector	Number of concepts developed and submitted	7
	Develop and submit concepts and proposals for PPPs and PPCs	Mobilized from the Private Sector	Amount of Funds Mobilized	1,000
			Number of concepts and proposals developed	3
Factor in 10% management fee in new Private sector funding proposals	To raise additional funds towards administration expenses	Percentage of proposals factoring in 10% management fees	100	

<b>Strategic Issue: Financing Water and Sanitation Infrastructure</b>				
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<b>Outcome: An additional Ksh. 52 B to finance water, sanitation, IWRM, climate change and research and innovations</b>				
<b>Strategy</b>	<b>Key Activity</b>	<b>Expected Output</b>	<b>Output Indicator</b>	<b>Target for Five Years</b>
	Acquire technology tools for effective Fund Development Management	Effective and efficient management of funds	Number of new technology tools acquired	1
Co-funding contributions from Counties	Hold annual County engagement forums to sensitize on new and potential programs	Report on Priority areas to implement the programmes	Number of forums held with counties	5
	Factor in County contribution in 70% of new program funding proposals	County budgets allocated to co-funding	Percentage of projects with County contributions factored in	70
Co-funding contributions from Implementing Partners	Factor in Implementing Partners co-Funding in at least 80% of new funding proposals	Ips co-funding Contribution	Amount of funds mobilized	3,500
		Ips co-funding Contribution	Percentage of projects with IP contribution factored in	1
Blended finance from Implementing Partners and financial institutions	Hold engagement forums with financial institutions for collaboration in blended finance programs	Funds mobilized from financial institutions	Number of engagement forums held	5
	Develop proposals for blended financing - Public & Private sector finance	Funds mobilized from financial institutions	Amount of funds mobilized	4,000
		Funds mobilized from financial institutions	Number of proposals developed	5
	Hold engagement forums with Implementing Partners for uptake of blended finance products	Implementing Partners utilizing blended financing	Number of engagement forums held	5

<b>Strategic Issue: Financing Water and Sanitation Infrastructure</b>				
<b>Strategic Goal: Increase funding for water and sanitation access</b>				
<b>KRA: Fund Development</b>				
<b>Objective: Increase funding for Waterfund activities</b>				
<b>Outcome: An additional Ksh. 52 B to finance water, sanitation, IWRM, climate change and research and innovations</b>				
<b>Strategy</b>	<b>Key Activity</b>	<b>Expected Output</b>	<b>Output Indicator</b>	<b>Target for Five Years</b>
Lobby for operationalization of the Water Levy	Hold engagement forums with the Ministry for the Gazettement of the WSTF Water Levy	Gazettement of the Water Levy	Number of engagement forums held	3
	Develop and submit a Cabinet Memo on operationalization of the Water Levy	Approval of the operationalization of the Water Levy	No. of Cabinet Memos submitted	1
	Engage and collaborate with key water sector actors for levy collection, including WASREB, water companies, and other relevant institutions	Collaboration Frameworks	Amount of Funds Generated	2,500
Number of engagement forums undertaken			7	
Operationalize the approved business models	Operationalize the loan facility and the Endowment Fund.	Uptake of the Loan Facility by the IPs	Amount of funds generated	1,000
			Number of facilities operationalized	2
Seek Investments in the Financial and Capital Markets	Hold engagement forums with the Capital Markets Authority for WaterFund's participation in the bonds market	To acquire knowledge on how WaterFund can in the bond market	Number of engagement forums with CMA	3
	Hold engagement forums with the Nairobi Stock Exchange for participation in the Stock Market	To acquire knowledge on how WaterFund can in the stock market	Number of engagement forums with NSE	3
	Operationalize Stock Market portfolios	To raise additional funding	Amount of funds generated	300
			Number of stock market portfolios developed	5

