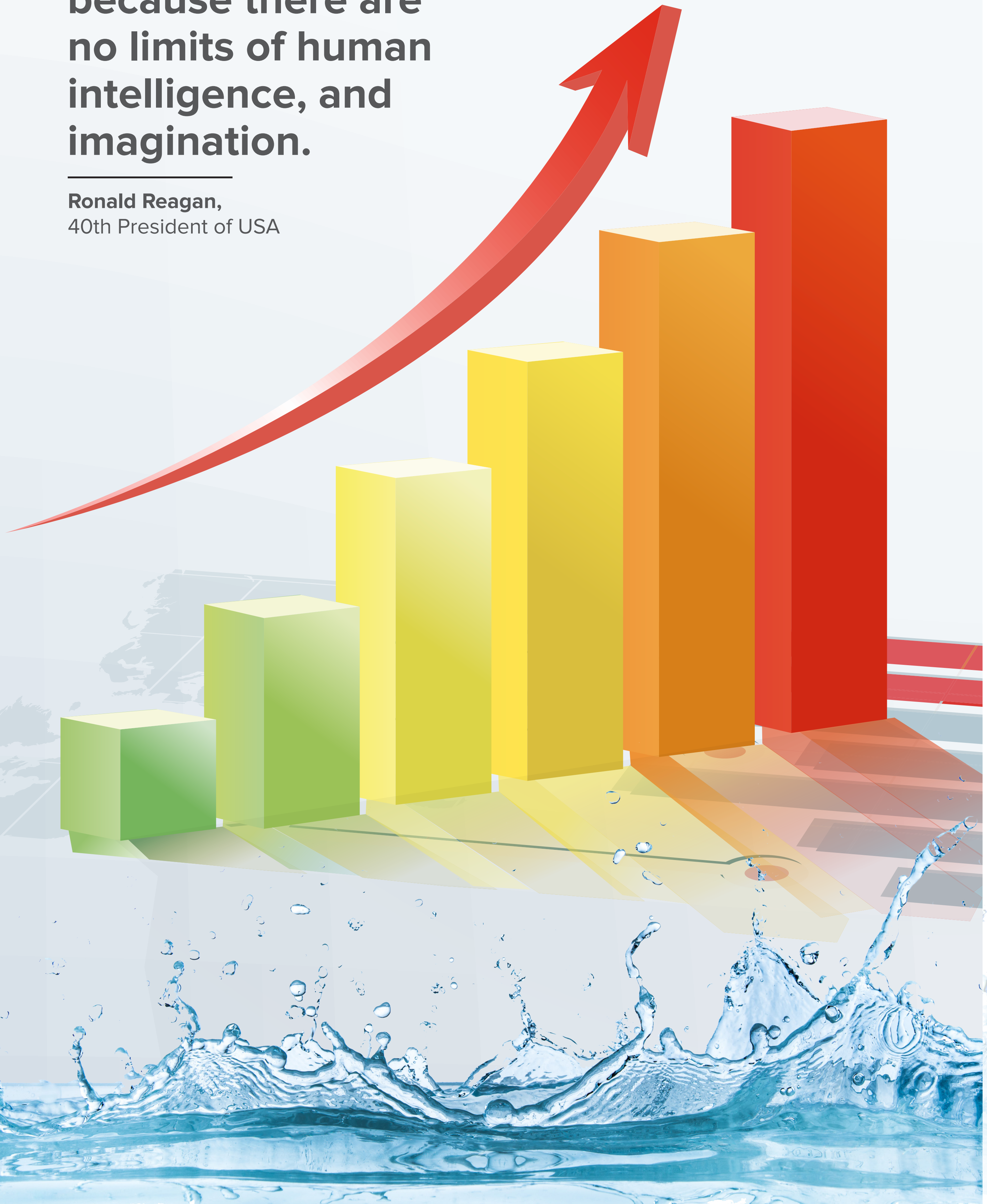
NANYUKI WATER AND SANITATION COMPANY
NAWASCO

BUSINESS PLAN

FY 2023/2026

> There are no great limits to growth because there are no limits of human intelligence, and imagination.
>
> **Ronald Reagan,**
> 40th President of USA



