



WATER SERVICES REGULATORY BOARD
STRATEGIC PLAN 2018-2022



WASREB STRATEGIC PLAN (2018-2022)

MISSION	To provide a regulatory environment that facilitates efficiency, effectiveness and equity in the provision of water services in line with the human right to water and sanitation
VISION	A proactive and dynamic water services regulator
CORE VALUES	<p>Pursuant to its mandate and functions, the Water Services and Regulatory Board (Wasreb) will be guided by the following core values:</p> <ol style="list-style-type: none"> 1. Accountability: We are responsible to the citizens in providing consumer protection 2. Responsiveness: We respond to our stakeholders needs in a timely and effective way 3. Integrity: We embrace professionalism based on honesty, truthfulness, and adherence to ethical principles in discharging our mandate 4. Innovation: We seek out new possibilities and solutions to respond to regulatory challenges 5. Teamwork: We work as a cohesive team and seek partnerships to achieve goals

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ACRONYMS

NWHSA	National Water Harvesting and Storage Authority
NWSS	National Water Services Strategy
PMS	Performance Management System
WARMA	Water Resources Management Authority
WASREB	Water Services Regulatory Board
WRA	Water Resources Authority
WRUAS	Water Resource Users Associations
WSBs	Water Services Boards
WSTF	Water Sector Trust Fund
WWDAs	Water Works Development Agencies
UNDP	United Nations Development Programme

BOARD INFORMATION

Principal Station of Operation	NHIF Building 5 th floor, P.O. BOX 41621 – 00100 NAIROBI, KENYA
Bankers	National Bank of Kenya
Independent Auditors	Auditor General, Kenya National Audit Office, Anniversary Towers, P.O Box 30084 – 00100, NAIROBI, KENYA.

FOREWORD



This Strategic Plan is aligned to the National development agenda as stipulated in the Vision 2030 and Medium Term Plan MTP II 2013-2017 on the water sector, which shows that Kenya is a water scarce country, with per capita freshwater endowment and water storage well below international standards. The country's water storage capacity is among the lowest in the world and stands at 5.3m per capita. Development of water storage capacity to 16m is therefore of the highest priority for the Ministry of Water and Sanitation. Under this MTP, transformation of the economy is pegged on rapid economic growth on a stable macro-economic environment, modernisation of our infrastructure, diversification and commercialisation of agriculture. Other priority areas include, food security, a higher contribution of manufacturing to the GDP, wider access to African and global markets, wider access for Kenyans to better quality education and health care, job creation targeting unemployed youth, provision of better housing and provision of improved water sources and sanitation to Kenyan households that presently lack these.

The Constitution of Kenya 2010 recognizes access to clean and safe water in adequate

quantities as fundamental right and as a shared function between the National Government and County Governments. This indicates that all concerned agencies both at National and the County Governments are mandated to carry out planning and development including provision of water services as part of their functions and powers. As the principal agency on Water Sector regulation, Water Services Regulatory Board (Wasreb) is therefore mandated to ensure adequate regulations and set standards.

Wasreb is thus expected to play a critical role in enabling the Government to achieve its medium and long term development in the water sector especially the Big Four Agenda of the Government, which include, food security, affordable healthcare, affordable housing and manufacturing. This will be realized through provision of adequate regulatory framework and setting sector standards. Towards this endeavour, Wasreb has chosen through this plan to pursue the following strategic themes: Governance, Access to Water Services, Collaboration and Effective Regulator.

This is the third cycle in the history of strategic planning at Wasreb. It comes at a critical time when as a Board we have learnt lessons from the first phase of devolution and we are prepared to respond to what did not work and institutionalize best practices from what worked. The plan has reviewed the symbolic frame where the organization culture and symbols of Wasreb will be challenged, revitalized and efforts put towards developing a new culture and values necessary to spur the desired growth and change.

MS. EUNICE KARANJA
Ag. BOARD CHAIRPERSON

ACKNOWLEDGEMENT



The task of crafting a Strategic Plan is not easy especially when faced with a dynamic sector and other intervening variables in the country's economy. Suffice to say that Wasreb often finds itself in a situation where it has to balance all these issues in order to serve the country better in providing leadership in regulation.

This Strategic Plan contains the invaluable input of a cross section of Stakeholders. When we reached out to them to give their views on where they would want to see Wasreb in the next five years, they did not hesitate to give us candid opinion.

I acknowledge the able leadership of the Acting Board Chairperson for her careful and diligent guidance from the onset of this process, through the various consultative forums up to the conclusion of the plan. I am indebted to the Management team for providing the much needed direction without which, this plan would not have been successfully completed. The technical contribution by Business Intelligence International Consulting Limited has been of great help in building a new approach premised on Balanced Scorecard. The invaluable contribution by all our stakeholders is noted with appreciation.

To all the Wasreb staff who worked within their respective directorates to ensure this plan is completed, I would like to express deep gratitude for their resilience while urging continued service with integrity, dedication and professionalism.

ENG. ROBERT GAKUBIA
CHIEF EXECUTIVE OFFICER

EXECUTIVE SUMMARY

This Strategic Plan 2018/2022 presents key issues about the future of Wasreb to be executed in the next five years. It provides a simple logical flow on background information about Wasreb, situational analysis, strategic direction, followed by a well thought through corporate balanced Scorecard matrix that clearly indicates the strategic themes, objectives, strategies, initiatives, measures, timeframes and resource requirements. It culminates with an elaborate monitoring and evaluation framework.

Based on a rigorous review of strategic direction, the Board reviewed its mission, vision and core values. The Board developed the mission, vision and core values to guide Wasreb during the planning period as follows;

Mission

‘To provide a regulatory environment that facilitates efficiency, effectiveness and equity in the provision of water services in line with the human right to water and sanitation’

Vision

‘A proactive and dynamic water services regulator’

Core Values

- **Accountability:** We are responsible to the citizens in providing consumer protection
- **Responsiveness:** We respond to our stakeholders needs in a timely and effective way
- **Integrity:** We embrace professionalism based on honesty, truthfulness, and adherence to ethical principles in discharging our mandate
- **Innovation:** We seek out new possibilities and solutions to respond to regulatory challenges
- **Teamwork:** We work as a cohesive team and seek partnerships to achieve goals

In order to achieve its mission and realize its vision, the Board has identified four pillars of priority areas to guide the execution of the Strategic Plan.

These priority areas include:-

- a) Governance
- b) Access to Water Services
- c) Collaboration
- d) Effective Regulator

In crafting this plan, Wasreb has chosen to utilize the balanced scorecard framework. Consequently, strategic objectives have been mapped across the four perspectives of balanced scorecard namely; stewardship, customer, internal process and learning and growth/organizational capacity. The strategic objectives set out to be pursued are as follows:

- a) Enhance consumer and other stakeholder's confidence in water services regulation
- b) Strengthen governance in water services provision
- c) Ensure a financially sustainable and socially responsive water services sector
- d) Enhance compliance with regulations
- e) Strengthen institutional capacity

It is expected that at the end of the plan period, Wasreb will be able to deliver and demonstrate key results by fulfilling its regulatory role in the water sector and especially in enabling delivery of the government's Big Four Agenda namely; food security, affordable healthcare, affordable housing and manufacturing.

The financial requirement to execute this plan is approximately **Ksh. 2. 8 Billion**, with estimated annual budget at **Kshs. 560 Million**. A staff force comprising 56 specialists in various fields supported by outsourced services will be required to support delivery of this plan.

In conclusion, this plan is structured in Five (5) Chapters. Chapters One (1) and Two (2) provide the background information and situation analysis. Chapter Three (3) provides a choice of strategic focus and objectives. Chapters Four (4) and Five (5) provide the institutional framework for implementation, and monitoring and evaluation respectively. Appendices I, II and III provide details on the consultative process in the strategy development, staff establishment and organizational structure respectively.

1 CHAPTER ONE

INTRODUCTION

1.0 Background Information

The Water Services Regulatory Board (Wasreb) is a regulatory state corporation established by the Water Act 2002, this law was repealed by the Water Act 2016, operationalized in April 2017. Section 70(1) of the Water Act 2016 established Wasreb with the main objective to protect the interests and rights of all in the provision of water services, while ensuring other stakeholders interests are also safeguarded. Accordingly, Wasreb sets standards and enforces regulations that guide the sector in not only ensuring that consumers are protected and have access to efficient, affordable and sustainable services, but also, provide for financial sustainability of Water Service Providers (WSPs), by allowing financing of operations, capital cost recovery and a return on capital that sustains services through ongoing investments.

1.1 The Mandate of Wasreb

Wasreb's statutory mandate is provided for under Section 72 of the Water Act 2016. The regulator sets, monitors, reviews rules and enforces rules and regulations to ensure water services provision is affordable, efficient, effective, and equitable. Accordingly, the powers and functions of Wasreb under the Act are to:

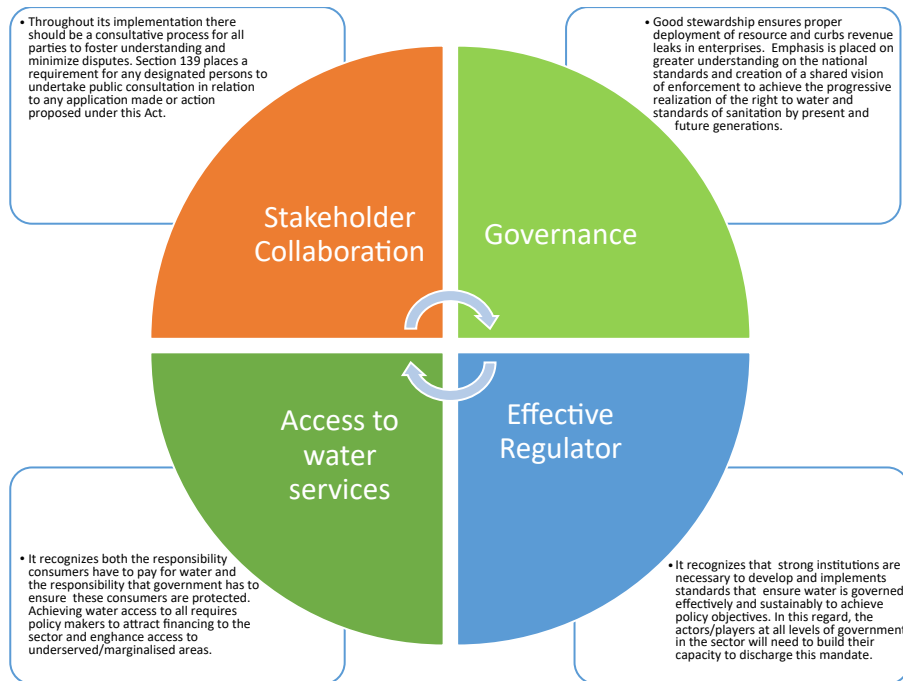
- a) Determine and prescribe national standards for the provision of water services and asset development for water services providers;
- b) Evaluate and recommend water and sewerage tariffs to the county water services providers and approve the imposition of such tariffs in line with consumer protection standards;
- c) Set license conditions and accredit water services providers;
- d) Monitor and regulate licensees and enforce license conditions;
- e) Develop a model memorandum and articles of association to be used by all water companies applying to be licensed by the regulatory board to operate as water services providers;
- f) Monitor compliance with standards including the design, construction,

operation and maintenance of facilities for the provision of water services by the water works development bodies and the water services providers;