<b>Strategic Issue: Financing Water and Sanitation Infrastructure</b>					
<b>Strategic Goal: Increase funding for water and sanitation access</b>					
<b>KRA: Fund Development</b>					
<b>Objective: Increase funding for Waterfund activities</b>					
<b>Outcome: An additional Ksh. 52 B to finance water, sanitation, IWRM, climate change and research and innovations</b>					
<b>Strategy</b>	<b>Key Activity</b>	<b>Expected Output</b>	<b>Output Indicator</b>	<b>Target for Five Years</b>	
	Operationalize Capital Markets products	To raise additional funding	Amount of funds generated	200	
			Number of capital markets products developed	5	
	Engage banking partners for increased Interest on WaterFund accounts	To raise additional funding from interest income To raise additional funding	Amount of funds generated	300	
			Number of banking partners engaged	10	
	Develop additional revenue generation streams for WaterFund	Monetizing the Knowledge Hub	To raise additional funding	Amount of funds generated	50
				Number of income generating activities arising from the Knowledge Hub	5
Pursue initiatives for own premises to realize asset value and / or rental income		To raise additional funding To get approval for realizing own premise	Amount of funds generated	50	
			Number of activities towards realizing own premises (land, design, contracting, construction)	4	
Acquiring expertise to develop a carbon credit program for carbon credit trading	Carbon Credit Implementation Framework	Amount of funds generated	100		
		Number of experts engaged	3		

<b>Strategic Issue: Financing Water and Sanitation Infrastructure</b>				
<b>Strategic Goal: Increase funding for water and sanitation access</b>				
<b>KRA: Fund Development</b>				
<b>Objective: Increase funding for Waterfund activities</b>				
<b>Outcome: An additional Ksh. 52 B to finance water, sanitation, IWRM, climate change and research and innovations</b>				
<b>Strategy</b>	<b>Key Activity</b>	<b>Expected Output</b>	<b>Output Indicator</b>	<b>Target for Five Years</b>
	Efficient disposal of assets for additional income source	To raise additional funding	Percentage of assets earmarked and disposed off	100
Increase staffing levels in Fund Development Department	Increase staffing levels of Fund Development Department	Enhanced departmental productivity	Number of additional staff engaged	5
	Increase staffing capacity (skills upgrade) of Fund Development Department	To enhance staff capacity	Percentage of staff whose skills have been enhanced	100
Utilize Information Management System for Fund Development Department	Acquire technology tools for effective Fund Development Management	Effective and efficient management of funds	Number of technological tools acquired	1
		Effective and efficient management of funds	Percentage utilization of acquired tools	100

### KRA 3

<b>Strategic Issue: Water Resource Management and Climate Change</b>				
<b>Strategic Goal: Enhance Water Resource Management and climate change mitigation</b>				
<b>KRA: Integrated Water Resource Management and Climate Change</b>				
<b>Objective: Increase area under conservation and Storage Capacity</b>				
<b>Outcome: Area under conservation increased; Storage Capacity increased</b>				
<b>Strategy</b>	<b>Key Activity</b>	<b>Expected Output</b>	<b>Output Indicator</b>	<b>Target for Five Years</b>
Restoration of degraded areas	Financing of WRUAs (150Sq. Km)	WRUA Restoration	Areas under WRUAs restored	150Sq. Km
	Financing of CFAs ( 300 Sq. Km)	CFA Restoration	Area under CFAs restored	300Sq. Km
	Financing of Conservancies (50 Sq. Km)	Conservancy Restoration	Areas under conservancies restored	50Sq. Km
Protection of existing areas	Financing of WRUAs (225 Sq. Km)	WRUA protection	Areas under WRUAs protection	225Sq. Km
	Financing of CFAs( 225 Sq. Km)	CFA protection	Area under CFAs protection	225Sq. Km
	Financing of INGOs (225Sq. Km)	INGO Restoration	Areas under INGOs protection	225Sq. Km
	Financing of Conservancies ( 225Sq. Km)	conservancies restoration	Areas under Conservancies restored	225Sq. Km
	Financing of institutional greening programs- (100Sq. Km) ( Schools, colleges , hospitals, churches, mosques, etc)	Institution Greening	Areas under institutions protection	100Sq. Km
Increase area under conservation	Financing of WRUAs (225 Sq. Km)	area under WRUA increase Restoration	Areas under WRUAs Increased	225Sq. Km
	Financing of CFAs, (225 Sq. Km)	CFA Financing	Area under CFAs increased	225Sq. Km
	Financing of INGOs (225Sq. Km),	Increasing area protected under INGO	Areas under INGOs increased	225Sq. Km
	Financing of Conservancies (225Sq. Km)	Increasing conservation	Areas under Conservancies increased	225Sq. Km

