MINISTRY OF WATER,
SANITATION AND IRRIGATION

WATER SECTOR TRUST FUND

WATER SECTOR TRUST FUND

Green Growth Strategy

2020 – 2022

Supported by

MINISTRY OF FOREIGN AFFAIRS
OF DENMARK
Danida

Foreword

Water Sector Trust Fund's corporate strategic plan sets out an ambitious programme to further its objectives and outcomes by 2022 (current strategy period). This is to be achieved through prioritisation of key results areas focusing on the following strategic objectives:

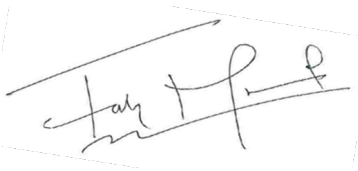
1. Mobilize Kes 23 Billion to improve access to water and sanitation to the underserved Kenyans by 2022.
2. Improved water and sanitation access to reach 4.7 Million underserved Kenyans by 2022.
3. Bolster water sector research and innovation initiatives through financing 200 research projects by 2022.
4. Institutional development and systems strengthening of WSTF to enhance its capacity to deliver on its mandate.

The achievement of the stated objectives will require that the Fund implements its programmes within a stable governance framework. However, the ever increasing threat of global warming and related effects provide a stark challenge to the fund in its quest to ensuring climate friendly projects that are not only sustainable but responsive (to these challenges). This strategy therefore seeks to ensure that WaterFund is at the forefront of ensuring Green Growth mainstreaming as it goes about fulfilling its mandate in line with the Water Act 2016.

The Fund seeks to better adapt to innovative strategies and new technologies, while also fostering collaboration at all levels. In this plan, efforts have been made to re-align the resources available to the Fund with key Strategic Objectives and planned annual activities. As the road map for the two years, this Plan has prioritised activities and programmes in terms of their contribution to accelerating access to water and sanitation services within the context of the Water Act 2016, National Water Master Plan and policy frameworks as well as the National Development Blueprints.

This Plan is an affirmation of WaterFund's commitment to enhancing access to water and sanitation services to the underserved in Kenya responsibly and in the process ensuring proper management of water resources. This is indeed the Fund's indication to being part of the solution to climate change and its effects that threaten to bedevil the water sector in general.

Under the leadership of the Board of Trustees whose invaluable support in the determination of the WaterFund's strategic direction and policy formulation, we reiterate the commitment of management and staff to ensure successful implementation.



Ismail Shaiye

Chief Executive Officer

Abbreviations & Acronyms

ASAL	:	Arid and Semi-Arid Land
BOT	:	Board of Trustees
BSC	:	Implementation of the Balanced Scorecard
CEO	:	Chief Executive Officer
CIS	:	Collective Investment Schemes
CSR	:	Corporate Social Responsibility
GDP	:	Gross Domestic Product
GESIP	:	(Kenya) Green Economy Strategy and Implementation Plan
GMFD	:	General Manager Fund Development
GMP	:	General Manager Programmes
M&E	:	Monitoring and Evaluation
NGOs	:	Non-Governmental Organizations
PESTEL	:	Political, Economic, Social, Technological, Environmental and Legal Environments
PM	:	Project Management
PPP	:	Public Private Partnerships
RIP	:	Rural Investments Programme (WSTF Investments)
SDG	:	Sustainable Development Goals
SWOT	:	Strengths, Weaknesses, Opportunities, and Threats
UIP	:	Urban Investments Programme (WSTF Investments)
UNCSD	:	United Nations Conference on Sustainable Development
WRMI	:	Water Resource Management Investment (WSTF Investments)
WRUAs	:	Water Resources Users Associations
WSPs	:	Water Services Providers
WSS	:	Water and Sanitation Services
WRCC	:	Water Resources and Climate Change
WSTF	:	Water Sector Trust Fund

List of Figures, Tables & Graphs

Executive Summary

Global warming is a growing concern for the world in general and has become the subject of key institutional and strategic interventions at various levels to at least manage or change the situation for the sake of earth's posterity. In WSTF's context, our successful commitment to our mandate, mission and vision is heavily dependent on the natural environment specifically water resources and climate. Adverse impact on these (water resources and climate) means a near impossible proposition for WSTF's endeavours. This strategy is the organization's acknowledgement and prioritization, and it aligns to the corporate strategy 2018 – 2022.

The first chapter gives an introduction which contains among others, a brief summary of WaterFund's mandate, and gives a brief on Green Growth in Kenya. It acknowledges the impact of the COVID 19 pandemic that rocked the world from late 2019 and its relatable impact from WSTF and water sector perspective. The rationale for green growth addressing pressures and economic issues around water quantity/ quality, and the vulnerability of water resources to climate change and variability is outlined. WaterFund's Green Growth and how it is linked to national (Kenya Constitution, Vision 2030 and Medium Term Plans, the Big Four Agenda and the National Green Economy Strategy and Implementation Plan), and international development plans (Sustainable Development Goals 6 and 13). The chapter concludes by listing barriers to achieving Green Growth.

The second chapter looks at the environmental analysis of both external and internal. External environmental analysis looks at the Political, Economic, Social, Technological, Physical and Legal (PESTEL) Environments by identifying some of the issues and the likely effect they will have on WSTF's commitment to Green Growth, as well as a stakeholder analysis and lists Development Partners, National and County Government entities, Water Sector Entities and CSO's, Investor Interest Organizations, Research Organizations and corporates. It outlines their roles and expectations, and suggests WaterFund's positioning. The stakeholders are mapped in light of their significance to the WSTF's Green Growth agenda. The chapter concludes by highlighting a summary of WSTF's SWOT analysis from Green Growth's perspective.

The third chapter provides a summary of the Fund's strategic direction on Green Growth, as the basis of the deliberations in this plan. It maintains this plan's alignment to the corporate strategy since this plan falls within the strategy period at corporate level. For this reason, the Corporate Vision is retained - "To be the institution of choice in financing the improvement of access to water and sanitation for the underserved in Kenya." The Green Growth mission statement however is "To accelerate the adoption of green finance in order to build sustainable and resilient communities". Core values are reiterated as Customer focus, Fairness and Equity, Accountability, Passion, Continuous improvement and Innovation. The Fund's slogan is maintained as "Financing the water sector".

Chapter four sets out WSTF's Green Growth strategic priorities – which are: to mobilize Kes 23 Billion to improve access to water and sanitation to the underserved Kenyans by 2022; Improved water and sanitation access to reach 4.7 Million underserved Kenyans by 2022; Bolster water sector research and innovation initiatives through financing 200 research projects by 2022, and Institutional development and systems strengthening of WSTF to enhance its capacity to deliver on its mandate. These are aligned to the national Green growth strategy to achieve; Sustainable infrastructure, Building resilience, Sustainable natural resources management, Resource efficiency, Social inclusion and sustainable livelihood. Each objective is elaborated with specific strategies and key action programmes.

Chapter five contains the investment programmes of WSTF and a preview of the Fund's Investment Policy which touches on Investment in the water sector, Investment with financial return and Investments for environmental and social sustainability. Primary investments in the water sector are Urban Investments Programme, Rural Investments Programme and Water Resource Management Investment - all of which are subject for Green Growth considerations through Sustainable Resource Mobilization, Infrastructure Support Programmes, Project & Project Management Considerations, Stakeholder Capacity Building, Conservation Initiatives, Sector Enterprise Development Support and Research and Innovation. The chapter concludes with an investment schedule that projects Green Growth specific considerations in investments will require Kes 1,725,935,793 in 2021/22 and will impact 483,050 people, and Kes 2,170,936,071 and will impact 428,593 people in 2022/23.

Chapter six contains the Risk Analysis for the period based on guidelines by the Fund's Risk Management Policy. The analysis indicates the risk events, consequences of the risk events, their likelihood of occurring, the impact they would have should they occur, and how WSTF positions to mitigate against those risks. Some risk events identified include Inadequate funding, Governance challenges and corruption, High Staff turnover, Non-Compliance with Laws, Regulations and financing agreements, Misalignment of the Departmental Strategies with the Fund's Business Strategy, Noncompliance with service charter on payments to suppliers and disbursements to implementing partners, Failure to reach targeted population, Project sustainability, Poor selection of projects and Low absorption of allocated funds.

Chapter seven aligns the operationalization of this plan to the corporate approach. This section still recommends the Implementation of the Balanced Scorecard as the implementation tool. It also highlights the importance of regular strategy reviews using WSTF's Results Framework. The chapter concludes by suggesting the creation of Green Growth Hub/ Desk at WSTF to coordinate the activities and ensure projects funded are well aligned with the Green Growth ambitions.

Chapter eight looks at the financial resources for the strategies and initiatives as outlined in this plan. Kes 2,206,500,000 will be required in 2021 and Kes 2,743,800,000 in 2022. These funds will come from GoK Grants, County Govt Funding, Donor Funding, Leveraged funds, Water Levy, Interest & fee Income, Funding for Office complex, Endowment Fund among others the projections of which are Kes 7,355,000,000 in 2021 and Kes 9,146,000,000 in 2022 (inclusive of other WSTF projects for the period in line with the corporate strategy).

The last chapter in the plan contains the implementation matrix for the strategy period. It is expected that a focused approach in implementing this plan will set the pace for the realization of key institutional, regional, national and international goals in the Water Sector.

Acknowledgement

The development of this WSTF Green Growth Plan would not have been possible without financial support from Danish International Development Agency (DANIDA) through the Green Growth and Employment Programme. WSTF is also grateful to all the stakeholders who fed into the process and represented a wide range of players, including National Government Ministries (Ministry of Water, Sanitation and Irrigation, Ministry of Agriculture, Livestock and Fisheries, Ministry of Energy and Petroleum, and Ministry of Environment and Forestry) Civil Society groups and partners (NEMA, WSUP, KCIC, WRA, Eco Charcoal Ltd., KEWI) and WSTF Board of Trustees, Management and the Technical Advisors. Their commitment and guidance of the process is as always and extremely valuable.

Special thanks to Daniel Nyutu, Karim Suleiman and Anita Njoki from the Center for Strategy and Management (The Strategy Center) who finalized this plan built on the work done by Eng. Wangai Ndirangu and his team (the WSTF is immensely grateful for their efforts too).

The realization of this plan will bring enormous benefits to the underserved and unserved communities across Kenya and no efforts will be spared to continue collaborating with all relevant stakeholders to achieve the ambitious outcomes.

Table of Contents

CHAPTER 1

1. INTRODUCTION

1.1 WSTF Mandate

The Water Act, 2016 states that the object of the Fund is to provide conditional and unconditional grants to counties, in addition to the Equalisation Fund and to assist in financing the development and management of water services in marginalized areas or any area which is considered by the Board of Trustees to be underserved including:

(a) Community level initiatives for the sustainable management of water resources;

(b) Development of water services in rural areas considered not to be commercially viable for provision of water services by licensees;

(c) Development of water services in the under-served poor urban areas; and

(d) Research activities in the area of water resources management and water services, sewerage and sanitation.

The Fund aims to prioritize and implement green growth strategies that provide a sustainability road map, addresses risks as well as growth potential. WSTF will therefore adopt and mainstream green growth approaches and/or technologies in its water, sanitation and water resources management projects to ensure sustainable growth and resilience.

1.2 Background

Green growth is the pursuit of economic development in an environmentally sustainable manner. Green growth in Kenya entails supporting sustainable development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs. More broadly, the aim of Green growth is to fundamentally alter production and consumption patterns in ways that reduce pollution, improve energy and resource efficiency, minimize greenhouse gas emissions, and avoid or reverse natural resource degradation.