- g) Advise the Cabinet Secretary on the nature, extent and conditions of financial support to be accorded to water services providers for providing water services;
- h) Monitor progress in the implementation of the water strategy and make appropriate recommendations;
- i) Maintain a national database and information system on water services;
- j) Establish a mechanism for handling complaints from consumers regarding the quality or nature of water services;
- k) Develop guidelines on the establishment of consumer groups and facilitate their establishment;
- l) Inspect water works and water services to ensure that such works and services meet the prescribed standards;
- m) Report annually to the public on issues of water supply and sewerage services and the performance of relevant sectors and publish the reports in the gazette;
- n) Make regulations on water services and asset development which shall include business, investment and financing plans in order to ensure efficient and effective water services and progressive realization of the right to water services;
- o) Advise the cabinet secretary on any matter in connection with water services; and
- p) Make recommendations on how to provide basic water services to marginalized areas

Arising from the mandate, the key areas of focus during the planning period will be as presented in Figure 1.1.

Figure 1.1: Focus Areas of Regulation



1.2 Overview of the Water Services Sector

This section provides a highlight of the water services sector in terms of the legal and institutional framework, the Sustainable Development Goals (SDGs), Vision 2030, Medium Term Plan (MTP) III and the Big Four National Government Agenda.

1.2.1 Legal and Institutional Framework

In 2010, Kenya promulgated a new constitution, the Constitution of Kenya 2010 (CoK 2010). Fundamental to the new constitution was the creation of two levels of government, the National Government and devolved governments (County Governments). Under the Constitution, ownership, use and regulation of water resources, consumer protection and national public works was assigned to the National Government while County Governments were assigned water service provision, sanitation, catchment management and county public works.

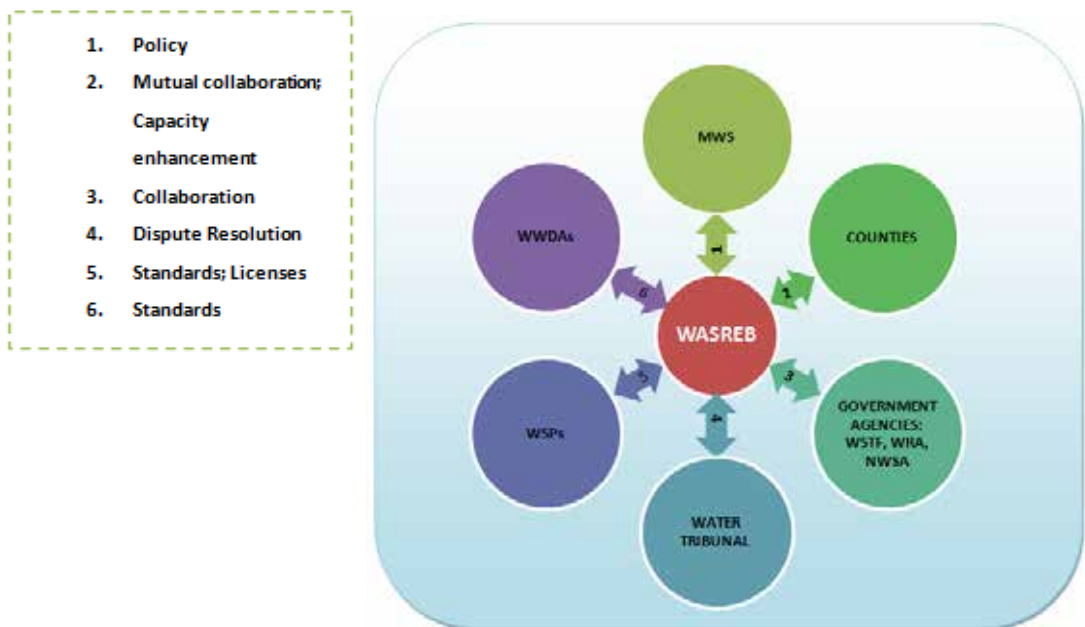
Further, the Constitution entrenched the right to water and sanitation in the bill of rights, effectively making water and sanitation a human right. This

development created the need to align the Water Act 2002 to the CoK 2010. Consequently, the Water Act 2016 was enacted in 2016 and came into effect in April 2017.

The Act promotes good practices especially in the water services sector on commercial viability, ring fencing of water services revenue, mechanisms of resolving consumer complaints and good governance at utility level among others.

The institutional inter-relationship created by the legal framework is depicted in Figure 1.2.

Figure 1.2: Institutional Inter-relationship



i. Ministry of Water and Sanitation (MWS)

At the National Government level, the MWS is the parent ministry and it sets policies that guide and direct the provision of water services.

ii. County Governments

The County Governments have authority to establish Water Service Providers (WSPs) in compliance with standards of commercial viability set by Wasreb.

iii. Government Agencies

a) The Water Sector Trust Fund (WSTF)

A financing institution with a mandate for collaboration with County Governments and Water Resource Users Associations (WRUAs) over water services provision in underserved areas and catchment management respectively. Further, the WSTF has the mandate to mobilize financial resources from private sector investors for onward lending to credit worthy utilities and to promote research on water services and water resources.

b) Water Resources Authority (WRA)

This body is mandated with regulation of the management and use of water resources at the national level.

c) National Water Harvesting and Storage Authority (NWHSA)

NWHSA is mandated to undertake on behalf of the National government, the development of national public works for water resource storage and flood control.

iv. Water Tribunal

The Water Tribunal is the successor of the Water Appeals Board. It has powers to hear and determine appeals from any person or institution directly affected by the decision or order of the Cabinet Secretary responsible for matters relating to water, the Water Resource Authority and the Water Services Regulatory Board. The tribunal also has powers to hear and determine any dispute concerning water resources or water services where there is a business contract, unless the parties have otherwise agreed to an alternative dispute resolution mechanism.

v. Water Service Providers (WSPs)

These are public institutions incorporated by County governments to operate, provide water services and hold the county or national water public assets on behalf of the public. The WSPs are required to comply with the standards of commercial viability set out by Wasreb.

vi. Water Works Development Agencies (WWDAs)

The Water Works Development Agencies (WWDAs) are the successors of the Water Services Boards (WSBs) with a mandate over cross-county public water works on a need basis.

1.2.2 Sustainable Development Goals

The Sustainable Development Goals (SDGs) are comprised of 17 Sustainable Development Goals and 169 targets, aiming to do nothing less than 'transform the world'. (United Nations, 'Transforming our World: The 2030 Agenda for Sustainable Development,' 2015). The 2030 agenda includes a dedicated goal on water and sanitation (SDG 6) that sets out to 'ensure availability and sustainable management of water and sanitation for all'. SDG 6 contains eight targets:

Six targets on outcomes with regard to water and sanitation to be achieved by 2030;

- a) Achieve universal and equitable access to safe and affordable drinking water for all
- b) Achieve access to adequate and equitable sanitation and hygiene for all, and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations
- c) 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
- d) 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
- e) Implement integrated water resources management at all levels, including through transboundary cooperation as appropriate

- f) Protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes

Two targets on means of implementation of the outcome targets;

- a) 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
- b) Support and strengthen the participation of local communities for improving water and sanitation management

Other inter-related goals also include different water and sanitation targets:

SDG 3: Ensure healthy lives and promote well-being for all at all ages

Section 3.3- by 2030 end the epidemics of AIDS, tuberculosis, malaria, and neglected tropical diseases and combat hepatitis, water-borne diseases, and other communicable diseases;

Section 3.9- by 2030 substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water, and soil pollution and contamination;

SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable

Section 11.5- by 2030 significantly reduce the number of deaths and the number of affected people and decrease the economic losses relative to GDP caused by disasters, including water-related disasters, with the focus on protecting the poor and people in vulnerable situations;

SDG 12: Ensure sustainable consumption and production patterns

Section 12.4- by 2020 achieve environmentally sound management of chemicals and all wastes throughout their life cycle in accordance with agreed international frameworks and significantly reduce their release to air, water and soil to minimize their adverse impacts on human health and the environment;

SDG 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Section 15.1- by 2020 ensure conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular

forests, wetlands, mountains and drylands, in line with obligations under international agreements;

Section 15.8- by 2020 introduce measures to prevent the introduction and significantly reduce the impact of invasive alien species on land and water ecosystems, and control or eradicate the priority species.

1.2.3 Vision 2030 and Medium Term Plan III (MTP III)

The Kenya Vision 2030 is the country's development blueprint covering the period 2008 to 2030. It aims to transform Kenya into a newly industrializing, 'middle-income country providing a high quality life to all its citizens by the year 2030.' The Vision is based on three 'pillars': the economic, the social and the political pillar. The Vision recognizes that water is a basic need and an important enabler/catalyst for both economic and social development of the country. It is important therefore to provide water services in sufficient quantity and quality and also view water as both an economic and social good. For the Vision 2030 to be realized, it is critical that there be enough water resources and well-governed water services to support the envisaged industrial, agricultural and social development.