<b>Strategic Issue: Water Resource Management and Climate Change</b>				
<b>Strategic Goal: Enhance Water Resource Management and climate change mitigation</b>				
<b>KRA: Integrated Water Resource Management and Climate Change</b>				
<b>Objective: Increase area under conservation and Storage Capacity</b>				
<b>Outcome: Area under conservation increased; Storage Capacity increased</b>				
<b>Strategy</b>	<b>Key Activity</b>	<b>Expected Output</b>	<b>Output Indicator</b>	<b>Target for Five Years</b>
	Financing of institutional greening programs- (100Sq. Km) ( schools, colleges , hospitals, churches, mosques, etc)	Increasing tree coverage	Areas under institutions increased	100Sq. Km
Develop additional water storage infrastructure	Financing of <i>water pans</i> (330,000m <sup>3</sup> )	Increased water supply	Capacity of water pans constructed	330,000m <sup>3</sup>
	Financing sand dams (30,000m <sup>3</sup> )	Increased water supply	Capacity of sand dams constructed	30,000m <sup>3</sup>
	Financing Rain Water Harvesting (RWH) tanks (70,000m <sup>3</sup> )	Increased water supply	Capacity of water harvesting tanks installed	70,000m <sup>3</sup>
	Financing Djabias (70,000m <sup>3</sup> )	Increased water supply	Capacity of Djabias Constructed	70,000m <sup>3</sup>
	Financing small dams (50,000 m <sup>3</sup> )	Increased water supply	Capacity of small dams constructed	50,000m <sup>3</sup>
	Financing roads for water	Create artificial aquifer	Number of Kms road for water financed	100Km
	Financing blue-green infrastructure	Combat climate change effects	Number of blue-green infrastructure constructed	10
	Financing of water canals to promote food security	Increased water supply	Length in Kms of water canals constructed	50 Km
Climate proofing of all infrastructure	Financing of water pans not less than 30,000m <sup>3</sup>	Combat climate change effects	Proportion of water pans climate proofed	100%
	Financing of solarized & HDPE piping of supply schemes	Combat climate change effects	Proportion of supply schemes solarized	100%
	Financing of gravity schemes	Combat climate change effects	Proportion of infrastructure under gravity	100%

<b>Strategic Issue: Water Resource Management and Climate Change</b>				
<b>Strategic Goal: Enhance Water Resource Management and climate change mitigation</b>				
<b>KRA: Integrated Water Resource Management and Climate Change</b>				
<b>Objective: Increase area under conservation and Storage Capacity</b>				
<b>Outcome: Area under conservation increased; Storage Capacity increased</b>				
<b>Strategy</b>	<b>Key Activity</b>	<b>Expected Output</b>	<b>Output Indicator</b>	<b>Target for Five Years</b>
	Sensitize use of desalination plants	Combat climate change effects	Number of sensitizations done	4
	Sensitize on use Decentralized of Treatment Facilities (DTFs)	Combat climate change effects	Number of sensitizations on use of DTF done	2
Adoption of Green Water, sanitation and water resources technologies	Financing technologies in water pans	Combat climate change effects	Proportion of water pans using green technologies	100%
	Financing of solarized & HDPE piping of supply schemes	Combat climate change effects	Proportion of supply schemes using green technologies	100%
	Financing of gravity schemes	Combat climate change effects	Proportion of infrastructure under gravity	100%
	Financing of desalination plants	Combat climate change effects	Number of desalination plants constructed	5
	Decentralized of Treatment Facilities (DTFs)	Combat climate change effects	Number of DTFs using green technologies	10
Promotion of water recycling and reuse	Awareness creation, development of technologies /methods of recycling & reuse provision of infrastructure at household and institutional level	Combat climate change effects	Number of awareness creation performed	2.00
Ground water recharge	Research trainings technologies	Adoption of innovate technologies in ground water recharge	Number of research training technologies conducted	1