Achieving Green growth in Kenya will require a coherent strategy of policies and macro-economic instruments that change demand and supply patterns while stimulating innovation, transforming production processes and consumer behaviour. Green Growth can only be successful with input from a variety of stakeholders including citizens, Government, civil society, and the private sector.

Kenya is cognizant of the challenges facing us today, that it is committed to undertaking a transition to a green economy in line with the outcome of the United Nations Conference on Sustainable Development (UNCSD) held in 2012. The outcome document of the Rio+20 summit; The Future We Want, (UNCSD, 2012) highlighted transition to a green economy as a means towards sustainable development. Transitioning could contribute to "eradicating poverty as well as sustained economic growth, enhancing social inclusion, improving human welfare and creating opportunities for employment and decent work for all, while maintaining the healthy functioning of the Earth's ecosystems."

Projections show that under a green economy scenario, Kenya will realize faster economic growth in the long run; the national real GDP is projected to exceed the baseline by 6-19 per cent by 2030. In addition, carbon dioxide emissions are projected to be 15 per cent lower than under the conventional business as usual growth scenario. In agriculture, policy simulations indicate that sustainable agricultural

practices are expected to result in higher yields than the conventional business as usual model.

The green growth path offers opportunities for investment, employment creation and poverty reduction (GESIP 2015). There are several positive forward-looking elements to a green transition, but they also must be considered in the framework of existing opportunities and challenges. The Green growth strategy seeks to consolidate, re-focus and prioritize policy initiatives to address existing challenges and put the economy on the path of sustainable development.

1.3 Rationale for Green Growth

Green water economy seeks to address pressures and economic issues around both water quantity and quality, and simultaneously the vulnerability of water resources to climate change and variability. Green growth ambition propagates and mainstreams sustainable water development as a means and source of new growth and to generate immediate local benefits including alleviation of poverty, creation of employment and improved access to services. This is especially so in areas where demand for economic development is urgent like in ASALs, rural and peri-urban environment.

Green growth can help build resilience to climate change by enhancing access to water, sanitation and irrigation services in the underserved and marginalised rural and urban areas of Kenya. There is a lot of evidence from several regions of the world that with appropriate sustained intervention, ASAL areas can undergo desert greening, i.e. reclaimed to support biodiversity, forestry, farming, natural water and life support systems. Desert greening is predominantly a function of freshwater availability for irrigation purposes from surface sources such as lakes, ponds, streams and rivers, and groundwater sources such as aquifers and underground streams. Desert greening is an effective means to achieve reduced evaporation, soil erosion, topsoil consolidation and reduction of average temperature with potentially unlimited regenerative and restoring capacity. The rich natural resources also serve as sinks for carbon sequestration accumulating carbon from the atmosphere for indefinite periods.

The WSTF Green Growth Strategy supports new ways to scale investments, safeguard water resources integrity and reach even more people in rural and peri-urban areas with reliable water for multiple uses. The Strategy is built upon national strategies, documents and policy plans including the 2010 Constitution, Third Medium Term Plan of Kenya's Vision 2030, WSTF 2018-

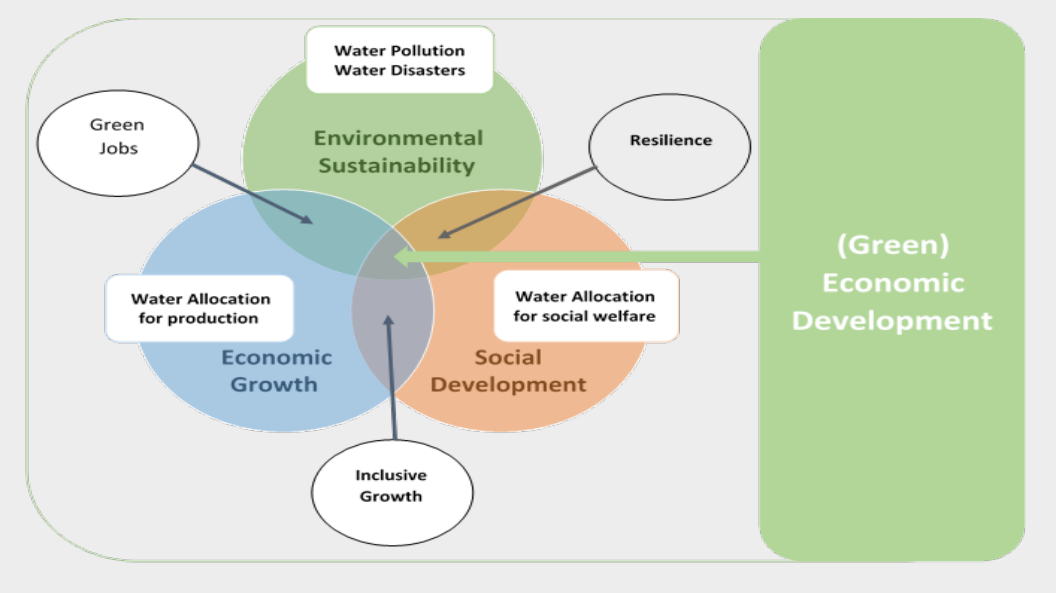


Figure 1: Green Economy

2022 Strategic Plan and the Green Economy Strategy and Implementation Plan *(GESIP)*

The Strategy revolves around three issues;

i. Opportunities to innovate physical infrastructure and technologies that enable new ways of solving water, climate and environmental challenges.

ii. Incentives towards more inclusive and highest value use of the available water resources, reducing waste and energy consumption

iii. Transition to the green economy, thus create new markets and potential for new jobs by stimulating demand for green technologies, goods and services

WSTF has already implemented some green growth strategies in some of its projects and this strategy seeks to strengthen these initiatives and make them intentional and more radically effective. So far, the Fund has managed to do the following;

i. Collection of surface runoff to increase water access

ii. Enhanced interventions on Aquifer recharge,

iii. Use of gravity and alternatives like solar energy, biogas and wind power to pump water which reduces fossil fuel usage

iv. Use of groundwater

v. Promoted Ecosan facilities that are environmental friendly and recycle waste water and faecal matter.

vi. Financed the development of Decentralized Treatment Facilities (DTFs) for sewage waste that recycles waste water

vii. Increased Carbon capture through afforestation through WRUAs, Conservancies and CFAs.

1.4 Link to National and International Development Plans & Policies

Kenya has developed several documents in relation to green economy and WSTF aims to align its green growth strategy to the nation's developmental plans as well as take key consideration of several international plans. Below summarize several documents in relation to the green water sector:

1.4.1 The Kenya Constitution 2010

The constitution is the supreme law of the Republic of Kenya and binds all persons and state organs at all levels of the government. In support of green economy, the constitution provides for:

a) Article 42 identifies that sustainable development of essential value and a critical principle of governance and guarantees the right to a clean and healthy environment to all citizens.

b) Article 124 outlines the objects of devolution to include sustainable use of natural resources to promote economic and social development. Devolution has increased inter-governmental synergies and role of local governance in green initiatives to be prioritized in County Integrated Development Plans and budget process.

c) Article 202 ensures equitable sharing of national revenue and economic optimization of national resources to generate sustainable revenue, meet the developmental needs of diverse counties and promote incentive based policies specific to green economy finance to support the national agenda.

d) Article 204 provides for establishment of an equalization fund into which 0.5% of national revenue shall be paid to reduce inequality in service provision. The fund shall only be used to provide basic services including water, roads, health facilities and electricity to marginalized

areas to the extent necessary to bring the quality of those services in those areas to the level generally enjoyed in the rest of the nation, so far as possible.

e) Articles 43 guarantees the right to clean and safe water in adequate standards as well as Article 21 which places an obligation of the State and every State organ to fulfill this right.

1.4.2 Kenya Vision 2030/ MTP III

The Vision sets a crucial foundation for Kenya's transformation based on three essential pillars; Economic, Social, and Political. WSTF's mandate is heavily hinged on two pillars, namely; the social pillar as it aims at developing a just, inclusive and equitable environment in a clean and secure environment as well as the economic pillar to ensures the attainment of an economic growth of 10% annual GDP.

WSTF's strategic plan builds on the achievement of the MTP I and MTP II which include; restoring growth, maintaining macroeconomic stability, and provision of social economic services. The country is currently implementing the Third Medium Term Plan (MTP III) and in support of this, WSTF aims at ensuring sustainable financing of water and sanitation services for the underserved to actualise a sustainable green economy.

1.4.3 Alignment with the Big Four Agenda

Water is increasingly being seen as a central plank in the green economy and the government's key concern in achievement of the country's key development blueprint is summarised in the following specific areas; food security, affordable housing, manufacturing, and universal healthcare.

Table 1: Green Growth Strategy Alignment with the Big Four Agenda

	Big Four Agenda			
	Agenda 1	**Agenda 2**	**Agenda 3**	**Agenda 4**
	Food Security	**Affordable Housing**	**Manufacturing**	**Universal Healthcare**
WSTF Green Economy Alignment	• Provide monetary and non-monetary incentives to farmers to protect watershed areas. • Increase irrigation using efficient technologies to enhance sustainable food production and consumption.	• Investment in sustainable infrastructure to reduce portfolio risks. • Promote eco-housing designs-rain water harvesting	• Green growth innovations to increase water availability, water savings and pollution control. • Promote use of cleaner production technologies • Encourage environmental friendly operations, energy efficiency and conservation	• Implement water treatment technologies in communities, households and institutions to meet the highest hygienic standards • Improve water quality and quantity shared to upstream and downstream users, including the poor and underserved communities.

1.4.4 National Green Economy Strategy and Implementation Plan (GESIP)

Through the Green Economy Strategy and Implementation, the Ministry of Environment and Natural Resources guides the country's transition to a sustainable path and aims to transform the country to a globally competitive low carbon country through five key thematic areas as outlined in table 2 below:

Table 2: National Green Economy Strategy and Implementation Plan (GESIP)

Key Themes	Key Objectives and Strategies
1. **Promote Sustainable Infrastructure**	Enhance water and sanitation services through: i) Construct and upgrade sewerage systems ii) Design and construct drainage systems in urban areas iii) Encourage the use of eco-toilets in rural and urban areas iv) Increase water supply systems
2. Build Resilience	Promote efficient management of public finances: i) Build public finance management capacities for efficient project management by national and county governments ii) Resource mobilization for building resilience iii) Develop and enact green policies
3. Sustainable Natural Resource Management	Expand opportunities in aquatic and marine resources: i) Enhance the citizenry's and key stakeholders' capacities to utilise marine resources ii) Ensure policing of water resources
4. Promoting Resource Efficiency	Enhance water use efficiency in rural area: i) Develop water footprint monitoring guidelines ii) Review consumption based water-based pricing to enhance resource efficiency and conservation
5. Social Inclusion and Sustainable Development	Reduce Environmental Health Risk: i) Enhance consumer protection ii) Promote compliance and enforcement of environmental laws relating to water

WSTF aims subscribe to the nation's green economy blueprint and finance water and sanitation projects that deliver more with less natural resources and increasing overall economic value through more productive use of water resources securing a sustainable and thriving future for underserved communities.

1.4.5 Relevance to SDGs

1.4.5.1 Sustainable Development Goal Six (Clean Water and Sanitation)

Sustainable Development Goal Six (SDG 6) addresses the sustainable management of water and includes the preservation of water-related ecosystems, including wetlands, rivers, aquifers and lakes.

Table 3: Sustainable Development Goal Six (SDG 6)

	Sustainable Development Goal Six (SDG 6)
6.1	By 2030, achieve universal and equitable access to safe and affordable drinking water for all.
6.2	By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations.
6.3	By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally
6.4	By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.
6.5	By 2030, implement integrated water resources management at all levels, including through trans-boundary cooperation as appropriate.
6.6	By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes.
6.7	By 2030, expand international cooperation and capacity-building support to developing countries in water- and sanitation-related activities and programmes, including water harvesting, desalination, water efficiency, wastewater treatment, recycling and reuse technologies.
6.8	Support and strengthen the participation of local communities in improving water and sanitation management.