The national development goal on water service provision under Vision 2030 states; *"Water and sanitation- to ensure that improved water and sanitation are available and accessible to all by 2030."* The targets for water supply development were set as follows;

- a) Increase coverage of water supply to 100% of both urban and rural areas
- b) Increase coverage of piped water supply by registered WSPs to 100% for urban populations
- c) Increase unit water supply amount to suitable national standard levels
- d) Decrease Non Revenue Water (NRW) rate to 20% for efficient water use

The target for sewerage development is to increase coverage rate of sewerage system to 80% for urban populations.

Wasreb has a key role to play in achievement of the Vision 2030 goals by ensuring sustainability of water services through public access to information, transparency, results oriented performance and accountability. It should therefore endeavor to effectively regulate water services sector

in line with the requirements of Vision 2030. In the Medium Term Plan (III) for implementation of Vision 2030, the Board is required to contribute to the goal to 'increase access to safely managed water and sanitation supply' through achievement of the following targets:-

- a) 65% water coverage by 2022
- b) 30% sewerage coverage by 2022

1.2.4 The Big Four National Government Agenda

Wasreb is cognizant of the Government's commitment to the Big Four Agenda.

1. Food Security:

The government aims to increase Kenya's maize production from the current 40 million bags to 67 million by 2022 and potatoes from 1.6 million tons to 2.5 million tons over the same period.

2. Affordable Healthcare:

By the end of 2022, the government hopes it will have increased the number of people with health coverage from 16.53 million to 25.74 million. Kenya will go from the current 36% coverage to achieve a 100% universal health coverage by 2022 when the population will be 50 Million.

3. Affordable Housing:

The government plans to build 500,000 affordable homes in all major cities by 2022, a plan that is anticipated to create 350,000 jobs and raise the contribution of real estate to GDP.

4. Manufacturing:

The government plans to create 1.3 million manufacturing jobs by 2022, increase exports by 30% annually and create Export Processing Zones.

This is essentially Article 43 of the CoK 2010.

Wasreb recognizes that water is a key cross cutting issue in the successful delivery of the Big Four Agenda. Therefore, Wasreb is committed to ensuring appropriate regulation of the water services sector to support sustainability, good governance, arrangements for the delivery and management of water services across housing, manufacturing, affordable health care and agriculture priority agendas as presented in Table 1.1.

Table 1.1: Big Four National Government Agenda

Government Big four Agenda			
Food Security	Affordable Healthcare	Affordable Housing	Manufacturing
Water Services Sector			
WASREB as an Enabler			

1.3 The Role of Water in National Development

UNDP recommends that governments should provide investments equivalent to 1% of the Gross National Product (GDP) to water services because of the role water plays in economic growth. Water services and water resources define the conditions for social and economic development in Kenya just as in many other countries. Kenya's renewable water resources have generally been estimated as scarce although according to the latest (2014) estimates, the problem lies not in the quantity of renewable water resources but its accessibility and geographic distribution.

The policy goal under Vision 2030 is to increase coverage to 100%. This situation calls for more investments in the sector from the current KShs. 29 billion to the required KShs. 72 billion (National Water Master Plan, 2030). Therefore, in order to address the chronic investment gap, increased budgetary allocation is required. This should be complemented with innovative financing by maximizing the mobilisation of resources from the blended sources namely, Output Based Aid (OBA), Aid in Delivery (AoD), commercial financing and private sector financing.

The objectives in this Strategic Plan are aligned to address some of these challenges and to enhance sustainable access to safe water, increased efficiency of existing finance, financial sustainability and increased collaboration with stakeholders.

1.4 Rationale for 2018-2022 Strategic Plan

In developing this plan, the Board deliberated on the existing status of the organization; the challenges and opportunities in the water services sector and the wider environment, and related these to the internal institutional capabilities. The plan therefore provides a growth and sustainability strategy.

The Strategic Plan will:

- a) Enable Wasreb to creatively respond to the changing social and economic environment
- b) Enable Wasreb to identify its core activities in light of environmental factors and internal capacity
- c) Provide clear objectives and direction to management and staff
- d) Enable Wasreb to re-examine and re-adjust capacity, structures and processes in response to changes in the environment

1.5 Approach and Methodology

The Board of Directors, Management and Staff were involved in the strategic planning process at different stages. The Balanced Scorecard approach to planning (Financial/Stewardship, Customer/Stakeholders, Internal Business Processes, and Learning and Growth/Institutional Capacity) was adopted and used in developing the Strategic Plan. Figure 1.3 presents the balanced scorecard with the four perspectives that were utilized in the strategy development.

Figure 1.3: The Four Perspectives of the Balanced Scorecard

	<p><i>Financial and Stewardship</i></p> <p>Wasreb acknowledges that as stewards and custodians of public resources, the strategies defined must ensure that such resources are used in an effective, efficient and are equitably distributed</p>	
<p><i>Customer (stakeholder) Perspective</i></p> <p>A clear distinction between private- and public sector Balanced Scorecards is drawn as a result of placing the Customer perspective at the top. Meeting the need of consumers of water services is essential for Wasreb to attain its mission. The Board recognises that the ultimate goal of the regulator is to ensure consumer protection</p>	<p><i>Vision and Strategy</i></p>	<p><i>Internal Processes</i></p> <p>In the development of the Strategic Plan the Board has placed emphasis on the processes that will ensure improved outcomes and value addition to all stakeholders</p>
	<p><i>Learning and Growth</i></p> <p>The Board appreciates that success in driving process improvements, operating in a fiscally responsible way, and meeting the needs of all stakeholders depends to a great extent on the ability of employees and the tools they use. The formulation of this plan takes into account the resources that will enhance the capacity of Wasreb to effectively discharge its mandate</p>	

This Strategic Plan is the result of intensive consultations between the Board and other Stakeholders as indicated in Appendix I.

It presents the mission, vision of Wasreb and articulates the objectives and strategies that will be implemented in the next five years. Priorities and action plans have been identified for immediate, medium and long term implementation. During the deliberations, the Board of Directors developed the mission, vision, core values and articulated the objectives, strategies and action plans that will deliver the mandate of Wasreb during the planning period.

2 CHAPTER TWO

SITUATION ANALYSIS

2.0 Introduction

This Chapter provides an assessment of Wasreb's operating environment, strategic capabilities to successfully deliver the 2018 – 2022 Strategic Plan and a review of 2013- 2017 Strategic Plan achievements.

2.1 Environmental Turbulence

In this strategic planning period, Wasreb is operating under the Water Act 2016, having transitioned from the Water Act 2002. This transition requires that Wasreb adjusts to the increased roles assigned by the Water Act 2016. Water services being a devolved function, Wasreb has to continuously engage the County Governments on matters relating to water services in order to promote the realisation of universal access. The changes in County Government leadership every five years require Wasreb to put in place a proactive County Engagement Strategy to ensure the sustainability of gains made in water services.

Wasreb is operating in a rapidly changing technological environment. The rate of emerging technologies in information systems and smart water management systems will require Wasreb to not only adopt the emerging technology, but also guide the sector in keeping up with the technologies that will yield efficiency for the sector. Water services play a key role in ensuring the success of the government's Big Four Agenda; food security, affordable healthcare, affordable housing and manufacturing. Wasreb shall focus its strategies to support the pillars while assuring the human right to affordable and safe water.

Wasreb's role in supporting the Integrated Water Resource Management (IWRM) is critical during this period to assure that water services are not compromised by the competing needs for water, especially in agriculture, which supports the pillar of food security. Further analysis of the operating environment is presented below in the review of achievements of the preceding Strategic Plan and an analysis of the external and internal environment using the PESTEL and SWOT analytical tools.

2.1.1 Environmental Scanning

This section presents the results of PESTEL and SWOT analysis as depicted in Table 2.1 and 2.2 respectively.

Table 2.1: PESTEL Analysis

PESTEL	Factors
The Political Environment	<ul style="list-style-type: none"> • There are adhoc appointment of Boards of Directors with disregard to Article 10, Chapter 6 of the Constitution and the Corporate Governance guidelines, which compromise independence of Board Members especially in regulated utilities • County/National conflict
Economic Environment	<ul style="list-style-type: none"> • Sector investment by government is limited and has not matched the growing demand for water services • The capital intensive nature of water infrastructure and long payback periods has limited private sector investment • The World Bank Kenya office estimates that 46% of Kenyans live below the poverty line (2014), limiting how high the water tariffs can be raised. This has in turn compromised full cost recovery and most subsidies given to the sector are ineffective due to poor targeting • Labour disputes especially regarding collective bargaining agreements have threatened the utilities sustainability

Social-Cultural Environment	<ul style="list-style-type: none"> • Sporadic cases of insecurity in some areas (Mandera, Lamu, and Garissa) affecting the performance of the utilities in these regions • Prevalent corruption in procurement, asset development and allocation of resources denies consumers essential services • Encroachment of water catchment areas for commercial activity risks of sustainability of water resources • Wastage of water by the citizens due to low awareness levels on importance of conserving water is straining provision of the services by WSPs • Inadequate capacity building for the technicians and semi – skilled operators in WSPs • Inadequate gender mainstreaming in water decision making • Belief that water is a free resource and hence water should be free
Technological Environment	<ul style="list-style-type: none"> • Lack of sufficient sector leverage on technology to solve problems • Slow adoption of the technology • Inability to automate processes • Rapid technological changes • Inadequate human capacity to implement innovations is a challenge in the water sector • Lack of SMART water infrastructure/intelligence network management uptake • Inadequate capacity in personnel using technologies in the water sector • Insufficient investment in research to innovate on new technologies

Environmental Factors	<ul style="list-style-type: none"> • Climate change, overexploitation of water sources and consumption behaviours are not aligned to water conservation have threatened water levels in the water towers • Environmental pollution due to inadequate sewerage infrastructure has led to high water treatment cost that is charged to the consumer • Environmental degradation resulting in siltation of dams has diminished the quantity of water available
Legal Environment	<ul style="list-style-type: none"> • Devolution of water services by CoK 2010 and the subsequent enactment of the Water Act 2016, has led to conflicts between National and County Governments • Vexatious litigation has stalled projects and tariff implementation • Legal requirement for collaboration, liaison and development set out in Article 189 of CoK 2010 poses a challenge • Wasreb is expected to leverage on the existence of policy instruments like the NWSS, Vision 2030 and National Water Policy to guide its operations