<b>Strategic Issue: Water Resource Management and Climate Change</b>				
<b>Strategic Goal: Enhance Water Resource Management and climate change mitigation</b>				
<b>KRA: Integrated Water Resource Management and Climate Change</b>				
<b>Objective: Increase area under conservation and Storage Capacity</b>				
<b>Outcome: Area under conservation increased; Storage Capacity increased</b>				
<b>Strategy</b>	<b>Key Activity</b>	<b>Expected Output</b>	<b>Output Indicator</b>	<b>Target for Five Years</b>
Adopt other climate change mitigation and adoption measures	Financing of vegetation cover projects (trees growing, tree supermarkets bamboos, mangroves, etc)	Increased vegetation cover	Number of projects financed on vegetation cover (one project per County at a cost of Ksh. 5M each)	47
	Establish Centres of Excellence (role modelling, learning, knowledge exchange)	Knowledge management and retention	Number of Centres established	6
	Undertake baseline and after interventions mapping for impact assessment	Baseline survey reports and impact assesment reports	One baseline undertaken by Q2 2023	1
	Enhanced effective monitoring and evaluation	Effective project implementation	Number of monitoring reports (100%)	100%
	Review the WDC financing mechanism	Effective project implementation	WDC financing mechanisms reviewed by Q3 2023	1
	Trainings in Climate Change Mitigation and Adaptation	To climate proof projects	Number of IPs trained per catchment/region	9
	Enhance staffing in Climate Change Mitigation and Adaptation	Enhanced service delivery	Number of new staff on boarded	4
	Undertake research on new and efficient technologies.	Innovative technologies in IWRM	Number of studies undertaken	3
	Conduct assessments on climate proofing water technologies	Assesment Reports	Number of assessments undertaken	4

#### KRA 4

<b>Strategic Issue: Research and Knowledge Management</b>				
<b>Strategic Goal: Increase research and innovations in the water and sanitation sector</b>				
<b>KRA: Bolstering Research and Innovation</b>				
<b>Objective: Increase the research outputs from WaterFund financing</b>				
<b>Outcome: At least 51 research studies in the water and sanitation Sector funded; At least 25 innovations in the water and sanitation sector funded</b>				
<b>Strategy</b>	<b>Key Activity</b>	<b>Expected Output</b>	<b>Output Indicator</b>	<b>Target for Five Years</b>
To undertake one sector wide research	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
To develop Research concepts for water supply systems	Develop research concepts	Research concepts developed and submitted	Number of concepts developed	5
	Develop calls for research in water supply	research studies in water supply financed	Number of calls for research undertaken	5
	Review existing research and innovation financing framework	Research and Innovation Financing Framework in place	Time taken to review the financing framework	6m
	Develop research and innovation financing policy	Research and Innovation Financing Policy in place	Time taken to develop the policy	6m
	Operationalize the RIIMS systems	Reports Generated from the RIIMS	Time taken to operationalize the RIIMS	6m
	Review of the RIIMS systems	RIIMS Review Report	Number of reviews undertaken	2
	Establish collaborations with other research institutions on specific thematic issues	Signed MOUs with research institutions on specific thematic issues	Number of collaborations established	5