Achievement of this goal therefore will require various stakeholders to factor in their planning and programmes components that will drive achievement of the said goal. Falling squarely in the mandate of WSTF, access to safe and drinkable water and sanitation will only have desired long term impact if green components are factored for sustainability especially for the urban poor and underserved rural communities. This means proactivity in management or aversion of water related disasters, sustainable water use, water resources, water quality and waste water management, cooperation and participation of relevant stakeholders, sanitation and hygiene as well as access to clean, drinkable water. These are summarized in the figure below:

Figure 2: Green growth resources related to SDG 6

1.4.5.2 Sustainable Goal thirteen (Climate Action)

Sustainable Goal 13 ensures urgent action is taken towards climate change and its impact with the help of the Paris Agreement. This goal aims at keeping global temperature rise this century below 2 degrees Celsius and pursuing efforts to limit this rise to no more than 1.5 degrees Celsius above pre-industrial levels. To deal with impacts of climate change, WSTF can avail appropriate financial flows and deploy effective technology frameworks in underserved areas.

Table 4: Sustainable Development Goal Six (SDG 13)

	Sustainable Development Goal Thirteen (SDG 13)
13.1	Strengthen resilience and adaptive capacity to climate related hazards and natural disasters in all countries
13.2	Integrate climate change measures into national polices, strategies and planning
13.3	Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning
13.a	Implement the commitment undertaken by developed-country parties to the United Nations Framework Convention on Climate Change to a goal of mobilizing jointly $100 billion annually by 2020 from all sources to address the needs of developing countries in the context of meaningful mitigation actions and transparency on implementation and fully operationalize the Green Climate Fund through its capitalization as soon as possible
13.b	Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalized communities

1.5 Challenges to achieving Green Growth

The implementation of green growth initiatives by WSTF may face the following challenges;

- Training and skills necessary for new green opportunities;
- Insufficient awareness about green growth best practices;
- Obsolete and slow adoption of green growth technology;
- Inadequate standards for green technologies, goods or services.
- Inadequate funding to effect a transition to improved green growth due to challenges in up front capital costs.
- Devolution challenges regarding capacity and policy coordination;
- Capacity to leverage private sector investment;
- Insufficient incentives, low rate of return on green investment;
- Inadequate investment planning and budget monitoring tools.
- Inadequate investments monitoring (both urban and rural investments) and processing and learning from the data collected from such tools.

The highlighted challenges have yielded deep insights into the development of this Green Growth plan. Moreover, the institution's focus within the next few years will be on enhancing access to innovative financing, creating valuable partnerships with stakeholders towards the implementation of green water and sanitation initiatives, and building community resilience to secure an inclusive, sustainable and thriving future.

CHAPTER 2

2. INTERNAL & EXTERNAL ENVIRONMENT ANALYSIS

2.1 External Environment Analysis

2.1.1 PESTEL Analysis

The table 5 below summarizes the Political, Economic, Social – Cultural, Technological, Ecological and Legal Environment analysis in light of Green Growth:

Table 5: External Environment Analysis – PESTEL

Factor	Issue	Effect	Implications and Response from WSTF
Political Environment	• Uncertain political environment • High national/county budget allocation to development of infrastructure • Limited political goodwill • Lack of urgency in implementation of green economy objectives. • Limited capacity to support environmental legislation • Green initiatives are perceived to be of high financial risk and low return,	• Slow implementation of green initiatives in the country • Minimal green engineering and designs • Slow enactment and enforcement of green policies & procedures by national and county governments. • Minimal monitoring of compliance levels to environmental policies and procedures • Limited enforcement of devolved environmental functions	• Build credible strategic relationships with the county and national government • Provide technical advice on sustainable infrastructure-carbon management and greening project operations • Enhance advocacy for green initiatives among the public • Strengthen scientific and technological capacity in state and non-state entities

Factor	Issue	Effect	Implications and Response from WSTF
Economic Environment	• Inadequate economic guarantees for green growth projects • High poverty levels among the population • High taxation rates on green technology imports • Inadequate government budget allocation towards green initiatives in targeted areas. • High initial capital costs on best environmental initiatives. • The government is exploring financial instruments that support green economy such as green bonds and eco-taxes.	• Dwindling commercial funds • A huge population is non-compliant to environmental laws • Slow implementation of low carbon and resource efficient initiatives • Little to no implementation of green initiatives in targeted areas • Capital formation to fund green initiatives to enhance economic and environmental resilience	• Slow implementation of green initiatives • Enhance public awareness to promote an inclusive green economy growth • Create sustainable green jobs to support inclusive growth and economic resilience • Lobby for tax incentives on green sector products /services
Social-Cultural Environment	• Hostile communities in arid and semi-arid lands • Rapidly growing population on the already finite resource. • Limited capacity of green growth experts and technicians in natural resource related sectors. • Conflict in resource utilization. • Low public awareness of green economy as a means towards social inclusion and sustainable livelihood.	• Curtailed efforts to deploy green management of resources • Environmental degradation • Limited learning, research and eco-innovation • Inhibits sustainable economic growth • Little to no public initiative toward building a thriving green economy	• Promote stakeholder engagement on natural resource management • Enhance continuous learning, growth and innovation in the green sector • Promote amicable settlement of disputes • Enhance awareness and promote support for social inclusion

Factor	Issue	Effect	Implications and Response from WSTF
Technological Environment	• Proliferation of sub-standard technologies in the country • Dispersed, small size technologies in marginalized and under-served regions	• Inhibits effort towards a high growth, cleaner environment and thriving economy • Minimal efforts toward sustainable consumption and production	• Implement efficient data analytic systems to track real time data such as carbon emissions for informed decision making on reducing individuals' carbon footprint • Forge partnerships with the private sector to develop new technologies and harness
Ecological Environment	• Increased global warming and climate change • Slow emergency response to adverse weather occurrence like drought, locust invasion and floods. • High rates of environmental pollution • Emergence of unsustainably fragile ecosystems	• Shifts in weather patterns and weather events • High death rates and loss of property • High risk to human health and the environment • Inhibits bio-diversity needed to support food production and human health	• Promote cleaner energy production technologies • Deploy environmental conservation initiatives
Legal Environment	• Weak public and private sector compliance to environmental laws. • Expected changes in diverse sectors to enhance low carbon emissions and sustainable green economic growth.	• Minimal effort geared towards building a sustainable green economy and reducing carbon emissions	• Promote state environmental compliance to regulation and sustainable production

2.1.2 Impact of Covid-19 on WSTF's Work

In 2020, Covid-19 pandemic swept the globe, threatening lives and livelihoods at an alarming rate. As death rates and infections continued to rise, resident movement and economic activities were curtailed and governments resorted to extraordinary measures, with individuals and corporates scrambling to align their pandemic response with the imperative of economic sustainability. Given the scope and magnitude of the threat, the world focus on climate action and environmental resilience was slowed.

However, according to data on fossil fuels, global carbon emissions dropped sharply by 6.4% at the onset of the pandemic at the expense of the global economy. With the fast-unfolding crisis, the new era may influence the pace and nature at which WSTF executes its climate action initiatives, and how the green growth strategy could accelerate the recovery by driving near-term green job creation while driving capital formation and increasing economic and environmental resiliency.

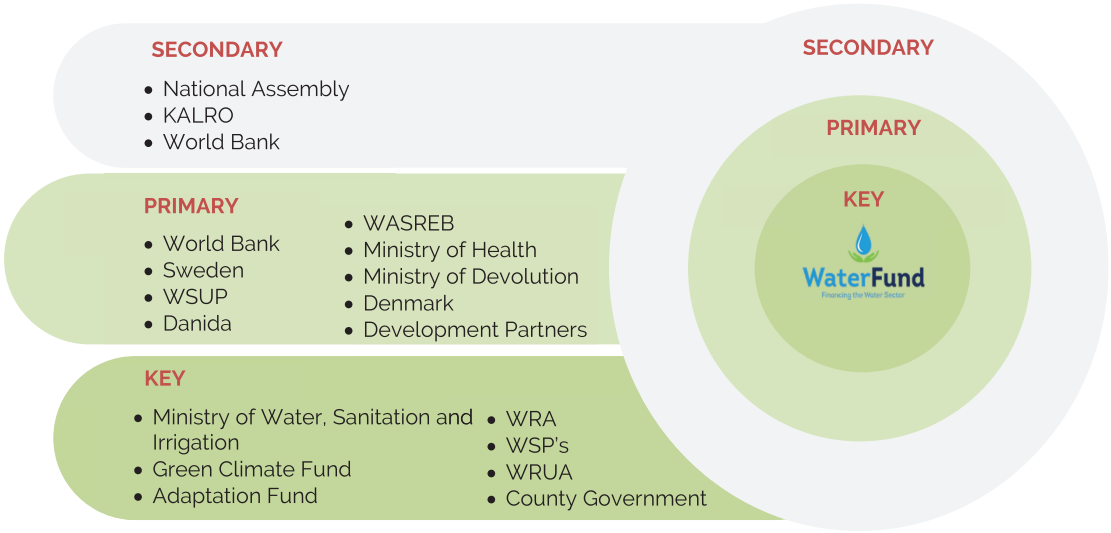
As the public and private sectors steadily recover from this crisis, climate action will remain to be critical over the next decade. The impact of climate change is increasingly manifesting through rising temperatures, changing rainfall patterns, and increased water demand for various water uses. Thus, climate change will make water management even more challenging in the new reality. Increased pollution degrades freshwater, and together with poorly managed intensified social and economic demand, this exacerbates the impacts of climate change on water resources, decreases productivity, and raises the potential for conflict over resources. This may be particularly important in the poorly served rural and urban areas where water security has real economic, social, ecological, and political value.

The ferocious pandemic has also had a significant impact on the water and sanitation sector with the frequent and thorough washing of hands being an effective defense measure to mitigate the spread of the virus. However, only 59% of Kenyans have access to basic water services, and less than half of the population, 29% having access to sanitary services (WASH 2019). This access deficit has an adverse impact on people's health, environment, and productivity. The Fund is cognizant of both the extent and consequences of this supply-demand gap and aims to align its strategic initiatives towards improving the sustainable management of water resources to the underserved communities, households, and institutions.

2.1.3 Stakeholders Analysis

Actualization of the Fund's mission and vision is heavily hinged on the interaction, support and goodwill of the various stakeholders. As such, it is extremely important to identify all stakeholders, their roles and level of interaction/ interest as well as influence. The stakeholder analysis for this strategy period is provided in the table below after the stakeholder mapping.

2.1.3.1 Stakeholder Mapping



Key:

- Key stakeholders are integral as they are directly involved in the funding and mainstreaming of green approaches in WSTF projects
- Primary stakeholders have a direct or indirect stake in the Fund's activities and are therefore engaged to a certain level in the implementation of projects.
- Secondary stakeholders are integral in bridging the gaps that make fulfilling the Fund's mandate and achievement of the country's Vision 2030 Water Sector goals.