Contents:

ABBREVIATIONS AND ACRONYMS

BOD	Board of Directors
BP	Business Plan
BSC	Balanced Score Card
BWRC	Basin Water Resource Committee
CAPEX	Capital Expenditure
CRVWWDA	Central Rift Valley Water Works Development Agency
CECM	County Executive Committee Member
CFA	Community Forest Association
CIDP	County Integrated Development Plan
CLSG	Conditional Liquidity Support Grant
CoK	Constitution of Kenya
CS	Cabinet Secretary
DMAs	District Metering Areas
DWQ	Drinking Water Quality
ERP	Enterprise Resource Planning-system
ESIA	Environmental, Social Impact Assessment
GA	Gatsby Africa
GIS	Geographical Information Systems
Ha	Hectares
KEWI	Kenya Water Institute
KFS	Kenya Forest Service
KNBS	Kenya National Bureau Statistics
KPIs	Key Performance Indicators
l/c/d	Litres/Capita/Day
ISO	International Organization for Standardization
LIA	Low Income Areas
MoWSI	Ministry of Water, Sanitation and Irrigation
M&E	Monitoring and Evaluation
NAWASCO	Nanyuki Water and Sanitation Company
NEMA	National Environment Management Authority
NRW	Non-Revenue Water
O&M	Operations and Maintenance
OCCR	Operation Cost Coverage Ratio

OPEX	Operating/recurrent Expenditure
PESTEL	Political, Economic, Social, Technological, Environmental, Legal
PPP	Public Private Partnership
SDGs	Sustainable Development Goals
SO	Strategic Objective
SP	Strategic Plan
SPA	Service Provision Agreement
SWOT	Strengths, Weaknesses, Opportunities and Threats
WASH	Water Hygiene and Sanitation
WARIS	Water Regulation Information System
WASREB	Water Services Regulatory Board
WHO	World Health Organization
WRA	Water Resource Authority
WRUAs	Water Resource Users Association
WSP	Water Service Provider
WSTF	Water Sector Trust Fund
WWDA	Water Works Development Agency
UN	United Nations

1.0 EXECUTIVE SUMMARY

NAWASCO Mandate and Context

Nanyuki Water and Sewerage Company (NAWASCO) is mandated by the Water Act 2016, section 78 (1) to provide of water services within the area specified in the license and to develop county assets for water services provision. As an agent of Laikipia County, NAWASCO contributes to the enjoyment of the constitutionally enshrined right to clean and safe water in adequate quantities and to reasonable standards of sanitation as stipulated in Article 43(d) of the Constitution of Kenya.

At global level, provision of safe water and sanitation serves not only to contribute to Goal 6: **Clean water and sanitation for all,** but also enhances other complementing Sustainable Development Goals (SDGs) namely Goals 1: **No Poverty;** Goal 4: **Quality Education**; Goal 8: **Decent Work and Economic Growth**; Goal 11: **Sustainable cities and communities;** Goal 13: **Climate Action;** Goal 14: **Life below water** and Goal 16: **Peace and Justice.**

At the county level, NAWASCO contributes to the realization of Laikipia County Integrated Development Plan (CIDP) 2023/2027 and well as the Governor's Manifesto 2022/2027 on Water and Sanitation sector plans, Health sector plans, Enterprise Development and wealth creation as well as Urban sector Plans.

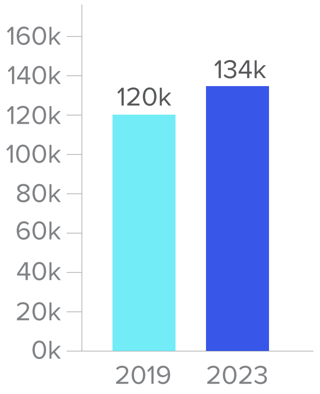
NAWASCO does this through setting up long-term, medium-term and short-term goals which provide a clear roadmap on the key deliverables/products and services that we aspire to deliver to our customers aligned to the aforementioned context. Our current Strategic Plan 2023/2028 provides a 5year guide on key priority investments within our Service Provision Area.