<b>Strategic Issue: Research and Knowledge Management</b>				
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<b>Outcome: At least 51 research studies in the water and sanitation Sector funded; At least 25 innovations in the water and sanitation sector funded</b>				
<b>Strategy</b>	<b>Key Activity</b>	<b>Expected Output</b>	<b>Output Indicator</b>	<b>Target for Five Years</b>
To develop Research concepts for sanitation initiatives	Develop research concepts in sanitation	funding of the research concepts	Number of concepts developed and submitted for funding	5
	Develop calls for research in sanitation	Financing of research studies in sanitation	Number of calls made	5
To develop Research Concepts for sewerage initiatives	Develop research concepts in sewerage	to receiving funding on research of sewerage	Number of concepts developed	5
	Develop calls for research in sewerage	To finance research studies in sewerage	Number of calls made	5
To develop research concepts for water resources and climate change initiatives	Develop research concepts for water resources and climate change	To attracting funding for research in water resources and climate change	Number of Research concepts developed and submitted for funding	5
	Develop calls for research in IWRM and CC	To finance research studies in IWRM and CC	Number of calls made	5
To develop Research product towards improving water governance in the sector	Develop research products	to attracting funding towards improving water governance	Number of research products developed	5
	Develop calls for research in water governance	To finance research studies in water governance	Number of calls made	5
To undertake policy studies in the water sector	Undertake policy gap analysis for water sector research thematic areas	Report on policy gaps in water sector thematic areas	Number of gaps analysis undertaken	5

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	Develop policy position papers	Policy position papers	Number of position papers done	5
To develop Innovation concepts in water supply, sanitation, sewerage water resources & climate change	Develop innovation concepts	To receiving funding on innovation in water supply, sanitation, sewerage water resources & climate change	Number of concepts developed	25
	To develop calls for innovations in water supply, sanitation, sewerage water resources and climate change	F 25 innovations in water supply, sanitation, sewerage water resources and climate change financed	Number of calls made	5
	Develop and operationalize phase II of the RIIMs systems	Utilization of RIIMs phase II for research and innovation challenges	Percentage implementation of RIIMs phase II	100%
	To Establish collaborations with other innovation labs	Collaboration MOU's	Number of collaborations established	5
To develop Innovative solutions towards water governance	Develop innovation concepts	Innovations in Water Governance	Number of concepts developed	5
	Develop calls for innovations in water governance	Innovation concepts	Number of calls made	5

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To pilot and upscale Innovations	Adoption of the innovative solutions into the programs		Number of innovative solutions adopted into programs	10
	To undertake Innovations challenge		Number of innovation challenges held	2
To Develop and deploy the Knowledge Hub	Develop and implement the knowledge management strategy for the WaterFund	Implementation of Knowledge Management Strategies	Percentage implementation of the knowledge management strategy	100%
	Setting up of the Knowledge Hub	Documented knowledge of lessons learnt	Percentage completion of the Knowledge Hub	100%
	Documentation and dissemination of existing and new knowledge in the sector	Effective project implementation as a result of utilization of new and existing knowledge	Proportion of known knowledge documented and disseminated	100%
Enhance staff capacity in research and knowledge management	Recruitment of additional staff in research	Increased divisional productivity	Number of additional staff recruited	6
	Train staff in documentation and knowledge management	Enhanced staff capacity	Proportion of staff trained	100%