Figure 3: Stakeholder Mapping

2.1.3.2 Further Stakeholder Mapping

Table 6: Stakeholders Analysis

HIGH	CMA, WSSCC	Commercial Banks, WRA,	Green Climate Fund, Adaptation Fund, Kenya Pooled Water Fund, MWIS, WUAs, WSPs, WRUAs, CBOs, DANIDA, KFW,
Influence in Sector	KEWASNET, WRUAs, CFAs, Conservancies, 2030 Water Resources Group	WASREB, KMT, Ministry of Health, USAID, UNEP, WSUP, CTCN, County Governments, National Treasury, IFAD, WAS-REB, NRT	UNESCO, NEMA, WSSCC, KCIC, NACOSTI,
	Saudi Fund, CRA, Water Works Development Authorities, UNIDO, UN Habitat, UNESCO, CETRAD, KALRO, KIRDI	KENAO	SNV, WASH Alliance CETRAD, VITENS
LOW		Interest in Sector	**HIGH**
			Keep Informed and Interested.
			Active Consultation.
			Key Players strong buy-in.

2.1.3.3 Specific Analysis by Category

Table 7: Stakeholder Analysis – By Category

	Listing	Roles	Expectations	WSTF Positioning
Development Partners	• Green Climate Fund • Adaptation Fund • 2030 Water Resources Group Kenya • UNEP • DANIDA • USAID	• Main global fund for climate finance • Promote low emission and climate resilient development • Help countries build resilience and adapt to climate change • Reliable partner in implementing the green economy strategy • Multi-stakeholder platform • Unites both industries and public sector to find solutions on waste water management • Authoritative advocate for the global environment • Set up programs to measure and curb climate change • Collaborating with the Public and Private sectors, Civil Society and Other sector actors to drive relevant development agendas	• Increase direct access financing • Optimize operations • Strengthen adaptation capacity and resilience • Provide expertise and technical support in projects • Facilitate the efficient and effective working of working groups • Mobilize financing for projects • Improve quality of life for future generations • Provide continuous assessment of climate change and its impacts	• Improve efficiency, effectiveness and transparency of projects • Foster support for marginalized communities • Implement climate friendly technologies in projects • Expand capacity building areas to include management skills. Currently concentrated on technical areas such as engineering. • Strengthen monitoring of investments • Effective water resource management

	Listing	Roles	Expectations	WSTF Positioning
Development Partners	• IFAD • Finland • Sweden • VITENS • UNIDO • UN Habitat • UNESCO • KFW • WSSCC • BMGF • WSUP • SNV • Saudi Fund • WASH Alliance • The European Union • World Bank etc.	• Promote green societies • Streamline program design and funding • Strengthen monitoring and evaluation of green initiative projects • Enhance funds absorption rate • Improved reporting on impact based not activity based • Better design and quality of projects to reduce maintenance and operational costs • Solar powered facilities not diesel • Improved use of tools and technologies • Improved reporting (timeliness and quality) • Mainstream climate change, green approaches and technologies	• Offer climate smart solutions • Transparency and accountability • Prudence, goodwill and utmost good faith • Commitments to MOUs • Good working relationship • Timely communication	• Profitable areas to subsidize non-profitable areas • Effective cost management strategies • Focus donor funds in non-profitable areas, the rest use commercial financing • Improved use of tools and technologies • Mainstream climate change/ green approaches in all projects • Provide open reviews on the WS sector • Enhance funds absorption • Improved reporting to focus on impact • Better quality and design of projects to reduce maintenance costs • Profitable areas to subsidize non-profitable areas

	Listing	Roles	Expectations	WSTF Positioning
National Government	• Ministry of Water, Sanitation and Irrigation	• Policy formulation and enforcement • National Strategic direction for the sector • Apex body of the sector	• Adoption and implementation of mandate as per Water Act 2016	• Efficient transition that is well aligned • Consultations and collaborations with the ministry and sector stakeholders for policy and programmes design and implementation • Improve the sustainable management of water resources
	• Treasury	• Consolidation of National Budget • Disbursement of funds	• Compliance with due process	• Seamless funds requisition and follow up • Maintain excellent working relationships at strategic levels.
	• KENAO	• Auditor of public entities	• Availed financials and material for audit processes • Unqualified financial reports	• Proper financial records • Prudence and excellent stewardship • Efficient and effective communication
	• Kenya National Cleaner Production Center	• Capacity building of industries and individuals	• Resource efficiency and cleaner production	• Maximize resource efficiency
	• National Assembly • Environment and Water Committee	• Legislation • Oversight role • Advisory and policy formulation • Resource allocation influence	• Full disclosure • Good working relationship • Relevant and timely information	• Efficient transition that is well aligned • Alignment with sector development blueprint • Efficient and effective communication • Manage political expectations professionally

	Listing	Roles	Expectations	WSTF Positioning
	• Ministry of Environment and Forestry • Ministry of Agriculture • Ministry of Health • Ministry of Devolution	• Functions that touch on Water Sector –conservation, irrigation, clean water and sanitation, management of water resource etc.	• Programmes that are in alignment with different sectoral plans. • Collaborations and partnerships	• Interdepartmental/ ministerial programmes • Alignment with national development blueprints • Efficient and effective communication
County Governments	• Relevant Water/ related Sector Depts.	• WSS mandate at county level as per devolved functions (Policy and Implementation)	• Support with programmes implemented at County level	• Manage political expectations professionally • Consultations and collaborations with the county government and stakeholders for policy and programmes design and implementation • Efficient and effective communication
	• County Assemblies	• Enhance oversight (County level) • Prioritize green initiatives in CIDP's • Advisory, policy formulation and budget approvals that promote green economy and efficient project management	• Full disclosure • Good working relationship • Relevant, timely information	

	Listing	Roles	Expectations	WSTF Positioning
Water Sector Entities and CSO's	• WASREB • WRA • WUAs, WRUAs, CBOs • Conservancies • NEMA • KEWASNET • WSPs • Water Tribunal	• State and non-state agencies to enhance implementation of environmental policies	• Collaborations and partnerships • Full disclosure • Relevant and timely information • Union of purpose to deliver the Water Sector development agenda	• Efficient transition that is well aligned • Alignment with sector development blueprint • Improved reporting (Timeliness, quality) • Efficient and effective communication • Capacity building
Investor Interest Organizations	• Kenya Pooled Water Fund	• Provide WSPs with access to capital market financing for WSS infrastructure needs.	• Full disclosure • Relevant and timely information • Good working relationship • Access to development plans and programmes data	• Efficient and effective communication • Highlight opportunities in the sector • Partnerships and collaborations
	• Africa Development Bank • Commercial Banks	• Provide financing to sector players across the value chain		
	• CMA • KMT	• Potential investors in the sector • Financial instruments regulation		

	Listing	Roles	Expectations	WSTF Positioning
Research Organizations	• Intergovernmental Panel on Climate Change • CETRAD • CTCN • KCIC • NACOSTI • KALRO • KIRDI • Local &International Universities	• Carry out research in various aspects including those affecting the Water Sector • Provide innovative solutions for the sector • Develop expertise using data and information	• Full disclosure • Relevant and timely information • Good working relationship • Funding (timely, sufficient)	• Efficient and effective communication • Partnerships and collaborations • Develop and deploy approach to facilitate regular/ continuous sector research with special focus on mandate area • Open up sector to competitive research and innovation initiatives that provide practical, cost effective, high impact sector solutions
Corporates	• Tech firms • Manufacturing Companies • Private sector associations	• Provision of technologies • Consumption of water the resource • Support conservation initiatives • Corporate Social Investments	• Detailed proposal for project/ programme requiring support • Full disclosure • Relevant and timely information • Good working relationship	• Efficient and effective communication • Highlight CSR opportunities in the sector through proposals • Partnerships and collaborations

2.2 Internal Environment Analysis - SWOT

SWOT is an acronym for Strengths, Weaknesses, Opportunities and Threats. In undertaking the SWOT, the intention was to ensure that the Fund has strategies in place to reduce or counter the impact of the threats in the environment and to ensure that they take full advantage of the available opportunities and potential within the areas of operation as well as those created by the environment and associated global trends in WSS.

Table 8: SWOT Analysis

Strengths	Weaknesses
• Established governance structure. • Unique mandate: Financing Counties, Marginalized and Underserved communities, Research • Qualified, competent and dedicated staff. • Global reputation as an institution with great commitment to its mandate. • Wide partner base and goodwill. • Strong county engagement. • Established quality management systems. • Documented procedures and systems. • Standardised toolkits. • Effective financing mechanisms. • Transparent financing mechanism. • Unique, well established and responsive investment mechanism.	• Low staffing levels • Inadequate internally generated revenue • Limited investment programmes for rural areas with many Counties having no current or recent rural programmes • Over dependency on donor funding and development partner programmes. • Inadequate local visibility • Low regional representation hence the need to establish regional hubs / offices
Opportunities	**Threats**
• Green enterprises and renewable energy technologies to mitigate climate change by increasing energy efficiency. • The growing need to implement adaptation measures, such as new technologies and diversification of livelihoods. • Kenya's human population growth will increase demand for natural resources. • Degraded environmental resources requiring conservation and restoration.	• Political interests and Interference • Dwindling donor funds. • Rapid technological changes. • Climate change adversely affects natural resource availability and use. • Prolonged droughts and floods.

• Increased focus on Green and Climate Change Financing by local and international corporations, development partners, governments etc. • Availability of qualified green growth Expertise Nationally and Internationally. • Established niche as Water Sector Financier within the Water Sector. • Learning and synergies with pertinent sector players and stakeholders.	• Inadequate capacity of implementing partners. • Dwindling government development fund allocations • Insecurity in areas of operation.

CHAPTER 3

GREEN GROWTH STRATEGIC DIRECTION

Overview

The WSTF Green Growth Plan is anchored on the WSTF overall corporate strategic plan that gives a clear road map on how WSTF intends to achieve the access challenge to the underserved in Kenya. To achieve the ambitious goals in the plan, WSTF has formulated this green growth strategy to harness the power of green growth to power water and sanitation access to rural and urban poor.

3.1 Vision Statement

This strategy retains the overall Vision of the Fund to ensure alignment to corporate ideals. The vision is:

"To be the institution of choice in financing the improvement of access to water and sanitation for the underserved in Kenya."

The Fund will position itself as the institution of choice in improving access to water and sanitation in Kenya by implementing robust green growth strategies.

3.2 Mission Statement

In line with the Mission of the Fund which is summarised as; "*To finance the development of sustainable water and sanitation services and water resources management" WSTF green growth Mission will be;*

"To accelerate the adoption of green finance in order to build sustainability and resilient communities"

3.3 Core Values

To achieve this mission and vision, the Fund will be guided by the following:

1. **Sustainability:** Premised on providing solutions that guarantee continuity in value delivery ensuring achievement of long-term water sector goals.
2. **Integrity:** The foundations of good governance are enshrined in integrity and transparency. The Fund will at all times demonstrate high degree of responsibility.
3. **Good Governance:** The Fund will strive to enhance a governance framework that encourages the efficient use of resources and strongly promotes accountability for the stewardship of those resources.
4. **Human Dignity:** Everyone who interacts with the Fund at any level will be treated with absolute human dignity. Our engagements will uphold human dignity at the core.
5. **Teamwork:** The Fund vision is the driver of our commitment to become a better institution every day. As such, it takes collective action to drive a common agenda in order to realise the Fund's Vision. Our people will work collaboratively with each other, and with our stakeholders to achieve our strategic goals.

CHAPTER 4

THE GREEN GROWTH GAME PLAN

In line with the National Green Economy Strategy and Implementation Plan 2016 – 2030, the country's development blueprints as anchored in the Vision 2030, the Fund's vision and mission for this strategy period, WSTF will seek to actively mainstream green growth strategies in its operations in order to bring the benefits of a green economy within the reach of the urban and rural poor it seeks to serve.