Table 2.2: SWOT Analysis

Strengths	Opportunities
<ul style="list-style-type: none"> • Firm foundation – Wasreb is established under an Act of Parliament (Water Act 2016) • Favorable legal framework • Bill of Rights (CoK 2010) Article 10 • International conventions operationalized by the CoK • Clear understanding of regulator’s role by the sector players • Diverse and competent skills mix • Reliable regulatory tools • Developed information system and database • Policies and procedures in place 	<ul style="list-style-type: none"> • CoK 2010, Bill of Rights especially Article 21, 43, 46 on right to water and consumer protection are doorways for Wasreb to advance its mandate • Devolution of water services • Public participation in; licensing, tariff review, budgetary making process, consumer engagement • Affirmative action • Utilization of ICT to engage stakeholders • Timely reporting by utilities • Receive consumer complaints • Improve the access to information to all stakeholders • Water Act 2016 has given a platform to pursue mandate example, legally engage the Counties • Emergence of alternative financing for the sector • Partnerships with stakeholders • County funding of water services • Regulation retained as a national government function • Devolution under Schedule 4 • Increasing consumer empowerment

Weaknesses	Strengths
<ul style="list-style-type: none"> • Inadequate staff • Ad hoc outreach to stakeholders • Weak engagement with County Governments • Lack of coordinated and harmonized work plans • Inadequate dissemination of existing regulatory tools • Inadequate funding to the regulator • Challenges in the resolution of consumer complaints 	<ul style="list-style-type: none"> • Inability to embrace Article 10, Chap 6 and Article 232 of CoK 2010 (Governance) • Value of water (perception that water is free and infinite) • Failure to appreciate the value of regulation by the public • Long implementation period for water projects to realize benefits • High poverty levels leading to inability to pay for water services by consumers • Inadequate initiatives to respond to the needs of marginalized service areas • Unclear framework for cross- county water service provision • Inadequate capacity in the sector

2.2 Strategic Capabilities

2.2.1 Leadership and Management

Wasreb has an effective Board of Directors, competent Management team and staff who possess requisite capacity to deliver this strategy. The staff capacity will be enhanced through recruitment of sufficient numbers and skills enhancement for the existing team.

2.2.2 Innovation

With regard to creativity, Wasreb has proved capable of developing creative solutions to emerging issues. Learning culture has been embraced at Wasreb and it has an adaptive learning organization that also focuses on individual staff

development. There is need to continue building capacity across all functional areas through an effective knowledge management framework.

2.2.3 Organization Culture and Values

Wasreb has an appropriate organizational culture and core values that will facilitate delivery of the strategy. In the planning period, Wasreb will leverage on interdepartmental synergy to achieve the intended outcomes of the Strategic Plan. However, culture change initiatives will be undertaken to further strengthen positive culture adaptation and transformational change initiatives.

2.2.4 Adoption of ICT in Regulation

Wasreb has proved to be leader in the adoption of ICT to make regulation more effective. The continued use of WARIS and MajiVoice in addition to the digital maps of service areas will make regulation more effective during the period.

2.2.5 Entrenchment of Regulation in the Constitution

Regulation is entrenched in the Constitution 2010, specifically to safeguard the human right to water. In addition, the acceptance of regulation by stakeholders across the National and County Governments provides a conducive environment for the delivery of the strategy.

2.3 Stakeholder Analysis

A stakeholder is any person, group or institution that has an interest in the activities of Wasreb, in addition they are affected or affect the actions/ decision of Wasreb. The key stakeholders are presented in Table 2.3.

Table 2.3: Stakeholder Analysis

Audience	Rationale	Stakeholder Expectations
Consumers of piped and un-piped water in Kenya	Wasreb is a regulator of the water services sector and it is therefore charged with the mandate of informing, educating and engaging consumers on the status as well as progress of Kenya's water sector	<ul style="list-style-type: none"> i. Access to safely managed water, affordable services ii. Participation iii. Information iv. Redress

Audience	Rationale	Stakeholder Expectations
The leadership of County Governments	<p>The Constitution's Fourth Schedule, distributes functions between the two levels of government, and has devolved water services to County Governments.</p> <p>The goodwill of County Governments is, therefore, a vital component of Wasreb's success in executing its strategy</p>	<ul style="list-style-type: none"> i. Improved sector performance ii. Information iii. Standards iv. Models of service provision to unviable rural areas v. Mutual collaborations and partnerships
WSPs (Both regulated and non-regulated by Wasreb)	As a regulator, Wasreb primarily works with WSPs to provide water to consumers. It will be vital to engage WSPs as they are required to comply with the regulator as they avail the data used to generate information on the sector with regards to: Hours of supply, quality of water, non-revenue water and water coverage	<ul style="list-style-type: none"> i. Licensing ii. Regulatory mechanisms and guidelines iii. Monitoring for performance improvement iv. Capacity building v. Sector information

Audience	Rationale	Stakeholder Expectations
WWDAs (former WSBs)	<p>Wasreb is charged with the responsibility of monitoring WWDAs (former WSBs) and communication is necessary to maintain and grow the relationship in order to encourage compliance. In the interim, the WWDAs require to be licensed by the regulator</p> <p><i>*Water Act 2016 repealed Water Act 2002 except for the section on WWDAs pending advisory from the Cabinet Secretary</i></p>	<ul style="list-style-type: none"> i. Standards ii. Asset development iii. Capacity building iv. Reserve WSP Capacity v. Bulk water operator vi. Licensing
The Ministry of Water and Sanitation	<p>As a regulator, Wasreb functions under the ministry of Water and Sanitation. The ministry therefore provides Wasreb with policy advisory. Collaboration with this particular stakeholder is vital as it aids Wasreb in executing its mandate as a regulator</p>	<ul style="list-style-type: none"> i. Prudent financial management ii. Improved sector performance iii. Effective sector coordination
Development Partners	<p>Critical in terms providing funding and technical expertise. Goodwill accrued from them will enable Wasreb execute a number of proposed programs successfully and attract more financing to the sector</p>	<ul style="list-style-type: none"> i. Prudent management of resources ii. Effective project implementation iii. Improved sector performance
WRA (former WARMA)	<p>This regulator protects, conserves, controls and regulates use of water resources which ensures sustainability of the resource for onward provision</p>	<ul style="list-style-type: none"> i. Information ii. Compliance by WSPs iii. Demand management iv. Collaboration

Audience	Rationale	Stakeholder Expectations
Ministry of Health (MoH)	The shared SDG 6 on water and sanitation, where MoH is the lead in public health necessitates close collaboration	<ul style="list-style-type: none"> i. Information ii. Collaboration iii. Coordinated sanitation efforts
Other Ministries and government bodies	Inter-governmental co-ordination is necessary to create enablers to increase access to water through financial prudence, enhanced security and shared information	<ul style="list-style-type: none"> i. Prudent financial management ii. Improved sector performance iii. Effective sector coordination iv. Information
Regulators in other countries	Benchmarking and peer reviews are important	<ul style="list-style-type: none"> i. Peer review ii. Information iii. Collaboration iv. Capacity building
Private Sector	This stakeholder is a strategic investment partner to augment public funding and funding from other partners	<ul style="list-style-type: none"> i. Guidelines for investment in the sector ii. Accurate information about the sector and its potential iii. Clarity on sector reforms
Civil Society	They enhance transparency and good governance by contributing to increased public debate on issues surrounding the formulation and implementation of government budgets, as well as, in supporting greater transparency of public revenues	<ul style="list-style-type: none"> i. Improved services, particularly to the vulnerable ii. Prudence in management of public resources iii. Transparency in information

Audience	Rationale	Stakeholder Expectations
Learning / Research Institutions	They enhance the regulators ability to innovate through research and development in new and emerging areas.They can also assist the regulator to build capacity of other stakeholders	<ul style="list-style-type: none"> i. Collaboration on Water Services Innovations (Training, Research and Development) ii. Information
General Public	Satisfaction of the general public is key in gauging the impact of regulation	<ul style="list-style-type: none"> i. Improved service delivery ii. Information
Media	The media plays a key role in creating and shaping of public opinion and well informed, media protects public interest and creates public awareness	<ul style="list-style-type: none"> i. Information on regulation ii. Improved service delivery
Professional Bodies	Collaboration with professional bodies will act as oversight to the professional ethics of the sector; improve the capacity of staff to carry out respective roles towards the sector mandate	<ul style="list-style-type: none"> i. Membership and participation 'in good standing' of professionals in the sector

2.4 Review of the 2013 – 2017 Strategic Plan

A review of the implementation status of the 2013 – 2017 Strategic Plan was undertaken with a view of establishing performance levels and isolating factors that may have had favorable or unfavorable influence on the implementation. The identified strategic issues during the plan period were:

- a) Governance and sustainability of the water sector
- b) Realization of universal access to water services
- c) Capacity of Wasreb to deliver its mandate
- d) Stakeholder engagement in the water sector

The implementation of the plan was driven by the need to grow Wasreb's capacity as the national water service regulator and promote the sector's activities in increasing water services for all. The evaluation of the previous plan showed remarkable achievements realized on multiple fronts as a result of the implementation of various strategies and initiatives. However, it also takes full cognizance of the fact that not all targets were met as envisioned in the Strategic Plan.

2.5 Board Achievements and Challenges in the Previous Strategic Plan Period

The Board attained various milestones in the period under review. The achievements and challenges of the various initiatives in the past planning period are presented in the Table 2.4 and Table 2.5 respectively.