## KRA 5

<b>Strategic Issue: Institutional Strengthening</b>				
<b>Strategic Goal: Enhance institutional capacity of the WaterFund</b>				
<b>KRA: Institutional Strengthening and Sustainability</b>				
<b>Strategic Objective: Increase Organizational Capacity to Deliver on Mandate</b>				
<b>Outcome: Holistic Organization Capacity Assessment Index (HOCAI) of 70% and above achieved</b>				
<b>Strategy</b>	<b>Key Activity</b>	<b>Expected Output</b>	<b>Output Indicator</b>	<b>Target for Five Years</b>
Enhance employee satisfaction	Establishment and Implementation of a Fair compensation, rewards and benefits scheme for the Fund	Number of Compensation & Reward Schemes Developed & Reviewed.	Fair compensation, rewards and benefits scheme established and reviewed periodically	100%
	Establishment and Implementation of clear career plans for all the Fund's staff	Number of Career Plans Reviewed and Established	Career progression plan established for all staff	2
	Provision of adequate office space and tools of trade to all staff and enhance Occupational Safety and Health at the workplace	Working tools, equipment and space created for all staff.	Working tools, equipment and space created for all staff	100%
	Enhance staff welfare and work-life balance initiatives at the Fund	Number of Policies Developed and Implemented	Number of welfare initiatives introduced	10
Improve employee productivity	Improve employee productivity	increased employee productivity	Improve employee productivity	1
	Undertake talent recruitment in line with the approved staff establishment	Number of Positions recruited	Proportion of staff establishment filled	85%
	Development of staff competence through training, coaching, mentorship and job shadowing/understudying	Proportion of staff taken through competence development	Proportion of staff taken through competence development	100%
Increase functionality of assets	Enhanced management of the Fund's assets inventory	Established Asset Management Committee	Asset utilization levels (maintenance and replacement)	80%
	Fleet management automation	Fleet management System	Time taken to automate fleet management	1

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<b>Outcome: Holistic Organization Capacity Assessment Index (HOCAI) of 70% and above achieved</b>				
<b>Strategy</b>	<b>Key Activity</b>	<b>Expected Output</b>	<b>Output Indicator</b>	<b>Target for Five Years</b>
Improve on budget management to enhance prudence in financial management	Timely development of institutional budget compliance with relevant laws, guidelines and circulars	Institutional budget developed	Compliance with timelines	100%
	Timely preparation of annual financial reports Develop and implement financial management frameworks	Annual financial reports	Compliance with timelines for annual reports	100%
Automation of processes	Automate HR processes	HR Management Systems	Proportion of HR processes automated	100%
	Automate audit processes	Audit Management System	Proportion of audit processes automated	100%
	Automate research and innovations processes	Research and innovation management system	Proportion of research and innovation processes automated	100%
	Automate projects management	Project management system	Proportion of project management processes automated	100%
	Automate fleet management	Fleet management System	Proportion of fleet management processes automated	100%
	Enhance ERP to more functions	Increase ERP functions	Proportion of functions on ERP	100%
	Automate document management processes	Electronic document management system	Proportion of document management processes automated	100%

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	Leverage on technology tools for effective fund development management	Fund Development Management System	Percentage utilization of acquired tools (Application tracking management)	100%	
Improve legal compliance	Review the legal management and compliance function	Legal Management and Compliance Report	Number of functions being undertaken by the department	19	
	Undertake annual legal compliance audits	Legal Compliance Audit Reports	Proportion of scheduled audits undertaken	100%	
	Review of standard financing contracts	Review Reports	Proportion of financing contracts reviewed	100%	
	Resource the Legal Department	Staff on boarded		Number of additional staff on boarded	7
		Legal books		Number of books purchased	37
Improve corporate governance	Board trainings in each financial year	Board Training Reports	Number of board trainings held annually	14	
	Board evaluation involving SCAC	Board evaluation reports	Number of board evaluations undertaken	5	
	Board Charter annual review	Review Reports	Number of reviews undertaken	5	
Improve stakeholder engagement	Stakeholder mapping	Stakeholder mapping reports	Number of stakeholder mapping exercises undertaken	Annual	