This strategy is aligned to the national Green growth strategy that seeks to achieve;

1. Sustainable infrastructure
2. Building resilience
3. Sustainable natural resources management
4. Resource efficiency
5. Social inclusion and sustainable livelihood

The above national priorities have been aligned to the WSTF current strategic priorities which are illustrated below:

1. Mobilize Kes 23 Billion to improve access to water and sanitation to the underserved Kenyans by 2022.
2. Improved water and sanitation access to reach 4.7 Million underserved Kenyans by 2022
3. Bolster water sector research and innovation initiatives through financing 200 research projects by 2022.
4. Institutional development and systems strengthening of WSTF to enhance its capacity to deliver on its mandate.

In order to maximize the use of its internal resources and stakeholder support, WSTF will seek to achieve the below as part of its green growth strategy in the 2020-2022 strategy period.

4.1 Accelerate the use of Green Finance to fund water and sanitation projects.

Partners on the table: Stakeholders will remain key in WSTF's quest for sustainable sector financing.

The economic argument for water is often weak on account of it being seen as a public good or a tragedy of the common man leading to a disregard for sustainability. Even where investment in water security makes economic sense, the economic argument has not translated into a compelling financial case for investment and water continues to be an under-valued and under-priced resource. Aligning the financial case for water with the economic case for water towards bridging the investment gap requires a multi-stakeholder financing approach towards maximizing finance for development and systematically leveraging all sources of finance, expertise, and solutions to support sustainable growth.

In achieving this, WSTF seeks to pursue the following strategies described below:

a. **Enhance collaborative efforts of the Private sector, government and donors to boost funds available** – This will take bringing on board more players who have interest in the sector in order to increase the resources available such as;

   i. Large Water users, such as households, farmers and businesses. Households, particularly in rural areas and in poorer urban areas, invest their cash, labor and materials in wells, pipes, basic sanitation and other facilities. Farmers invest large sums in tubewells, pumps and surface irrigation systems, either on their own or as members of associations and user groups. In some regions, farmers with surplus water from their own sources invest in distribution systems to dispose of their surplus to others. Industrial and commercial firms often develop their own water supplies and effluent treatment facilities. Some large firms even supply the general population. Users also cross-subsidise each other through paying different tariffs.

   ii. Informal suppliers - In cities where growth has outstripped the public network, local entrepreneurs, often acting outside the law, fill the vacuum by selling water in bulk from tankers or in containers and bottles.

   iii. Private companies, either local or foreign, provide funds from sources similar to public utilities, plus equity injection.

   iv. Non-governmental organisations and local communities, raising funds from voluntary private contributions or grants from international agencies.

   v. Local banks and other financial institutions, offering short-term or medium-term loans at market rates.

   vi. International banks and export credit agencies, providing larger volumes of finance than local sources, against corporate guarantees or project cash flow.

   vii. International aid from multilateral and bilateral sources, available as loans on concessional terms or grants.

   viii. Multilateral financial institutions: Loans on near-market terms.

   ix. Environmental and water funds.

   x. National and county governments, providing subsidies, guarantees of loans, and proceeds of bond issues.

WSTF will seek to consolidate their input into the sector through coordination, participation, lobbying, mediation, negotiations, capacity building etc. to achieve common goals.

b. **Development of innovative financing schemes** - Investments in innovative approaches to finance water security require appropriation of inter-institutional spaces to mobilize resources going beyond traditional financing and subsidy-driven models. The following Alternative Financing avenues can be explored through structures and products that reorient the industry and investors away from short-termism and encourage greater sustainability in performance, while also developing domestic capital markets. Below are some of these schemes;

   i. Blended Finance - Blended finance is a structuring approach using "catalytic capital from public and philanthropic sources to increase private sector investment in sustainable development. Blended finance transactions have three signature markings: (1) Development impact & SDGs; Contribute towards achieving the SDGs, (2) Return; Expected positive financial return and (3) Leverage; Philanthropic parties are catalytic to improve the risk-return profile to mobilize/attract "additional" private sector investment.

   ii. Impact bonds - Impact investing is replacing the approach to investing from one based on risk and return, to risk, return, and impact; and seeks to create social or environmental benefits, directing capital to enterprises that accomplish impact goals that traditional business models cannot. In impact investing, social and environmental considerations are not lenses for rejection of opportunities; they influence decision-making criteria for investors. Impact bonds monetize social/development outcomes by capturing the value between the cost of prevention now and the price of remediation in the future.

   iii. Pension funds - There is growing consensus among institutional investors including pension funds, on infrastructure as an asset class, and these investors are participating in the financing, building, and operating of infrastructure through PPPs. Investments in infrastructure are characterised by long-term contractual arrangements and regulation, and a means to reduce portfolio risks through diversification and to access higher risk-adjusted returns.

   iv. Green bonds – They are fixed-income instruments, where the proceeds are earmarked for financing green projects with a potential to attract capital that can generate a positive investment cycle for green projects.

4.2 Increase access to water and sanitation to 900,000 people living in poor urban areas, unreached rural and arid areas using Green Growth Approaches

Climate change and the destruction of the environment affects the poor and marginalized (who form the key constituent for WSTF based on its mandate) disproportionately as they live on the fringes of society. Failed rains, increased desertification, deforestation, obstruction of rivers, floods, broken sewers continue to deprive the poor of decent water and sanitation pushing them to unhygienic sources.

With a proper strategy that seeks to green the water sector, WSTF can help improve the delivery of robust water and sanitation services to the most vulnerable using green growth strategies that will improve water capture, storage and reuse; foster innovation and adoption of green technologies for domestic water supply, efficient small holder irrigation, wastewater treatment and reuse, water use efficiency, adaptation measures for catchment and natural resources management.

Cattle drinking water in a semi-arid area

Water Kiosks enhance access to urban poor

There are a wide range of green technologies/ approaches that will be used to improve access including;

i. Climate proofed water storage facilities such as small and medium sized dams, rock catchments, rainwater harvesting tanks/reservoirs

ii. Ground water (managed aquifer) recharge through structural and non-structural measures such as spate irrigation through flooding in contour/trapezoidal bunds, recharge wells. Storm water management technologies and roads for water recharge techniques such as gully plugging, spring capture, side drains and depression storages.

iii. Renewable energy pumping systems; Solar pumping systems and Wind pumping systems;

iv. Efficient water supply infrastructure to reduce conveyance losses High Density Polyethylene (HDPE) Pipelines, Bulk and Smart Water management systems including distribution, monitoring, billing and metering, gravity distribution schemes

v. Water treatment and desalination technologies; Use of UV light disinfection products at household level, solarized solutions such as Solarized Reverse Osmosis plants, Slow sand filters

vi. Water Use efficiency monitoring; Installation of automated river gauging meters, Solar powered Dip meters and GSM enabled low cost remote sensors to monitor groundwater use, Water Refilling Centres/ ATMs at public spaces, Water Saving/Dual Flash Toilets

vii. Decentralized faecal sludge treatment facilities generating bio gas, fertilizer and safe water for re-use, for economic activity and clean environment

viii. Green sewers connected to faecal sludge treatment infrastructure for treatment of final sludge and waste water, generating large scale bio gas, fertilizer and safe water for re-use, for economic activity and clean environment

ix. Small holder Irrigation technologies; Spate and micro-irrigation technologies such as drip irrigation, greenhouses or shade nets, contour bunds and lined water storage pans, surface run-off capture, indoor / vertical farming.

x. Livelihood adaptation activities such as bee keeping, fish farming, nature trails, eco-tourism, restoring water fronts for communities, farm level Carbon Credits schemes- paid tree planting schemes, energy saving stoves, mangrove restoration;

To achieve this ambitious impact, the Fund will be implementing several strategies as below;

a. **Strengthen Capacity of National and County Governments** in creating an enabling environment that encourages and incentives green approaches in water, sanitation and water resources management including appropriate legislation.

b. **Develop models for sustainable water and sanitation infrastructure and maximization of resource efficiency.** These can include;

   i. Charge for use to enable operations and maintenance cost to be met: Understandably, this may not be applicable in some scenarios. However, it will still be necessary for stakeholders to explore alternatives that shall ensure infrastructure is not degraded due to disrepair.

   ii. Obtaining more value and jobs per unit of water while ensuring sustainable levels of water withdrawals: This initiative looks to ensure communities feel part of projects initiated within their borders. It therefore looks to encourage the hiring of locals in the project implementation and running phases once the project is completed.

   iii. Investing in replacing/maintaining old infrastructure and decreasing wastage: This is a resource intensive undertaking, and an important undertaking especially in aging urban centres with a lot of poor communities. Most of the infrastructure is incapable of supporting the ballooning populations, or was rendered ineffective due to years of neglect and abuse. This initiative therefore targets reinvigorating such infrastructure, and to ensure as little as possible resource is lost within it.

   iv. Investing in integration of green approaches in financing of rehabilitation of old schemes with the aim of reducing carbon emissions and more use of renewables: This takes into considerations innovations and technologies that will address challenges over time, and position infrastructure for robustness.

   v. Improving storage and water quality, including investing in hard infrastructure (i.e. dams, wastewater systems); and in soft infrastructure (restoration of ecosystems as buffer areas); investments to protect current assets at risk when economically efficient to do so, and retrenchment strategies for other cases.

   vi. Water resources management, in particular for investing in the institutions and mechanisms needed to allocate water among competing demands in an equitable and sustainable manner.

c. **Smart subsidies:** Working with water sector firms to introduce smart subsidies that could take the shape for example of programmes offering long-term credit at low rates to low income populations for construction of water and sanitation networks and connections to public utilities; a programme providing people with low payment capacity and bill debts access to low cost financing; a programme offering credit at competitive rates for home improvements and efficient appliances; contracting small community organisations for work related to water and sanitation services provision; and provision of public water services to peri-urban areas.

   At the national level, a subsidies scheme offers low income users subsidies financed by an over-quote in the bills of high income users, industrial and commercial users, and with County funds. Full cost pricing has ensured the financial sustainability of water utilities, reducing their dependence on budget allocations. Initiatives will therefore include the following:

i. Support the mapping of WSS coverage (customers/ reach) and income levels against usage from WSPs data

ii. Development of a framework that can be customized to suit the individual characteristics of specific target reaches.

iii. Financing acquisition of technologies that will enhance effective monitoring & Evaluations as well as billing.

iv. Support the rollout of smart subsidies programmes by WSPs

v. Explore subsidies/ reliefs/ exemptions for investors looking to enhance affordable, sustainable WSS access through institutional lobbying and backing.

d. Strategic partnerships with well-funded public infrastructure providers such as (i) SGR and Kenya Railways, (ii) Kenya Roads Board (KRB)-KENHA-KERRA-KURA for standardized linkages with roads/ rail improvements and water harvesting to ensure surface run off is harvested, stored and supplied to nearby communities for agricultural and domestic use.