Table 2.4: Achievements in the Implementation of the Strategic Plan

STRATEGIC OBJECTIVE 1: TO ENFORCE THE LEGAL AND REGULATORY FRAMEWORK GOVERNING PROVISION OF WATER SERVICES
ACHIEVEMENTS
<ol style="list-style-type: none"> 1. All regulatory tools were reviewed 2. Built the capacity of key stakeholders in enforcing the regulatory framework to increase percentage compliance rate whereby three utilities were placed under Special Regulatory Regime, SRR 3. Collaboration with key stakeholders was broadened through generating and issuing rules on water services 4. Wasreb carried out several risk based inspections and outsourced some inspections to Part-time Inspectors to monitor compliance with licenses issued 5. Wasreb issued advisories to both the Ministry and County Governments
STRATEGIC OBJECTIVE 2: TO ENSURE EFFICIENCY AND VIABILITY IN PROVISION OF WATER SERVICES
ACHIEVEMENTS
<ol style="list-style-type: none"> 1. Determining the water and sewerage tariffs proposed by the Water Service Providers and approving their imposition in line with consumer protection was fully achieved 2. Publishing of tariff conditions with every approved tariff was fully achieved 3. Advised the Cabinet Secretary and County Governments on clustering for sustainability and performance linked subsidies

STRATEGIC OBJECTIVE 3: TO MONITOR SECTOR PROGRESS IN REALIZING UNIVERSAL ACCESS

ACHIEVEMENTS

1. Monitored progress in the implementation of the National Water Services Strategy (NWSS) and MTP II of Vision 2030 on water and sanitation through publishing of IMPACT reports
2. Disseminated IMPACT reports to stakeholders
3. Maintained a national data base and information system on water services
4. Incorporated network and facilities as part of regulatory framework
5. Included reporting on Low Income Areas (LIAs) in IMPACT report
6. Monitored county progress in IMPACT 9 and 10

STRATEGIC OBJECTIVE 4: TO STRENGTHEN WASREB'S INSTITUTIONAL CAPACITY TO DISCHARGE ITS FUNCTIONS

ACHIEVEMENTS

1. Wasreb developed a financing plan
2. Carried out an organizational study to review institutional structure and staffing level
3. Implemented a Performance Management System (PMS)

STRATEGIC OBJECTIVE 5: TO PROMOTE STAKEHOLDER PARTICIPATION IN THE PROVISION OF WATER SERVICES

ACHIEVEMENTS

1. The Water Action Groups mechanism was established to facilitate participation of stakeholders
2. MajiVoice program was developed and implemented in 18 WSPs
3. Wasreb conducted public consultation forums, shows and exhibitions to promote public participation
4. Wasreb utilised mass media to disseminate key messages on the water sector

Table 2.5: Challenges in the Implementation of the Strategic Plan

STRATEGIC OBJECTIVE 1: TO ENFORCE THE LEGAL AND REGULATORY FRAMEWORK GOVERNING PROVISION OF WATER SERVICES
<ol style="list-style-type: none"> 1. Inadequate capacity 2. Inadequate enforcement of standards after inspections 3. Persons trained in the Counties have moved and re-training is necessary 4. Lack of clarity between mandate of WWDAs and Counties
STRATEGIC OBJECTIVE 2: TO ENSURE EFFICIENCY AND VIABILITY IN PROVISION OF WATER SERVICES
<ol style="list-style-type: none"> 1. Inadequate investment in the sector 2. Weak governance in WSPs Boards 3. Inadequate capacity at the utility level, example, lack of dedicated units at WSPs 4. Rapid urbanisation 5. Change in legal and regulatory framework 6. Inadequacy in framework of regulating small scale providers
STRATEGIC OBJECTIVE 3: TO MONITOR SECTOR PROGRESS IN REALIZING UNIVERSAL ACCESS
<ol style="list-style-type: none"> 1. Gaps in data submitted from WSPs forcing delays 2. Inadequate planning for IMPACT report activities 3. Performance improvement plan for utilities after launch of IMPACT not done 4. Delayed feedback from MWI on the reports submitted on NWSS 5. Mapping of service areas not completed 6. Not all utilities have a framework for pro poor focus

STRATEGIC OBJECTIVE 4: TO STRENGTHEN WASREB'S INSTITUTIONAL CAPACITY TO DISCHARGE ITS FUNCTIONS

1. Revised schedule of fees awaiting gazettelement
2. Inability to fill all the positions due to limited resources
3. New premises not acquired due to resource limitation

STRATEGIC OBJECTIVE 5: TO PROMOTE STAKEHOLDER PARTICIPATION IN THE PROVISION OF WATER SERVICES

1. Resource limitation to enhance media relations
2. Rapid changes in technology hampered the up-scaling of technology hence the need to keep up with the changes

2.5.1 Lessons learnt

In order to address the challenges enumerated above, views were sought from various stakeholders to inform the development of the new plan. A summary of the views have been captured in Table 2.6.

Table 2.6: Lessons Learnt

ISSUE	POTENTIAL SOLUTIONS
To enforce the legal and regulatory framework governing provision of water services	<ol style="list-style-type: none"> a) Capacity build Board and County personnel b) Capacity build WSP personnel on standards c) Increase capacity of Wasreb to monitor d) Increase capacity of Wasreb to enforce e) Build collaborative networks with other enforcement institutions f) Build collaborative network with the County g) Government on monitoring and enforcement h) Effective follow up of inspections

To ensure efficiency and viability in provision of water services	<ul style="list-style-type: none"> a) Capacity building of personnel within utilities b) Promote use of management tools and systems c) Complaints tool d) Reporting tool e) Minimum billing standards f) Enhance smart networks via mapping of networks g) Develop structured direct contact with County Governments
To monitor sector progress in realizing universal access	<ul style="list-style-type: none"> a) Monitor and track status of implementation of all Wasreb standards b) Enhance reliability of data c) Approval of cost recovery tariffs d) Increased sector financing e) Recommend models for sustainable service provision in marginalized areas f) Enhance compliance of WSPs to regulation
To strengthen Wasreb's institutional capacity to discharge its functions	<ul style="list-style-type: none"> a) Review and implement licensee fees/regulatory levy b) Establishment of a Research and Development unit c) Develop optimal staffing structures commensurate with Wasreb's mandate d) Increase uptake of ICT for operational efficiency e) Build the image of Wasreb as a strong regulator
To promote stakeholder participation in the provision of water services	<ul style="list-style-type: none"> a) Build consumer confidence on the regulatory role in consumer protection b) Improve mutual collaborations with Counties c) Create facilitative collaborations to enhance knowledge of the sector d) Build partnerships with relevant institutions to enhance regulation

3 CHAPTER THREE

STRATEGIC FRAMEWORK

3.0 Introduction

This Chapter highlights the Mission, Vision and Core Values, and spells out the strategic direction to be pursued during the planning period 2018 - 2022. A matrix for each strategic focus/pillar indicating the objectives, strategies and initiatives is also provided.

3.1 Mission, Vision and Core Values

Based on its mandate and a review of the Strategic Plan the Board reviewed its Mission, Vision and Core Values as follows:

3.1.1 Mission

To provide a regulatory environment that facilitates efficiency effectiveness and equity in the provision of water services in line with the human right to water and sanitation

3.1.2 Vision

A proactive and dynamic water services regulator

3.1.3 Core Values

- a) **Accountability:** We are responsible to the citizens in providing consumer protection
- b) **Responsiveness:** We respond to our stakeholders needs in a timely and effective way
- c) **Integrity:** We embrace professionalism based on honesty, truthfulness, and adherence to ethical principles in discharging our mandate
- d) **Innovation:** We seek out new possibilities and solutions to respond to regulatory challenges
- e) **Teamwork:** We work as a cohesive team and seek partnerships to achieve goals

3.2 Key Strategic Issues

To realize its vision and achieve its purposes, this strategy is premised on four (4) key thematic areas:-

- a) Governance
- b) Access to Water Services
- c) Collaboration
- d) Effective Regulator

3.2.1 Governance

Good stewardship ensures proper deployment of resource and curbs revenue leaks in enterprises. Wasreb will aim at promoting improved governance framework in the country both at National and County levels. To this end, the Board will put in place a licensing and monitoring framework that will ensure proper management of resources towards realization of increased access to water services. The water sector has fundamental characteristics that make it highly sensitive to and dependent on multi-level governance.

The Constitution of Kenya 2010 allocated increasingly complex and resource-intensive responsibilities to County Governments, resulting in inter-dependencies across levels of government that require co-ordination to ensure efficiency, effectiveness and equity in service delivery. The Board will foster mutual co-operation with the County Governments on governance of water (WSPs), identify and prescribe solutions for regulatory issues and ensure seamless service delivery to the citizenry. The capacity of WSPs will require enhancement to enable them to carry out effective, efficient and sustainable water services provision. Wasreb will consequently enhance monitoring of licensees and ensure compliance with the regulatory framework.

3.2.2 Access to Water Services

Development and management of water services infrastructure is capital-intensive business. Water utilities are torn between the need to invest in replacing aging infrastructure while at the same time finding the financial resources to expand their coverage in an environment of increased water demand due to rapid urbanization. In light of the funding gaps in the sector, Wasreb will endeavor to enhance the revenue inflows into the sector through diversification of revenue sources. This will be achieved by assessing and implementing justified cost-recovery tariffs (internal financing); building the confidence of development partners in the sector (development partners financing); lobbying for increased resource allocation (exchequer) to the sector (public sector financing), promoting access to private sector financing and ensuring the ring-fencing of water revenues. In order to

enhance equity and the right to water, Wasreb will prescribe suitable models for water service provision in marginalized areas and make recommendations to County Government for targeted subsidy for WSPs whose justified tariffs cannot cover the O+M costs to enhance success. However, the recommendation for subsidies will have to be linked to performance. Additionally, the regulator will encourage Public Private Partnerships (PPPs) and Public Partnerships (PPs) in the management of water service provision.

Wasreb will in addition, promote strategies towards building the capacity of the WSPs to ensure that they are managed and run by persons with the requisite skills. Wasreb will also seek to offer technical assistance and develop programs that facilitate knowledge sharing and transfer between and amongst the utilities.

3.2.3 Collaboration

This theme is aimed at creating a framework for engagement with key stakeholders namely; consumers, National Government, County Governments, development partners, learning/professional institutions, regulatory entities among others. An enabling development environment and stakeholder goodwill in water services provision is greatly influenced by the level engagement with the stakeholder in addition to satisfaction amongst the customers of water service providers. Accordingly, the stakeholder engagement framework will seek to avail information required for necessary advocacy and partnerships; provide for platforms for partnerships and envisage modalities for consumer complaint handling and dispute resolution.