This Business Plan 2023/2026 is a tool to facilitate sustainable implementation of the Strategic Plan 2023/2028 in a way that provides business sense, without compromising on excellent service delivery to the customers.

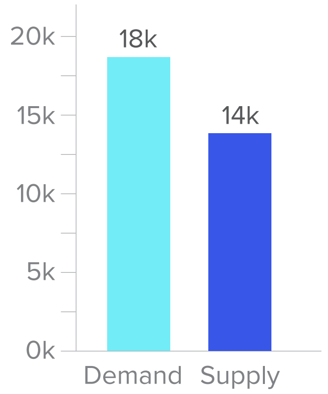
Our Market Gap

The overall population within the NAWASCO Service Provision Area (SPA) has grown from 120,081 people in 2019 to 134,043 in 2023 within Nanyuki town and its Environments. We serve varied customer categories including domestic/ households, commercial/business entities, key public and private institutions and water kiosks that serve parts of Low-Income Areas.

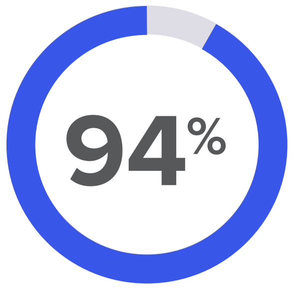
Given the population growth, there is increased water and sanitation services demand against existing constrained supply. Our current water demand is 18,051m^3/day against our supply of 14,092m3/ day. Our current water and sewer coverage are 94% and 44% respectively, hence still a long way to cover our Service Provision Area. The existing infrastructure for water and sanitation is not adequate to sufficiently meet the demand. Hence the need for expansion, rehabilitation as well as additional balancing tanks. In addition, our Non- Revenue Water is currently at 30% against the sector bench mark of 25%. Recent customer satisfaction survey index (2021/2022) indicated an average rate of 82% satisfaction. NAWASCO would like to progressively improve on this to over 95%.



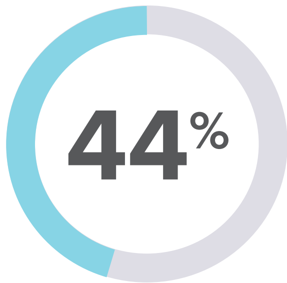
Population growth within the NAWASCO Service Provision Area (SPA)



Current water demand in (m^3) against capacity supply



Water coverage



Sewer coverage

How do we bridge the market Gap?

In this Business Plan, our immediate priority is to increase water supply by additional water sources (Surface and ground water). The proposed surface water project is expected to give an additional 6,000m^3/day from Nanyuki River. In addition, inventions to reduce Non -Revenue Water (NRW) from 30% to at least 22% in FY 2025/2026, geared towards increasing available water for distribution.

The Business plan has proposed interventions towards improving and expanding existing water and sanitation infrastructure as well as assets renewal that account for 41% and 21% CAPEX investments respectively, some of which have been allocated to Low Income Areas (LIAs). In addition, the later will also benefit from social connections for the most vulnerable in LIAs.

This plan has put in place activities that will improve customer service level, customer experience and increase customer satisfaction survey index to over 95% by FY 2025/2026

Building on adaptation to Climate change and resilience

In as much as our core business is in provision of quality water and sanitation services, this plan has deliberately allocated over 8% of the investment to climate resilient and adaptation investments including waste water recycling project, solar installations and tree growing initiatives.

Financing and sustainability of the Business Plan

The total budget for this Business Plan is Kshs. **1,336,957,026**, out of which Kshs. **331,866,557** are Capital Investments while Kshs. **1,005,090,469** are recurrent expenditure translating to 25% and 75% respectively. Notably, the recurrent expenditure also includes soft components and processes that support the implementation of this Business Plan such as ISO certification 9001: 2015 on quality Management Systems; Customer experience forums and satisfaction surveys, stakeholder engagement, tree growing initiatives for water catchment and riverbank protection and well as improving staff productivity.

The Business Plan will be financed through ring fencing of revenues, government taxes, funding from development partners and Public Private Partnerships.