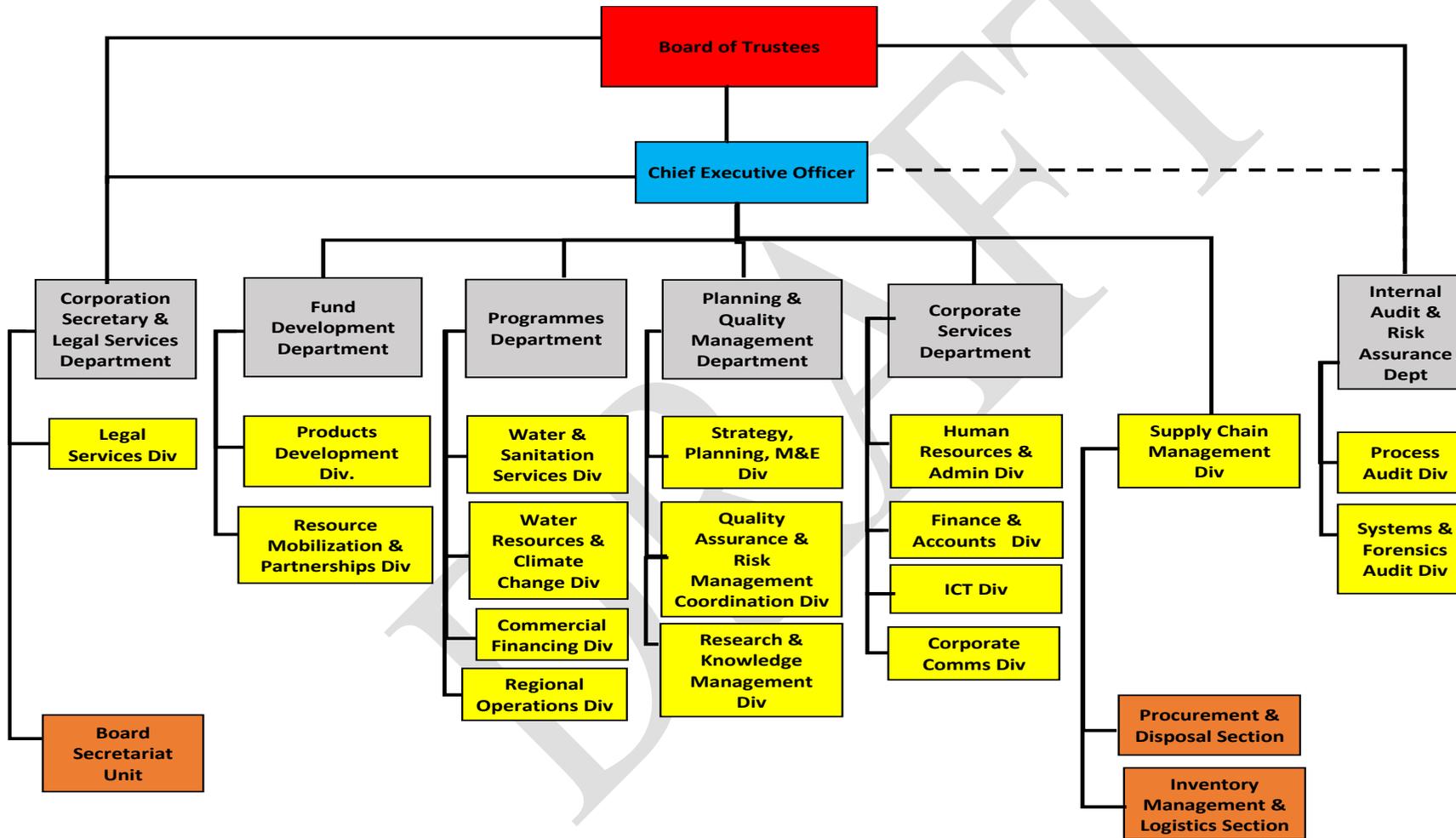
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	Development of Stakeholder Engagement Framework	Stakeholder Engagement Framework	Time taken to develop and implement an engagement framework	1
	Development of a crisis communication policy	Crisis Communication policy	Time taken to develop and adopt a crisis	1
Improve customer satisfaction	Annual customer satisfaction survey	Customer Satisfaction Survey Report	Number of surveys undertaken	5
	Streamline complaints resolution processes	Complaints resolution charter	Time taken to streamline complaints resolution processes	100%
	Compliance to Customer Service Delivery Charter	Customer Service Delivery Charter	Compliance level to commitments to the CSDC	100%
Improve on brand equity	Undertake baseline brand survey and biennial surveys	Baseline Reports	Number of surveys undertaken	3
	Develop brand identity guidelines and evaluate every two years	Brand Identity guidelines	Time taken to develop the guidelines	By Year 1
Enhance visibility	Media engagement campaigns	Media Engagement Campaigns	Number of campaigns undertaken annually	1
	Review the communication strategy		Time taken to develop the communication strategy	1
	Monitor social media presence, campaigns and platforms	Monitor social media presence, campaigns and platforms	Number of monitoring reports	5