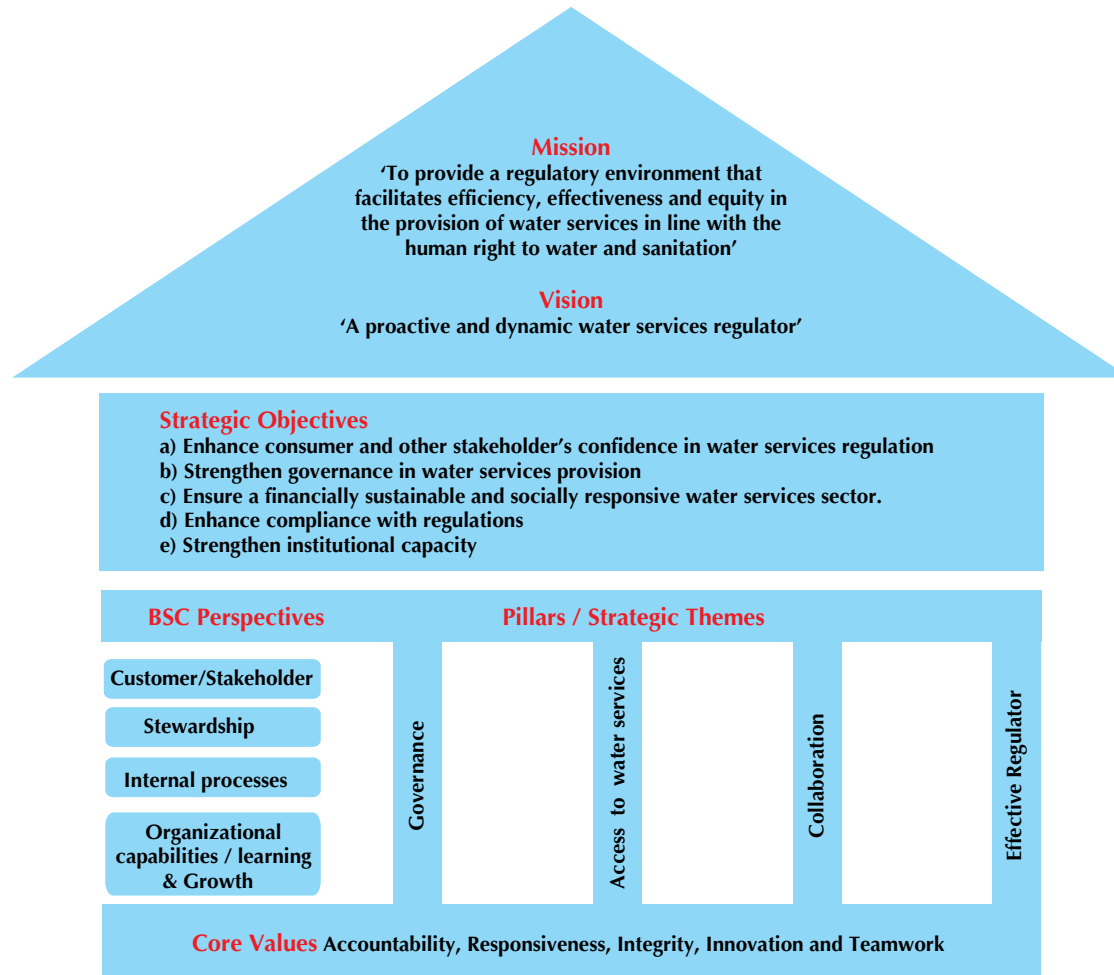
Wasreb will enhance consumer protection through the regulated utilities. Knowledge is power and ensuring that all players and actors understand their inter-linked roles and responsibilities in water service provision will be the solution to ensure efficient service delivery. To achieve this objective, Wasreb will seek to strengthen its brand as a valuable leader and resource point in water services provision.

3.2.4 Effective Regulator

Wasreb recognizes that the employee is integral to the successful achievement of organizational strategy. In line with this, Wasreb will develop optimal staffing structures to enable the effective discharge of its mandate and incorporate a progressive corporate culture that will attract, retain and promote a vibrant workforce. In addition, physical infrastructure necessary to support service delivery will be enhanced, while focused resource mobilization will be undertaken to support to fund the regulatory programs.

Focusing on the four key result areas/strategic themes, the Board will endeavor to achieve results through implementation of the following strategic objectives as depicted in Figure 3.1:

Figure 3.1: Strategy House (Summary of Mission, Vision, Strategic Objectives and Core Values)



3.3 Corporate Balanced Scorecard Implementation Matrix

This balance scorecard stipulates the roadmap the Board will follow in delivering its mandate during the planning period.

Figure 3.2: Corporate Balanced Scorecard Implementation Matrix

PERSPECTIVES	OBJECTIVES	STRATEGIES	INITIATIVES	EXPECTED OUTCOMES	MEASURES	TARGETS	TIME	BUDGET (KSH)	LP
CONSUMER/STAKEHOLDER	Objective 1: Enhance consumer and other stakeholders' confidence in water services regulation	Increase customer satisfaction with the regulator	Conduct surveys on customer satisfaction and implement recommendations	Consumer confidence improved	Customer satisfaction index	At least 4% points increase	Every 2 years	20,000,000	DCPA
			Provide consumers with platforms for advice and support on water and sewer services provision		Awareness Index	At least 5% points increase	Annually	5,000,000	DCPA
		Improve complaint resolution	Operationalize Wasreb complaint management systems	Faster resolution of consumer complaints	No. of complaints resolved	100% complaints resolution	Continuous	1,000,000	DCPA
			Engage Water Service Providers on issues of concern to consumer		No. of engagement	At least 1 (one)	Quarterly	4,000,000	DCPA
		Enhance citizen participation	Establish consumer groups	Inclusion of citizens in decision making	% of complaints resolved through consumer groups	100% complaints resolution lodged through consumer groups	Continuous	40,000,000	DCPA
			Carry out public participation/consultation forums (shows, exhibition, barazas , meetings, seminars ...)		No. of forums	At least 1 (one)	Quarterly	7,000,000	DCPA

PERSPECTIVES	OBJECTIVES	STRATEGIES	INITIATIVES	EXPECTED OUTCOMES	MEASURES	TARGETS	TIME	BUDGET (KSH)	LP	
		Create facilitative collaborations with County Governments and other relevant institutions to enhance knowledge of the sector	Identify County specific issues	Increased effectiveness of various stakeholders in water services	Inventory of county specific issues	Updated inventory	Quarterly	1,000,000	D CPA	
			Carry out engagement programs with top County leadership		Structured annual inter-personal forums	100% of all engagements as per the plan	Annually	20,000,000	D CPA	
										Issue - based courtesy calls by Wasreb leadership
				Conduct county meetings, seminars and workshops to address the issues		No. of forums held		Quarterly	20,000,000	D CPA
				Carry out stakeholder mapping	Improved decision making	Stakeholder maps	Up to date stakeholder maps	Continuous	-	D CPA
				Conduct workshops on priority issues of regulator	Keeping stakeholders abreast with sector issues	No. of sessions held	100% of identified priority issues	Continuous	5,000,000	D CPA

PERSPECTIVES	OBJECTIVES	STRATEGIES	INITIATIVES	EXPECTED OUTCOMES	MEASURES	TARGETS	TIME	BUDGET (KSH)	LP
			Identify new and emerging areas for partnerships	Keeping stakeholders abreast with sector issues	Sensitization sessions	100% of all key emerging players	Continuous	Nil	DCPA
			Identify partnerships with relevant institutions to enhance regulation	Enhanced knowledge sharing and transfer	No. of institutions identified	At least 1 (one) institution in the key thematic areas	Continuous	5,000,000	DCPA
			Implement partnerships through MoUs	Enhanced knowledge sharing and transfer	No. of MoUs signed	At least 1 (one) MoU in each key thematic area	Annually	1,000,000	DCPA
			Plan and implement Corporate Social Responsibility (CSR) programs	Increase Wasreb visibility	No. of CSR Activities carried out	1 (one)	Annually	2,000,000	DCPA
		Facilitate effective information and communication on water services	Disseminate information on regulation	Increased Wasreb Visibility	No. of new advocacy programs developed	At least 1 (one) main campaign	Quarterly	10,000,000	DCPA

PERSPECTIVES	OBJECTIVES	STRATEGIES	INITIATIVES	EXPECTED OUTCOMES	MEASURES	TARGETS	TIME	BUDGET (KSH)	LP
STEWARDSHIP	Objective 2: Strengthen governance in water services provision	Improve regulatory tools and standards	Develop /Review regulatory standards	Efficiency in operations	No. of standards aligned to Water Act 2016	100%	2020	120,000,000	DTS
			License WSPs		No. of WSPs with valid licenses	100%	2020	30,000,000	DLE
		Increase capacity of the counties	Training of the County Governments on mandate in water services	Seamless engagement and operations	No. of capacity building sessions with County Governments on investment planning, monitoring and evaluation, etc	At least 1 (one) session	Annually	10,000,000	DLE

PERSPECTIVES	OBJECTIVES	STRATEGIES	INITIATIVES	EXPECTED OUTCOMES	MEASURES	TARGETS	TIME	BUDGET (KSH)	LP
	Objective 3: Ensure a financially sustainable and socially responsive water services sector	Determine and prescribe cost recovery tariffs for both water and sewerage services	Approve cost -reflective tariffs	Sustainable utilities	% of cost reflective tariffs approved	100%	Annually	20,000,000	DTS
		Identify funding gaps and advise the National and County Governments	Increased WSP investment financed by public resources		% of additional funds availed	x % increase in investments p.a	2022	5,000,000	DTS
		Develop a framework for alternative financing of the sector	Disseminate and oversee implementation of the framework	Increased investment in water infrastructure	No of Utilities accessing alternative financing	10	Annually	5,000,000	DTS
		Adoption of the indicator		Increased access in marginalised and poor areas	100% of the utilities	100%	2022	5,000,000	DTS

PERSPECTIVES	OBJECTIVES	STRATEGIES	INITIATIVES	EXPECTED OUT-COMES	MEASURES	TARGETS	TIME	BUDGET (KSH)	LP
INTERNAL PROCESSES	Objective 4: Enhance compliance and enforcement with regulations	Increase surveillance in the sector	Carry out inspections	Increased compliance with regulation Seamless service delivery devoid of conflict	No. of Utilities inspected	24	Annually	500,000,000	DTS
		Utilize court processes to enforce the license	Initiate the court process		No. of cases filed in court	100% of cases approved for filing	Quarterly	200,000,000	DLE
		Entrench ADR (Alternative Dispute Resolution) and administrative orders into regulatory framework	Undertake conciliation with County Governments on emerging issues		No. of resolved disputes	100%	Quarterly	10,000,000	DLE
			Undertake administrative orders on licences		No. of administrative orders undertaken	100%	Quarterly	5,000,000	DLE
			Undertake and facilitate mediation between licensees and third parties		No. of resolved disputes	100%	Quarterly	5,000,000	DLE