The proposed investments will be able to cover the operations and maintenance which is reflected in the Operations & Maintenance Cost Coverage. We expect to grow the Operations Cost coverage from 119% to 127% by 2026, indicating commercial and financial sustainability.

1.34b
total budget for this Business Plan

332m
Capital Investments

1.01b
Recurrent expenditure

Implementation, Monitoring, Evaluation and Learning

This Plan has clearly identified annual priority investments informed by payback period and needs Assessment. Balanced Score Card (BSC) and the implementation plan will be used to measure the progress towards the set targets. In addition, annual reviews will be carried out to assess milestones and re-evaluate the ever-changing working environment under which we carry out day to day business. NAWASCO will continuously document the lessons learnt, lessons unlearned and success stories for sharing with internal and external stakeholders.

2 COMPANY OVERVIEW

2.1. NAWASCO Overview

Nanyuki Water and Sanitation Company (NAWASCO), is located in Nanyuki town Laikipia County. The utility was incorporated under the Company's Act (Cap 486) of the laws of Kenya on 14th of December, 2005.

NAWASCO, pursuant to Section 154 of the Water Act 2016 operates as a county water service provider mandated to serve Nanyuki and its environs including parts of Nyeri and Meru Counties, covering a total of 218km2 as per the license by Water Services Regulatory Board (WASREB).

The service area spanning 218Km2 is divided into three major blocks namely; Nturukuma, Sweet Waters and Central Business District (CBD). The three blocks are further divided into 19 blocks for purpose of effective and efficient service provision - meter reading, billing, disconnections and reconnections.

The utility is classified as a large water service provider and is currently serving 27,558 active connections and 13no. water kiosks. The company's main source of water is River Likii. The abstracted water is channelled to NAWASCO's water treatment plant and transmitted around the service area through gravity. There is also a notable number of customers upstream of the treatment works who receive water through pumping. Our current water demand is 18,051m3/day against our supply of 14,092m3/day.

The company regularly performs well on several key performance indicators set out by the sector regulator and was ranked No. 4 overall out of 88 WSPs and No 1 under the large category in the recently released performance review of urban water utilities across Kenya under the Impact Report Issue No. 15 for the year 2021/2022.

NAWASCO as an agent of County Government of Laikipia, by necessity contributes to the enjoyment of the constitutionally enshrined right to clean and safe water in adequate quantities and to reasonable standards of sanitation as stipulated in Article 43 of the constitution, as well as contribution on the realization of Laikipia County Development Plan.

2.2. Company Profile

NAWASCO core-mandate is derived from section 78 (1) of the Water Act 2016 which stipulate:

01 Provision of water services within the area specified in the license; and

02 Development of county assets for water services provision.

Vision:

'Premiere Utility in Excellent Service Delivery'.

Goal: Contribute to making people's lives better by realizing their constitutionally enshrined rights to water and reasonable sanitation standards

Mission: To sustainably provide excellent water and sanitation services through professional and competitive practices to the satisfaction of all our stakeholders.

2.3. Core Values

Our core values are fundamental principles and beliefs guiding our operations. They will act as link between the organization culture and the social systems. NAWASCO wants to be identified by the society it is serving with the beliefs as highlighted by its core values.

NAWASCO core values abbreviated as 'IREST' are:

I

Integrity and Professionalism

We commit to carry out our duties diligently and without any underhand dealings to the realization of our objectives. We are committed to serve customers and stakeholders in a courteous, honest and respectable manner.

R

R- Respect for Diversity

We are always ready and willing to accommodate new and diverse skills from different cultural backgrounds in their areas of expertise and have respect for varying opinion and composition

E

E- Environmentally Focused

We commit to deliver water and sanitation services in an environmentally sound practices ensuring we do not contribute to harming our ecosystem. In addition, we will be conscious to protect the environment, meeting the needs of the present without compromising the needs of the future.

S

Stakeholder Centric

We commit to engage our stakeholders in our key decision-making processes, value their feedback and keep them adequately informed.

T

T- Teamwork and Results Oriented

We commit to work cohesively, collaboratively to carry out our day-to-day activities and keeping our eyes on our actions and results.