4.3 Increase Green Growth innovations in water and sanitation provision.

Green growth offers solid long-term benefits that improves projects sustainability, mitigates climates change and enhances community resilience, however, the benefits are held back by the notion that green projects are expensive. While it is true green growth projects have higher initial costs, the long-term benefits far outweigh any costs. If the approaches are to be mainstreamed, there is a great need to be innovative in order to reduce their initial costs, improve benefits, increase acceptance and make the technologies and approaches readily available. To achieve this, WSTF intends to work with sectoral stakeholders to unleash the power of innovation and creativity using the below strategies:

a. Partnerships with County Governments, universities, colleges and other stakeholders to spur innovation: The aspect of collective approach to successful green growth requires deliberate initiatives to bring on board institutions bearing in mind their jurisdictions, technical capacities and experience to ensure success. This strategy therefore looks to leverage on such strengths in the below initiatives:

i. Assist Counties develop feasibilities for wastewater re-use potential, policy papers and guidelines: This will set the pace for sector players to ensure compliance, and for citizens to be proactive from a guided perspective. Improving existing laws also ensures the sector grows within defined provisions.

ii. Engage institutions with actual WSS access challenges and leverage on their technical capacities to develop sustainable, practical, inexpensive localized solutions: Institutions of higher learning and those specializing on water and natural resources management have a wealth of theoretical experience that, if given the necessary support, can translate to practical solutions for the water access value chain. WSTF looks to leverage on

Innovation will drive Green Growth Initiatives.

partnerships to encourage targeted solutions that will lead to greater impact sustainably.

iii. Create incentives for enhanced innovations in the sector with significant focus on sustainability and viability: This strategy looks to reward creativity and innovation to encourage those with feasible ideas to actualize them.

b. Invest in knowledge, technology and innovation: Enhancing investments for generating knowledge that is made available as a public good; purchase of relevant technology that is also made freely available; assistance in building technology capabilities; and human capital formation. Upgrading management regimes in order to protect instream flows and protect environmental allocation. These can be achieved through the following initiatives:

i. Encourage research and innovation in water re-use and energy recovery: This looks to open up research on the resource to stakeholders and the general public with a view of enriching the body of knowledge on the resource, and making important information available and accessible to all to enhance buy in and contribution towards achievement of the aspirations of green growth.

ii. Sponsor research and innovation programmes on WSS and water resources management in conjunction with other stakeholders where necessary: In line with the strategy on partnerships with institutions, this particular initiative looks to provide technical and or financial support where necessary to programmes that aim to build further understanding of the sector, and to provide scientific references for industry stakeholders, investors and the general public.

iii. Invest in collaborative approaches to solutions development to eliminate competition, duplication and resource wastes among sector players. This initiative targets programmes and programme development and implementation by various stakeholders and seeks to ensure all stakeholders focus on optimizing resources for a common goal.

iv. Train water sector practitioners in public and private sector with enhanced knowledge and tools on deployment, operation and maintenance of green water, irrigation and sanitation technologies. The output will include :

- ❖ Development of training programmes for green water, irrigation and sanitation technology practitioners developed in collaboration with Ministerial Climate Change Unit, Kenya Water Institute (KEWI), other training/ research institutions
- ❖ Assist financial institutions in developing financing products for climate resilience and green technology projects
- ❖ Training for trainers for green water and sanitation technologies from programme target areas to enhance adoption at community level
- ❖ Provide technical expertise and mentorship for viable community scale innovations and private enterprises to deliver climate resilient projects/products.
- ❖ Support the operation of a knowledge management hub to showcase innovations, projects learning and data management.

c. Develop markets for innovations in water sector: One way of ensuring innovators in the sector find value for their creations and proposed solutions is to ensure that their solutions (that meet desirable threshold and guarantee value to users) find markets locally and in similar markets regionally and globally. This strategy therefore seeks to ensure that value creations actually

translate to the said value. Initiatives will include:

i. Lobby for legislation and regulation that support innovations and adaptations in the sector to enhance efficiency and conservation: To include among others, reliefs and exemptions on key technologies and raw materials to innovators and manufacturers, reduced taxes for buyers and users of locally developed solutions, buy Kenya build Kenya policies for service providers etc.

ii. Support innovations and local adaptation of water efficient technologies by sector players: WSTF will look to provide technical and affordable financing or grants where applicable to local sector players looking to use local solutions in their service delivery across the various levels of the value chain.

4.4 Build sustainability and community resilience.

As climate change exacerbates pressure on dwindling earth resources, it will be even more urgent and critical for deeper collaboration with host communities to take better care of finite water resources. This will prevent over exploitation while encouraging sustainable practices to manage water resources areas. In the arid areas, efforts can include 'greening' i.e. planting trees to improve the ecological balance of the area. Communities will need to be trained to utilize the resources efficiently while Water Service Providers will need to improve the infrastructure to minimize wastage and thus improve their sustainability. WSTF will seek the below in order to bolster sustainability and community resilience.

a. **Improve cost recovery:** One of the biggest challenges for areas targeted for WSS by WSTF is the cost of maintaining the infrastructure, and getting value for money per unit of water made available. This strategy therefore looks to ensure that WSS projects in such areas remain viable and attractive to stakeholders tapping on various levels of the value chain. Important initiatives will include:

i. Encourage the clustering of maintenance service in rural and urban areas: This will ensure that such resources (tools, technical expertise, access to spare parts etc.) are optimized since they will be able to service several clusters. It also ensures reduced to no conflict especially in densely populated low income areas in urban centres.

ii. Invest in effective M&E systems that incorporate sustainability and efficiency/effectiveness in the PM framework: As a critical component of any project management framework, monitoring and evaluation should provide the dashboard for feedback on the sustainability aspect of individual projects. WSTF will therefore invest in an approach that shall attach weight to tracking sustainability over time for projects it undertakes which will allow for learning and taking of corrective action where necessary.

b. **Strengthen stakeholder participation** (counties, communities, etc.): Sustainability requires capacity by all parties to play their various roles effectively. WSTF will help ensure this capacity is maintained at all times. Action programmes will include:

i. Capacity building of stakeholders: WRUAs, WSPs, WUAs, Conservancies, CFAs and Technical Service providers: This will be through targeted training, workshops and seminars as well as dissemination of information to specific groups.

ii. Encourage adoption of and standardization of technologies to enhance ease of support/ maintenance/skills sharing: This aims at ensuring cost effective installation and

maintenance of infrastructure, as well as optimization of the skillset building for technicians that can serve any clusters should the need arise. It also ensures the stocking of spare parts, tools and equipment that can be used across the board.

iii. Support community initiatives on conservation, regeneration and management of water resources: Many sensitized communities have conservation initiatives from time to time. This initiative seeks to ensure WSTF supports these initiatives, and in the process build its image among the communities, and position it to achieve its mission.

iv. Encourage sustainable enterprise in WSS value chains that empower locals directly through recruitment, sponsorships, B&B relationships and capacity development.

c. Promote sustainable use and management of water resources: Exploitation of water resources is inevitable in the quest to ensuring universal access. However, abuse of this exploitation will have a greater negative impact on access in the long term hence the need to ensure responsible exploitation that factors sustainability at all times. This will be achieved through the following initiatives:

i. Incorporation of sustainable waste water management components in all WSS access programmes/projects.

ii. Proactively participate in initiatives by sector players looking to enhance conservation efforts across the country.

iii. Engage stakeholders in developing a sustainability index for the sector, targeting the various value chain components. This will become an important basis for stakeholder evaluation and training/education.

iv. Promote pro-conservation culture among school going children to build a base for future conservationists. To involve sustained programmes in schools, and will include among others, establishment of environmental clubs in schools, training of water resource management champions and organizing annual events to promote conservation efforts by school going children in the country.

d. Working with communities to protect watersheds and water sources: Policies that support upstream communities to do this include:

i. Ensure that economic costs and benefits from improved water quality and quantity are shared by upstream and downstream users, including the poor and indigenous communities.

ii. Provide monetary and non-monetary (access to land tenure) incentives to farmers to protect watershed areas.

iii. Provide subsidized services for water supply and sanitation in poor urban and rural areas in line with WSTF mandate.

iv. Work with watershed communities to find the best solutions for construction of green infrastructure, such as terraces, planting native species along waterways and reforestation of protected areas.

e. A public awareness campaign: To enhance the participation of the public in green and climate resilience initiatives and strengthen adaptation capacity on climate change at household level. Public awareness will spur citizen action to influence policy makers in prioritizing and financing of climate resilient approaches for the public good. Sensitized commercial banks will be

interested to lend money to the water companies, community associations, private enterprises. This will be delivered by undertaking;

- Marketing tools and plans for communities especially targeting women, children, youth, Persons with Disabilities and other vulnerable groups
- Public events on climate resilience and networking events with the private sector.
- School programmes on green technologies and climate change adaptation through innovation campaigns, learning materials and setting up of demonstration sites.
- Publication of articles, advertisements, press releases, online publications and websites.

Community Participation is key for successful Green Growth projects

Stakeholders participation ensures ownership, support and responsible citizenry.

Stakeholders inspecting a bio sanitation dome installation project

One of WSTF's projects: pumping water using solar energy – a green initiative.

CHAPTER 5

5.1 The Investment Policy

In line with the Water Act 2016, the Fund will largely take on a sector financing role while still focused on the unserved and underserved communities. Investments for the Fund is to be viewed in three contexts:

- **Investment in the water sector** – Made in the form of conditional or unconditional grants:
  i. To counties to assist in financing the development and management of water services in marginalised or underserved areas.
  ii. To support Water Resources Management activities.
  iii. To support applied research and innovation in projects.
- **Investment with financial return** - Ensures funds earmarked for future projects or activities, that are available but not immediately required are invested for a financial return until when they are required for their intended purpose. This primarily targets internally generated funds from interest and fee income as defined in the Resource Mobilisation Strategy document.
- **Investments for environmental and social sustainability** – Ensure that all supported projects integrate a component of Water Resource Management as part of the investment plan. This is in line with the need to ensure that future water sources as sustainably managed.

To achieve the above, WSTF will rely on its comprehensive Investment Policy whose objectives are:

a. To implement risk management by undertaking investments in a manner that ensures due process, value for money and transparency to investors and the public. The goal will be to mitigate against inherent investment risks at the operations and implementation level.

b. To maintain sustainable investments that takes into consideration the social, environmental and economic aspects of the projects. The investments must deliver long-term benefits to the people.

c. To ensure equitable distribution of investments across the whole country, in line with the Constitution and in collaboration with the county governments, especially targeting the underserved and unreached populations.

d. To attain value for money in the implementation of investment programmes through proactive cost management and prudent use of resources. Cost benefit analyses investments will be critical in the evaluating proposed projects before financing.

e. To attain acceptable social return on investments throughout the investment cycles as measured against the impact indicators specified in the Fund Results Framework.

As a financing institution, the Fund will package its investment programmes into products which shall guide the formulation of proposals for funding by implementing partners. The main Programmes are categorised into two as in the table below.

Table 9: WSTF Investment Programmes

1. Primary Investments		
a. Urban Investments Programme (UIP)	**b. Rural Investments Programme (RIP)**	
1. Urban Water Supply Programmes 2. Urban Sanitation Programmes	1. Rural Water Supply Programmes 2. Rural Sanitation Programmes	1. Rural Water Supply for ASAL Programmes 2. Rural ASAL Sanitation Programmes
c. Water Resources and Climate Change Investment (WRMI) Initiatives		
2. Other Investment Programmes		
a. **Result-Based Financing Programme**		
b. **Research Programme**		
c. **Emergency Programme**		

The photographs below indicate some projects that WSTF has supported in the past:

Inspecting a Water Treatment Facility

One of the many WRUAs supported

Sustainable Growth involves Community Support

Supported Water Kiosk in Western Kenya

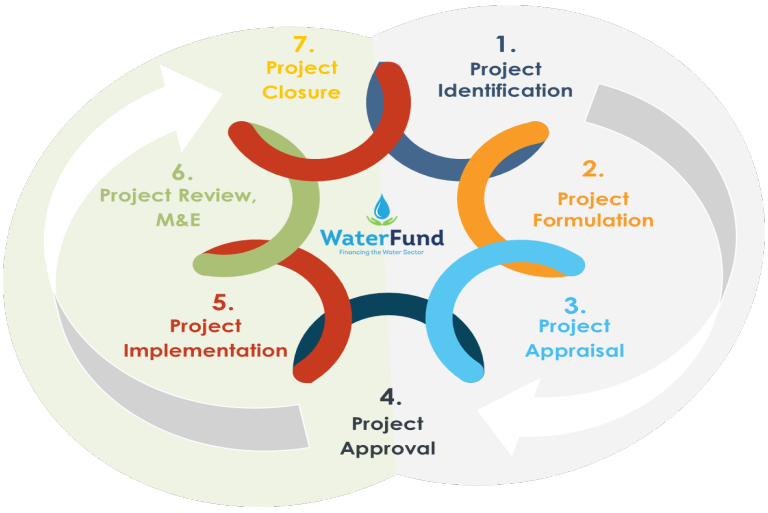
Waste Water Management: key for Green Growth

Sustainable Projects allow for extended benefits

5.2 The Investment Cycle

Effective vetting and selection of investments will require a defined approach from beginning to end. For WSTF, the investment cycle will involve the following steps:

i. Project Identification
ii. Project Formulation
iii. Project Appraisal
iv. Project Approval
v. Project Implementation
vi. Review, Monitoring and Evaluation
vii. Project Closure



Checklists

- WSTF Programmes
- National Impact
- Lessons Learnt
- Sustainability
- Policy Impact

Figure 4: Investment Cycle (Source: WSTF Investment Policy).