PERSPECTIVES	OBJECTIVES	STRATEGIES	INITIATIVES	EXPECTED OUT-COMES	MEASURES	TARGETS	TIME	BUDGET (KSH)	LP
ORGANISATIONAL CAPACITY	Objective 5: Strengthen institutional capacity	Operationalize core values to enhance Wasreb image	Sensitize stakeholders on Wasreb Brand	Increase Wasreb visibility	Awareness level	At least 2.5% points increase annually	Annually	10,000,000	DCPA
			Embrace core values	Strong positive corporate culture	Adherence to core values	100% adherence of all core values	Continuous	5,000,000	DCS
			Publish regulatory decisions	Increase Wasreb visibility	ISO 9001. 2015 Standards	2 weeks	Continuous	20,000,000	DCPA
		Build capacity to understand regulation	Develop an annual inter-directorate dissemination collaboration matrix	Efficiency in operations	Collaboration matrix in place	Up to date collaboration matrix	Start of every Financial Year	4,000,000	DCPA
		Increase deployment of ICT	Develop an Integrated Management System			Portal in place	100%	30th June 2019	100,000,000
		Improve internal structures and procedure	Review and implement the Risk Management Framework	Efficiency in operations	Revised Risk framework	Operationalized risk framework	2019	1,000,000	IAM
			Monitor operational efficiency and effectiveness of the institution –QMS, ISMS			Compliance with requirement of certifications	100%	Annually	5,000,000

PERSPECTIVES	OBJECTIVES	STRATEGIES	INITIATIVES	EXPECTED OUT-COMES	MEASURES	TARGETS	TIME	BUDGET (KSH)	LP
			Review and enhance the Performance Management System		Increase in performance index	2% increase	Annually	5,000,000	DCS
			Develop and implement a strategic plan monitoring dashboard	Cascading and monitoring of strategic plan	Automatic reports on status of implementation of plan	Updated dashboard	2018	2,000,000	DCS
		Establish a platform for identifying emerging issues	Establish and operationalize Research and Development function	Enhanced Monitoring and Evaluation of Wasreb functions	% uptake of innovations	Innovations in all functional areas	30th June 2019	2,000,000	DCS
		Entrench learning organization culture	Implement a Knowledge management transfer system	Enhanced knowledge management	Knowledge management system in place	Interactive system	Annually	5,000,000	DCS
		Enhance staffing structures commensurate with Wasreb's mandate	Attract and retain optimal and competent staff	Quality service delivery	Competence assessment index	X% with 2 % point increase annually	Annually	1,300,000,000	DCS

PERSPECTIVES	OBJECTIVES	STRATEGIES	INITIATIVES	EXPECTED OUT-COMES	MEASURES	TARGETS	TIME	BUDGET (KSH)	LP
		Re-engineer the organizational culture	Implement and monitor the National values through the Code of Conduct	Adherence to code of conduct	Level of adherence to code of conduct	100% compliance to code of conduct	Continuous	-	DCS
			Carry out capacity building based on *OCAI (Organisational Culture Assessment Instrument) Model	Entrenched core values	OCAI Assessment Index	X% with 5 % point increase every 2 (two) years	2018 – Baseline, and 2 (two) reviews	5,000,000	DCS
		Strengthen staff competencies	Carry out training needs assessment	Identification of competence gaps	Training needs identification report	100% of employees	Annually	2,000,000	DCS
			Carry out training and development of staff	Competent staff Financially sustainable regulator	No. of trainings and development conducted	100% adherence to training plan	Annually	150,000,000	DCS
		Mobilise resources to deliver on Wasreb mandate	Review and implement licensee fees/regulatory levy		% increase in financial resources from levies/fees	100% cost recovery	2018	10,000,000	DCS

PERSPECTIVES	OBJECTIVES	STRATEGIES	INITIATIVES	EXPECTED OUTCOMES	MEASURES	TARGETS	TIME	BUDGET (KSH)	LP
			Efficient utilization of resources		% compliance with budget	100% compliance	Annually	-	DCS
			Develop partnerships for resource mobilisation		% increase in external support	X% increase	Annually	5,000,000	DCS

INSTITUTIONAL FRAMEWORK FOR IMPLEMENTATION AND COORDINATION

4.0 Introduction

During the plan period, Wasreb will continue to achieve goals and objectives as established and outlined in Chapter Three. The Board's desire is to increase efficiency and enhance performance through specialization and division of labour. An ideal institutional framework for implementation will put in place suitable forms of coordination and control to ensure that diverse efforts of individuals and units are harmonized and well linked. An effective structure will fit into the current environment technology and workforce. This Chapter therefore outlines the implementation and coordination in various directorates and independent offices with a view to formally managing expectations and enhancing performance among internal and external stakeholders.

4.1 Staff Establishment and Organization Structure

In order to achieve the strategic objectives, the Board will continue to grow and expand the human resource capacity through recruitment, training and development to meet the needs of the organization mandate of operations, support services and delivery national wide. The Board will also put in place sound human resource management framework; systems, policies, rules and practices that attract and retain qualified, competent, talented and well motivated staff.

4.1.1 Staff Establishment

The Board staff establishment in 2018-2022 is 56 employees with a mix of skills to facilitate delivery of this plan as presented in Appendix II.

4.1.2 Organization Structure

The Board has adopted the Job Evaluation Report, organization study to review its Organization Structure, staffing levels, as well as, financing levels in order to be in a position to effectively deliver on the wider mandate under the Water Act 2016. The Organization structure illustrated in Appendix III provides for high level structure aligned to key functions of Wasreb and the strategic themes for the Strategic Plan 2018-2022.

Board of Directors

The Board of Directors (BoD) has delegated authority for the operations and administration of the organization to the Chief Executive Officer (CEO)/ Management. The Board has no operational involvement in the conduct of organization's business activities and delivery of services. Its role is confined to oversight by setting and reviewing policy; and monitoring performance.

Chief Executive Office

Responsible leadership, management and coordination role in the administration and monitoring of the activities that will ensure efficacy in the implementation of policy decisions for the Board to deliver its mandate. The office has full operational responsibility in the development, implementation and evaluation of strategic business plans agreed by the Board of Directors.

Directorates

Directorates are designed to focus on key roles, functions and responsibilities. Similarly, functions have been strengthened to give Wasreb the impetus to become relevant in the Water Services Sector. Water Services Regulatory Board has four directorates as follows:

- a) Technical Services
- b) Legal and Enforcement
- c) Communication and Public Affairs
- d) Corporate Services

a) **Technical Services**

This Directorate is headed by the Director Technical Services and handles four key functions that include:

- (i) Engineering Services: including setting the standards, monitoring compliance with design, operations and maintenance of facilities
- (ii) Economic regulation: Focuses on tariff determinations by ensuring application of justified tariff with targeted subsidies where applicable to actualize the right to water
- (iii) Quality of service regulation: This is achieved by assessing utilities performance and comparing their results within the sector

(benchmarking). It involves among others technical audits and inspection of Utilities to check for compliance

- (iv) Drinking water regulation: This focuses on the use of a comprehensive risk assessment and risk management approach that encompasses all steps in the water supply chain from the source to the end consumer. It recognizes that the huge gap in water coverage and the impact of climate change presents intermittent supplies and non-piped supplies as prominent features of a water supply system with added risks to public health and hence the need to mitigate the same

b) Legal and Enforcement

This Directorate is headed by the Director Legal and Enforcement and handles the following key functions:-

- (i) Advisory work - To provide legal advice on interpretation and application of the law internally and on transactional matters and externally to the water services sector
- (ii) Undertake civil litigations under the Water Act 2016, constitutional petitions under Article 43 of the Constitution, debt recovery, employment matters and judicial reviews of actions affecting water services sector
- (iii) Prosecution- in liaison with other investigative arms of government, to assist in prosecution of offences under the Water Act 2016
- (iv) Resolution of disputes arising from licenses - through conciliation and mediation and other forms of negotiated settlement
- (v) Law-making, such as, drafting and issue of licenses, issue of gazette notices and other legal instruments under the Water Act 2016
- (vi) Provide Board secretarial services

c) Communication and Public Affairs

This Directorate is headed by Director Communication and Public Affairs and handles:

- (i) Consumer awareness and customer relations
- (ii) Internal and external communication

- (iii) Stakeholder engagement and interface
- (iv) Information and documentation
- (v) Media relations
- (vi) Consumer complaints and management of consumer groups

d) Corporate Services

This directorate is headed by Director Corporate Services. It is responsible for strategy and policy formulation, overseeing and leveraging corporate functions to support the Board achieve its strategic goals and objectives. Other key functions include:-

- (i) Finance
- (ii) Human Resources and Administration
- (iii) Information, Communications and Technology (ICT)
- (iv) Procurement
- (v) Research and Strategy

The Procurement function reports functionally to the Chief Executive Officer but administratively reports to this directorate.

e) Independent Offices – Internal Audit

In addition, the Board has an independent office for Internal Audit Services. This ensures that the Board complies with financial and operational rules and regulations. It is headed by the Internal Audit and Risk Manager and reports directly to the Audit and Risk Management committee of the board and administratively to the Chief Executive Officer.

5 CHAPTER FIVE

MONITORING AND EVALUATION

5.0 Introduction

Effective monitoring and evaluation of any Strategic Plan is an imperative process that helps to improve performance and achieve results of an organization by informing improvement on current and future management of outputs, outcomes and impact; and hence the success of its implementation. Wasreb shall undertake monitoring, evaluation and reporting process at both the Board and Management levels.

The Board of Directors will establish monitoring, evaluation, and control systems at all levels to ensure that performance is reviewed and analysed on a periodic basis. Recommendations from quarterly meetings by the Executive Committee will form agenda for Board of Director's quarterly meetings. During these meetings, the Board will receive and review reports indicating overall progress. The nature and scope of the reporting will include:

- (a) Progress made against the Strategic Plan;
- (b) Causes of deviation from the Plan, if any;
- (c) Challenges that may adversely affect implementation of the Plan; and
- (d) Suggested solutions to these challenges

5.1 Reporting

At the Management level, quarterly reports on progress made in the implementation of the Strategic Plan will be reviewed.