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	Strengthen capacity of corporate communication section	On boarding of communication staff	Number of new staff engaged in the communications section	4
Reduction of risk exposure	Statutory audits	Statutory Audit Reports	Compliance rates of statutory audits	100
	Governance audit of WaterFund	Governance Audit Report	Compliance to Mwongozo	100
	Undertake project related audits (external audits)	External Audit Reports	Number of audits undertaken	As per financing agreements
	Undertake project related audits (internal audits)	Internal Audit Reports	Proportion of funded projects audited	Minimum 50%
	Review of WaterFund risk management policy and framework	Waterfund Risk Management Policy Review Report	Number of reviews undertaken	2
	Governance audits of IPs funded by Fund	Governance Audit Reports	Proportion of IPs audited	Minimum 30%
	Support IPs in the implementation of integrity management toolbox	Integrity management toolbox implementation report	Number of IPs supported	Minimum 3
Enhance efficiency and value for money in supply chain	Develop procurement and asset disposal plans	Procurement and asset disposal Plans	Number of plans developed on time	5
	Undertake annual market survey	Market survey report	1 survey undertaken annually	5

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	Increase the number of supply chain staff	supply chain staff engaged	Number of staff engaged	6
	Develop the procurement policy	Procurement policy report	Number of policy documents	1
	Automation of supply chain processes	Supply chain Management System	Proportion of procurement processes automated	90%
	Training of procurement and institutional staff	Training Reports	Proportion of staff trained on procurement	85%
Enhance institutional performance index	Develop performance management tools and systems	Performance management tools and systems	Number of tools and systems developed and deployed	1
	Develop, implement and review corporate strategy	Reviewed corporate strategy report	Percentage implementation of the strategy	100%
	Develop and monitor the implementation of institutional annual work plans	Approved institutional work plan	Number of monitoring reports on the work plans	5
	Establish and operationalize Institutional Results Framework	Approved Results Framework	Time taken to establish the framework	1 year
Enhance compliance of operations and projects	Develop Monitoring and Evaluation Policy	Approved Monitoring and Evaluation Policy	Time taken to develop the policy	6 months
	Undertake results based monitoring of institutional operations and projects	Implementation of projects as per the financing agreement	Number of monitoring reports	10
	Develop and operationalize institutional M&E system	Institutional M&E System	Functional institutional M&E system	12 Months

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<b>Strategy</b>	<b>Key Activity</b>	<b>Expected Output</b>	<b>Output Indicator</b>	<b>Target for Five Years</b>
Integrate quality into the Fund's operations	Develop, implement and standardize operating manuals for all operational processes	Departmental process manual	Number of manuals developed and deployed	12
	Pursue Certification of Organizational Management System e.g.. QMS, ISMS	ISO Certification	Number of certifications attained	2
	Establish, operationalize and review projects flagging system	Project Flagging System	Time taken to operationalize the projects flagging system	12 Months

### ANNEX III: ORGANIZATION STRUCTURE



#### ANNEX IV: 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