5.3 WSTF Investments and Green Growth

The organization's commitment to green growth is evident in this and other planning approaches. For this reason, the organization seeks to ensure that all investments carry an aspect of this subject. This plan recommends that 30% of resources to be directed towards ensuring green growth aspirations of the organization are realized. The specific areas targeted in this plan are as below:

a. **Sustainable Resource Mobilization:** This does not only look at approaches that provide funding for the organization's projects, but also looks at coordinated and supported initiatives that help realize WSTF's mission and vision, and by extension, the Vision 2030 and the SDGs.

b. **Infrastructure Support Programmes:** These are programmes aimed at improving infrastructure for improved WSS access across the country in line with the strategic investment schedules of

the organization (as in the corporate strategy).

c. **Project & Project Management Considerations:** These are specific considerations that ensure projects undertaken or supported by WSTF have components that factor in green growth and sustainability.

d. **Stakeholder Capacity Building:** This looks at all stakeholders and WSTF's commitment to their capacity building to ensure that the common aspirations on green growth are attained throughout the strategy period.

e. **Conservation Initiatives:** These form integral components of the green growth aspirations since environmental sustainability is one of the three pillars of the desired outcomes. WSTF targets initiatives that align with its mandate, or those that require a collaborative sectoral approach for greater impact.

f. **Sector Enterprise Development Support:** This looks at the social and economic pillars, and WSTF's commitment to ensuring a balanced approach to implementing its mandate. This therefore includes the support the organization invests among enterprises in the water value chain, with socio-economic impacts.

g. **Research and Innovation:** This cements the organization's commitment to continuous learning, research and development to ensure proactive approach to finding solutions that help realize the mission and vision.

5.4 The Investment Schedule

The Investment Schedule for this Green Growth Strategy is as below:

Table 10: WSTF Green Growth Investment Schedule

Program	2020/21		2021/22	
	TARGET IMPACT	BUDGET (KSh)	TARGET IMPACT	BUDGET (KSh)
Number of people with Access WS - Urban Poor	79,695	603,108,000	67,741	759,916,080
Number of people with access SS - Urban Poor	47,250	159,934,180	40,163	201,517,067
Number of people with Access WS - Underserved Rural	107,100	240,803,625	91,035	303,412,568
Number of people with access SS - Underserved Rural	15,750	28,944,000	13,388	36,469,440
Number of people with Access WS - Rural - ASAL	103,005	212,320,629	87,554	267,523,993
Number of people with access SS - Rural - ASAL	9,450	31,522,522	8,033	39,718,377
UBSUP	100,800	140,302,837	85,680	175,378,547
Water Resource Management - No. of People impacted	20,000	309,000,000	35000	387,000,000
	483,050	**1,725,935,793**	**428,593**	**2,170,936,071**

Important to Note:

- Green considerations will account for at least 30% of the fund's considerations throughout the period.
- The green growth components will not necessarily be isolated from the Fund's investments. They will instead be a component to ensure resource optimization.

CHAPTER 6

KEEPING OUR FOCUS

In order to ensure that the Fund is able to measure and track its progress on the Strategic Objectives in this document, the management team has developed a monitoring and evaluation framework, which will be adhered to conscientiously during the planning and implementation period.

6.1 Implementation of the Balanced Scorecard (BSC)

This strategy proposed implementation of the Balanced Scorecard to facilitate strategy implementation, performance reporting and communication. Balanced scorecard reports will be generated on a quarterly basis.

The BSC was recommended for the implementation of the corporate strategic plan 2018-22. This plan acknowledges this fact, and proposes alignment of key metrics to feature on the corporate scorecard, and cascaded appropriately. This document provides a recommended green growth specific scorecard with measures that can be adopted in the main scorecards at various levels, or used as a specific dashboard to gauge the effectiveness of the implementation of this plan.

6.2 Regular Strategy Reviews

Bi Annual Strategy Reviews will focus on outputs and outcomes. They will form a self-evaluation mechanism during which the stakeholders reflect upon how well the Plan is progressing towards achieving its objectives. They also give the Fund an opportunity to reanalyse its operating environment – both internal and external, and make necessary adjustments where necessary, ensuring the Plan does not remain static. It is important to note that Strategic Reviews need not wait for the assigned timelines in light of changes in the said environments.

The Fund Results Framework will be key in these reviews, the output of which will advise strategic decision making at personal, departmental and corporate level.

6.3 People Focus

In order to achieve the ambitious targets here, the strategy proposes the creation of Green Growth Hub/ Desk under the Investments Department but encompassing representatives of all departments involved i.e. Resource mobilisation, Finance, M&E to coordinate the activities and ensure projects funded are well aligned with the Green Growth ambitions.

This plan does not recommend further changes to the structure as contained in the corporate strategic plan 2018 – 2022.

CHAPTER 7

FINANCING THE PLAN

7.1 Resources Requirement for the Green Growth Strategy

The table below represents a summary of resources required for the period:

Table 11: Resources Required for the Strategy Period

Strategic Objective	2021	2022	TOTAL
Accelerate the use of Green Finance to fund water and sanitation projects.	355,000,000	401,000,000	756,000,000
Improve access to 900,000 persons using green growth approaches	831,500,000	1,098,300,000	1,929,800,001
Increase innovation in water and sanitation provision.	300,000,000	330,000,000	630,000,000
Build sustainability and community resilience.	1,336,500,000	1,559,000,001	2,895,500,001
TOTAL	**2,823,000,000**	**3,388,300,001**	**6,211,300,002**

7.2 Sources of Funds for 2020 - 2022 period

WSTF will therefore seek to tap into blended finance (the strategic use of development finance for the mobilisation of additional finance towards sustainable development). It is a promising approach to scale-up financing flows for water as It can dramatically enhance the leverage effect of development finance - which is significant and rising but not at scale by mobilising other types of funds. Further, blended finance can significantly improve the risk-return profile of water-related investments for commercial financiers which WSTF aims to bring on board.

In the short and medium term, WSTF expects GoK and development partners funding will form a significant portion of the Green Growth Plan source of funding. However, WSTF intends to continue mobilizing alternative sources (As explained in Chapter 4) to shore up much needed funds to ensure the ambitious green growth targets are met. In the schedule below, these new sources of funds are considered under 'leverage funding, endowment funding and Other Incomes'.

Table 12: Sources of funds for the Main strategy period

Source	FY2020/2021	FY2021/2022	TOTAL
GoK Grants	1,050,000,000	1,826,000,000	**2,876,000,000**
County Govt Funding	150,000,000	200,000,000	**350,000,000**
Donor Funding	3,200,000,000	3,500,000,000	**6,700,000,000**
Leveraged funds	1,500,000,000	2,000,000,000	**3,500,000,000**
Water Levy	100,000,000	110,000,000	**210,000,000**
Interest & fee Income	150,000,000	200,000,000	**350,000,000**

Funding for Office complex (raised through various methods)	200,000,000	300,000,000	**500,000,000**
Endowment Fund	1,000,000,000	1,000,000,000	**2,000,000,000**
Other Incomes	5,000,000	10,000,000	**15,000,000**
Grand Total	**7,355,000,000**	**9,146,000,000**	**16,501,000,000**

CHAPTER 8

IMPLEMENTATION MATRIX7

8.1 Accelerate the use of Green Finance to fund water and sanitation projects.

STRATEGIES	KEY ACTION PROGRAMME	KEY INDICATOR	TARGET	BUDGET (KSh)		
				2021	2022	TOTAL
a. Enhance collaborative efforts of the Private sector, government and donors to boost funds available	Aggregation /coordination of user resources at various levels	Number of aggregated/ coordinated resource pooling initiatives at various levels (WRUAs/ WSPs/ NGOs/ Private Investors etc.)	5 per county per year	200,000,000	220,000,000	**420,000,000**
	Tapping informal players - In high density areas where growth has outstripped the public network	% Informal players brought into the fold in relevant jurisdiction	30% by 2022	50,000,000	55,000,000	**105,000,000**
	Private companies, either local or foreign, provide funds from sources similar to public utilities, plus equity injection for value chain.	Amount pumped into the sector by the private sector as a % of total sector funding	25% by 2022	20,000,000	22,000,000	**42,000,000**
	NGOs and local communities, raising funds from voluntary private contributions or grants from international agencies.	Value of supported projects funded by local communities, raising funds from voluntary private contributions or grants from international agencies as % of total funded projects	25% by 2022	20,000,000	22,000,000	**42,000,000**
	Exploring local banks and other financial institutions, offering short-term or medium-term loans at market rates.	Amount of bank financing advanced to the sector as a % of total sector funding	30% by 2022	20,000,000	22,000,000	**42,000,000**
b. Development of innovative financing schemes	Blended Financing	Amount raised for the sector by 2022	300M	10,000,000	20,000,000	**30,000,000**
	Exploring Impact Bonds	Amount raised for the sector by 2022	500M	-	-	**-**
	Exploring Pension funds investment in infrastructure	Amount raised for the sector by 2022	200M	20,000,000	20,000,000	**40,000,000**
	Explore issuing Green bonds	Amount raised for the sector by 2022	1 Billion	15,000,000	20,000,000	**35,000,000**
TOTAL				**355,000,000**	**401,000,000**	**756,000,000**

8.2 Increase access to water and sanitation to 900,000 people living in poor urban areas, unreached rural and arid areas using Green Growth Approaches.