In carrying out monitoring and evaluation, the following tools will be adopted:

- a) Annual implementation matrix review
- b) Annual performance contracts and workplans
- c) Annual budget and quarterly expenditure review
- d) Annual and quarterly research and development reports

- e) Consultative meetings
- f) Annual staff appraisal

5.2 Feedback Mechanisms

The reports generated out of the implementation process, will be widely shared and communicated through forums, such as, management and stakeholders meetings, workshops and review seminars. In addition, internal communication using news bulletin, publications, employee's forums, emails and social media will be encouraged and corrective measures recommended and implemented where appropriate.

5.3 Monitoring Tools

Performance contracting and appraisal systems will be aligned to budgets and functional work plans. Another key tool that will be used for monitoring and evaluation is the departmental and corporate service charters.

5.4 Risk Management Matrix

The implementation of the activities identified in this Strategic Plan faces potential risks that have to be mitigated if the strategic objectives are to be achieved. The risks will be classified into strategic, technological, operational and reputational. In line with the Strategic Plan activities, all directorates will develop their risk registers for consolidation by internal audit and generate Board's risk matrix. There will be quarterly risk monitoring of risk registers and Board's risk matrix whose reports are generated for management for Board of Director's consumption.

5.5 Performance Management System

Wasreb will automate Performance Management System (PMS) framework based on the Balanced Scorecard (BSC) platform to enable monitoring and evaluation of the Strategic Plan to take place systematically and simultaneously on a quarterly basis for corporate, directorate and individual staff levels. The automated PMS, obtaining from fragmenting the strategic objectives into annual work plans and activities for the three levels for quarterly review (corporate, directorate and individual); will be specific to enable Wasreb to clearly and consistently review progress in achieving its objectives. The PMS dashboard will also trigger a warning for leadership to prevail in decision making so as to keep on course with the objectives, hence address ensuing challenges on time.

This shall be adopted as follows;

- Individual performance targets shall be agreed between the respective staff and their directorate heads. The directorate's targets will be cascaded from annual corporate performance contracts and individual performance appraisal shall be carried out annually
- Monthly directorate meetings, monthly management meetings and quarterly board meetings will be held to monitor implementation of operational and Strategic Plans
- Annual Strategic Plan review workshops involving Board of Directors and Management will be held to evaluate the outcome of the plans
- Mid-term and end term review of the Strategic Plan will be conducted to ensure it remains relevant and feasible to deliver expected outcomes

The Corporate Services Directorate will coordinate monitoring of the directorates' Strategic Plan activities and generate progress reports for review by Management and Board of Directors as appropriate, in line with quarterly and annual reporting requirements.

Generally, the Strategic Plan is intended to provide a clear road map that will enable Wasreb to be that dynamic organization that facilitates the sector to meet the expectations of stakeholders, having substantially considered all their needs and aspirations and adopting SMART targets.

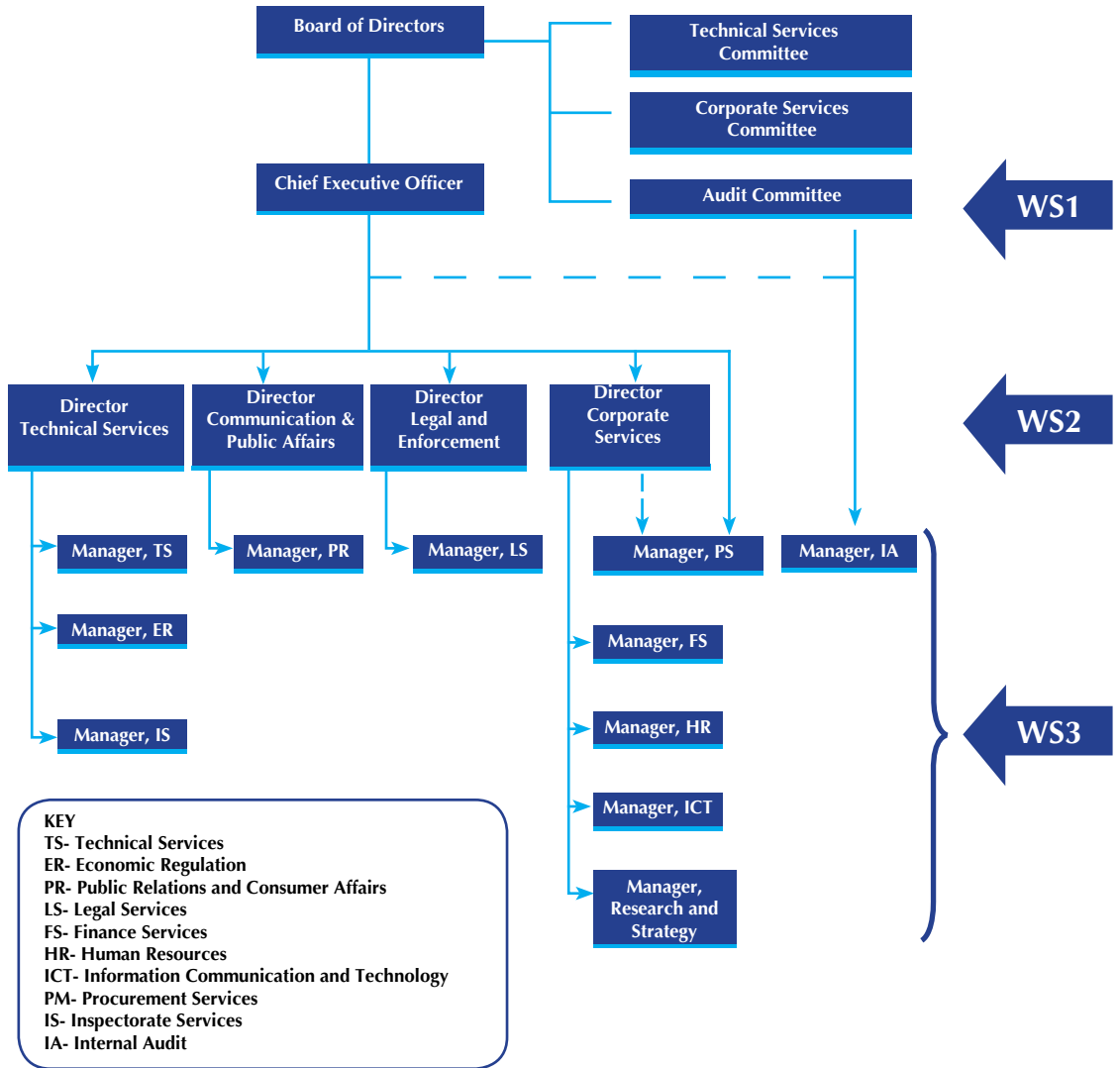
APPENDIX I: The Strategic Plan Consultative Process

Date	Activity	Participants	Sponsors	Venue
4 th Sept 2017 – 8 th Sept 2017	Strategic planning training	Wasreb Senior Management	Wasreb	Naivasha
11 th Oct 2017	Inception Meeting	Wasreb Top Management and Strategic Plan Working Committee	Wasreb	Wasreb, Boardroom
22 nd October – 25 th Oct 2017	Strategic Plan Working Sessions	Strategic Plan Working Committee	Wasreb	Naivasha
31 st Oct 2017	Strategic Plan Working Sessions	Strategic Plan Working Committee	Wasreb	Wasreb, Boardroom
2 nd Nov 2017	Strategic Plan Working Sessions	Strategic Plan Working Committee	Wasreb	Wasreb, Boardroom
8 th Nov 2017 – 10 th Nov 2017	Strategic plan Management Retreat	Wasreb Senior Management	Wasreb	Naivasha
13 th Nov 2017 – 15 th Nov 2017	Strategic Plan Working Sessions	Strategic Plan Working Committee	Wasreb	Naivasha
5 th Dec 2017	Strategic Plan Working Sessions	Strategic Plan Working Committee	Wasreb	Wasreb, Boardroom
16 th January, 2018	Inception report presentation and External Review of draft strategic plan with Wasreb management	External Consultant and Wasreb Senior Management	Wasreb	Nairobi
17 th January, 2018	External Review of draft strategic plan with Wasreb management	External Consultant and Wasreb Senior Management	Wasreb	Wasreb, Boardroom
31 st Jan 2018 – 1 st Feb 2018	Board & Management Retreat	Wasreb Board members and Senior management Wasreb	Wasreb	Naivasha
9 th February, 2018	Wasreb Structure to support strategy meeting with Management	Wasreb management team	Wasreb	Nairobi
23 rd February, 2018	Stakeholders consultative Forum	Stakeholders	Wasreb	Nairobi

APPENDIX II: Staff Establishment

Directorate/ Department/Position	Grade	Established Positions 2013/2017	Number of Staff In -Post in 2017	Proposed Staff Establishment 2018/2022	Increase/ Decrease in Staff Numbers
Chief Executive Office					
CEO	WS1	1	1	1	0
Internal Audit					
Manager	WS3	1	1	1	0
Senior Auditor	WS4	1	0	1	+1
Auditor	WS5	1	1	1	0
Technical Services					
Director	WS2	1	1	1	0
Manager	WS3	3	2	3	+1
Senior	WS4	4	2	7	+5
Officer	WS5	1	1	4	+3
Legal and Enforcement					
Director	WS2	1	1	1	0
Manager	WS3	1	0	1	+1
Senior	WS4	2	1	1	0
Officer	WS5	0	0	1	+1
Consumer and Public Affairs					
Director	WS2	1	1	1	0
Manager	WS3	1	0	1	+1
Senior	WS4	2	1	1	0
Officer	WS5	0	0	1	+1
Corporate Services					
Director	WS2	1	1	1	0
Manager	WS3	4	4	5	+1
Senior	WS4	6	3	8	+3
Officer	WS5	4	6	7	+1
Receptionist/Executive Driver	WS6	1	1	2	+1
Driver	WS7	4	4	6	+2
Office Assistant	WS8	2	2	2	0
Total		43	34	56	22

APPENDIX III: Organization Structure





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