STRATEGIES	KEY ACTION PROGRAMME	KEY INDICATOR	TARGET	BUDGET (KSh)		
				2021	2022	TOTAL
a. Strengthen Capacity of National and County Governments	Assist Counties develop legislative frameworks and incentives that encourage the use of green growth approaches to mitigate climate change and improve access to water and sanitation	Number of Counties with appropriate frameworks	20	50,000,000	55,000,000	**105,000,000**
	Build capacity of key Green growth units in counties	Number of Green growth units established and trained in counties	20	100,000,000	110,000,000	**210,000,000**
	Strengthened collaboration between Green growth units at National and County levels	Number of joint programs	5	100,000,000	110,000,000	**210,000,000**
b. Develop models for sustainable water and sanitation infrastructure and maximization of resource efficiency	Charge for use to enable operations and maintenance cost is collected	% stakeholders achieving collection targets per year	50%	-	-	**-**
	Obtaining more value and jobs per unit of water while ensuring sustainable water withdrawals.	% achievement of value and job per unit of water	80%	-	-	**-**
	Investing in replacing/maintaining old infrastructure and decreasing wastage.	Number of projects for Upgrading / Renewal Works supported across the country	2021 – 5 2022 – 20	50,000,000	200,000,000	**250,000,000**
	Improving storage & water quality, (investing in hard/soft infrastructure) to protect current assets at risk	Number of projects supported	2021 – 4 2022 – 5	50,000,000	100,000,000	**150,000,000**
	Investing in the institutions and mechanisms needed to allocate water among competing demands in an equitable and sustainable manner.	Number of projects supported	2021 – 5 2022 – 10	51,500,000	100,300,000	**151,800,000**

STRATEGIES	KEY ACTION PROGRAMME	KEY INDICATOR	TARGET	BUDGET (KSh)		
				2021	2022	TOTAL
c. smart subsidies	Support the mapping of WSS coverage and income levels against usage from WSPs data	% Mapping Completed (for all target WSPs) by 2022	100%	50,000,000	40,000,000	**90,000,000**
	Development of a framework that can be customized to suit the individual characteristics of specific target reaches.	% Adoption	Above 50%	-	-	**-**
	Financing acquisition of technologies that will enhance effective monitoring & Evaluations as well as billing.	Amount disbursed	2021 – 100M 2022 – 100M	100,000,000	100,000,000	**200,000,000**
	Support the rollout of smart subsidies programmes by WSPs	No. of WSPs with smart subsidies	5	200,000,000	200,000,000	**400,000,000**
	Explore subsidies/ reliefs/ exemptions for investors looking to enhance affordable, sustainable WSS access through institutional lobbying	Number of interventions successfully lobbied	5	200,000,000	200,000,000	**400,000,000**
d. Strategic partnerships with well-funded public infrastructure providers	Small units highway dams built across major roads	No. of small collections dam built	5	50,000,000	50,000,000	**100,000,000**
	Support communities to tap into the highway dams	No. of persons who benefit	20,000	10,000,000	11,000,000	**21,000,000**
TOTAL				**300,000,000**	**330,000,000**	630,000,000

8.3 Increase innovation in water and sanitation provision.

STRATEGIES	KEY ACTION PROGRAMME	KEY INDICATOR	TARGET	BUDGET (KSh)		
				2021	2022	TOTAL
a. Partnerships with County Governments, universities, colleges and other stakeholders to spur innovation	Support Counties to develop feasibilities for wastewater re-use potential, policy papers and guidelines	Number of Counties supported By 2022	20	50,000,000	55,000,000	**105,000,000**
	Engage institutions with actual WSS access challenges and leverage on their technical capacities to develop sustainable, practical, inexpensive localized solutions	Number of sustainable, practical, inexpensive localized solutions rolled out per year	5	100,000,000	110,000,000	**210,000,000**
	Create incentives for enhanced innovations in the sector with significant focus on sustainability and viability	Number of innovations on green approaches, sustainability/ viability due to incentivization per year	20	100,000,000	110,000,000	**210,000,000**

c. Invest in knowledge, technology / innovation.	Encourage research and innovation in Water re-use and energy recovery	Impact assessment of innovations supported	30% Improve-ment	10,000,000	11,000,000	**21,000,000**
	Sponsor research and innovation programmes on WSS and water resources management in conjunction with other stakeholders where necessary.	Number of programmes sponsored per year	5	10,000,000	11,000,000	**21,000,000**
	Invest in collaborative approaches to solutions development to eliminate competition, duplication and resource wastes among sector players	Amount in resources lost due to undue competition/ duplication of effort due to lack of collaboration	Zero	-	-	**-**
d. Develop markets for innovations in water sector	Lobby for legislation and regulation that support innovations and adaptations in the sector to enhance efficiency and conservation	Number of legislation supported per year	1	10,000,000	11,000,000	**21,000,000**
	Support Innovations and local adaptation of water efficient technologies by sector players	Number of Innovations	2/ county	20,000,000	22,000,000	**42,000,000**
TOTAL				**300,000,000**	**330,000,000**	**630,000,000**

8.4 Build Sustainability and Community Resilience

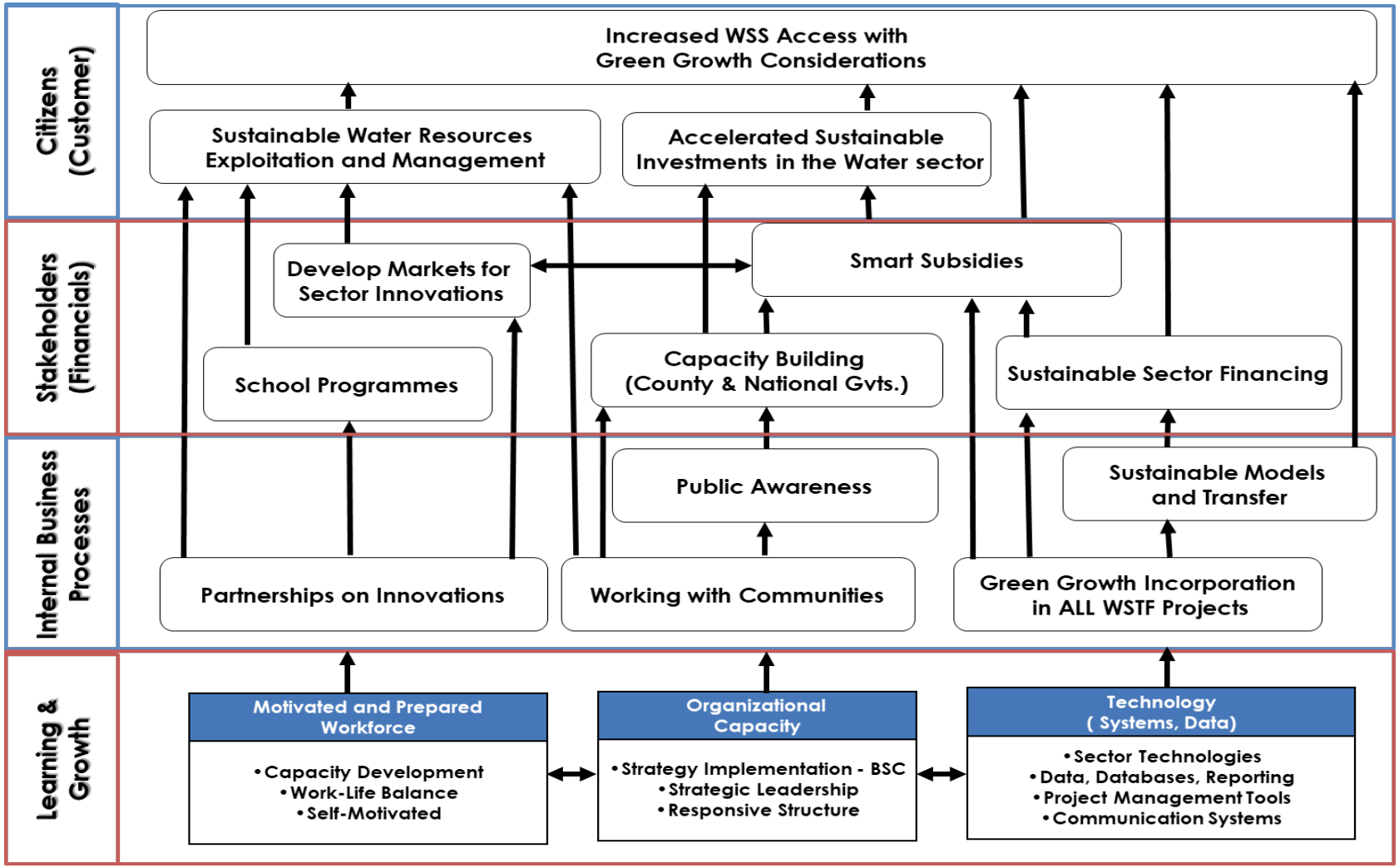
STRATEGIES	KEY ACTION PROGRAMME	KEY INDICATOR	TARGET	BUDGET (KSh)		
				2021	2022	TOTAL
a. Improve cost recovery – raise water demand	Encourage the clustering of maintenance service in rural and urban areas	Number of clusters in rural and urban areas	25	100,000,000	110,000,000	**210,000,000**
	Invest in effective M&E systems that incorporate sustainability and effectiveness in the PM framework	% projects achieving above 50% of sustainability provisions by 2022	50%	-	-	**-**
b. Strengthen stakeholder participation	Capacity building of stakeholders - WRUAs, WSPs, Technical Service providers etc.	Number of capacity programmes conducted per target group per year	12	200,000,000	210,000,000	**410,000,000**
	Encourage adoption of and standardization of technologies to enhance ease of support/ maintenance/ skills sharing	% Standardization / Adoption of the standards by 2022	50%	50,000,000	52,500,000	**102,500,000**
	Support community initiatives on conservation, regeneration and management of water resources.	Number of initiatives supported per year	100	300,000,000	315,000,000	**615,000,000**
	Encourage sustainable enterprise across WSS value chains that empower locals directly - recruitment, sponsorships, B&B relationships, capacity building.	Number of sustainable enterprises supported across value chain per year	25	200,000,000	220,000,000	**420,000,000**

STRATEGIES	KEY ACTION PROGRAMME	KEY INDICATOR	TARGET	BUDGET (KSh)		
c. Promote sustainable use and management of water resources	Incorporation of sustainable waste water management components in all WSS access programmes / projects	% Projects achieving above 50% of waste management sustainability projections	35%	-	-	**-**
	Proactively participate in initiatives by sector players looking to enhance conservation efforts.	No. of Initiatives supported per year	20	50,000,000	60,000,000	**110,000,000**
	Engage stakeholders in developing a sustainability index for the sector, targeting the various value chain components for stakeholder evaluation and training / education.	National Green Growth Sustainability Index (for sector)	X + 10% improvement per year	50,000,000	55,000,000	**105,000,000**
	Promote pro-conservation culture among school going children to build a base for future conservationists.	No. of Schools (primary & Secondary) covered by programmes by 2022	200	50,000,000	200,000,000	**250,000,000**
d. Working with communities to protect watersheds and water sources	Ensure that economic costs and benefits from improved water quality and quantity are shared by upstream and downstream users, including the poor and indigenous communities.	No. of programs implemented that have a good model for sharing water	3/ quarter	-	-	**-**
	Provide monetary and non-monetary (access to land tenure) incentives to farmers to protect watershed areas.	No. of active programs	2/ county	60,000,000	60,000,000	**120,000,000**
	Work with watershed communities to find the best solutions for construction of green infrastructure, such as terraces, planting native species along waterways and reforestation of protected areas.	No. of local community projects funded	50/ year	100,000,000	100,000,000	**200,000,000**
e. A public awareness campaign to enhance their participation in green and climate resilience initiatives and strengthen adaptation capacity on climate change at household level.	Marketing tools and plans for communities especially targeting women, children, youth, persons with disabilities and other vulnerable groups	No. of targeted groups that have been skilled	5/ quarter	20,000,000	20,000,000	**40,000,000**
	Public Events on climate resilience and networking events with the private sector	No. of events held	2/ quarter	5,000,000	5,000,000	**10,000,000**
	School programmes on green technologies and climate change adaptation through innovation campaigns, learning materials and setting up of demonstration sites	No. of Schools (primary & Secondary) covered by programmes by 2022	200	150,000,000	150,000,000	**300,000,000**
	Publication of articles, advertisements, press releases, and online publications, websites.	No. of Free articles by mainstream media per quarter	5	1,500,000	1,500,000	**3,000,000**
TOTAL				**1,551,500,000**	**2,012,800,000**	**3,564,300,000**


WaterFund
Financing the Water Sector
PROJECT NAME: CONSTRUCTION OF 100M³ DJABIA AT BRIGHT GIRLS SHELLA SEC. SCHOOL
FUNDED BY: WATER SECTOR TRUST FUND
IMPLEMENTED BY: AMU ISLAND WATER RESOURCE USERS ASSOCIATION
PROGRAMME NAME: GREEN GROWTH AND EMPLOYMENT PROGRAMME
SUPPORT FROM:
KENYA VISION 2030

CHAPTER 9

STRATEGY MAP




CHAMPION
DAXLIFE