Our Mantra: **Make it Happen!**

Our Mantra is linked to NAWASCO's overall goal (our big WHY?) which states:

> *Contribute to making people's lives better by realizing their constitutionally enshrined rights to water and reasonable sanitation standards.*

The 'it' in this mantra directly refers to our GOAL; Thus, every day at NAWASCO, we strive to "Make people's lives better by realizing their constitutionally enshrined rights to potable water and reasonable sanitation standards happen".

2.4. Culture Statement

NAWASCO recognizes the centrality of culture in successful delivery of our Business Plan. It is quite evident that good plans and budget without appropriate culture is tantamount to suboptimal delivery. It is against this background that we have put together some key cultural aspirations and expected behaviour from our employees that would be essential in the implementation of the Business Plan 2023/2026.

The cultural styles outlined below have been informed by our working environment, mission, core values and envisaged success of NAWASCO. We aspire that our employees will fully embrace these cultural styles and responsibilities at every level, at all times.

01

Versatile style

We believe in flexibility, open to new ideas and allow employees to share perspectives that make our day-to-day work better. We endeavor to be adaptable by being opportunistic and handling challenges in a practical and realistic manner.

02

Customer focus orientation

We embrace customer- first mentality and strive to deliver high quality services to our customers and meet their expectations. We purpose to prioritize the current and future customer demands through proper planning. We aspire to listen and offer timely response to customers concerns.

03

Collaboration and networking:

We believe everyone brings unique skills and experience to the organization, we embrace and adopt cross functional collaboration and delivering of our day-to-day activities and work across our assigned roles to deliver higher value for NAWASCO. At NAWASCO we are deliberate in forming networks with our peers and the industry and aim to learn from one another.

04

Ownership and possession:

We foster a strong attitude of 'owner and doer' to drive employee's motivation and stellar performance towards achieving excellence in service provision. Whatever happens around NAWASCO is driven and owned by the employees and we strongly believe in taking responsibility for our actions and leaving a lasting legacy.

05

Opportunistic and go-getter attitude:

We trust in our ability to succeed in delivering our mandate, as such, we are determined to thrive by proactively taking initiatives and planning appropriately to achieve desirable results.

2.5. Legal structure and ownership

i) Legal Structure

Under the devolved water systems, the company is wholly owned by county government of Laikipia.

It is limited by shares and the shareholding is as disclosed in the articles of association as follows:

No.	Shareholder	No. of Shares
1.	Governor of Laikipia	97
2.	CECM Finance	1
3.	CECM Water, Environment and Natural Resources	1
4.	County Secretary	1
	Total	**100**

ii) Governance Structure

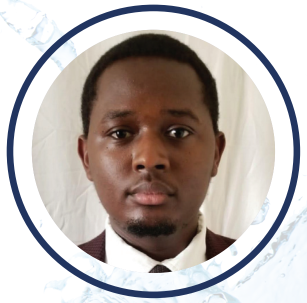
The company has established key governance structure which includes board of directors comprising of 7 members as recommended by the regulator for a large utility. The current directors (6Men 1Woman) are drawn from the County Government of Laikipia and other stakeholders with an oversight from the county and regulator as outlined below:

Martin Wahome Muchiri
Chair I Professional

Col. (Rtd) Lawrence Nteere
V. Chair I Resident Association

Mercy Muthoni Ndungu
Member I Women

Robert Mworia
Member I County Govt.



John Emmanuel Wangai
Member I County Govt.

Dennis Kaniaru Mathenge
Member I Youth & PWD

Mr. Stephen Ndungu Munene
Member I Business

Eng. Kennedy Gitonga
Managing Director

The board has three sub-committees with defined roles as follows:

01

Audit, Risk and Governance Committee roles include

i) **External Auditor:** The audit committee is responsible for the company's relationship with its external auditor.

ii) **Financial statements:** The committee should discuss significant issues relating to the company's financial statements with management and the outside auditor and review earnings before they are issued.

iii) **Internal controls:** The committee oversees the company's system of internal controls over financial reporting and its disclosure controls and procedures, including the processes for producing the certifications required of the managing director and principal financial officer.

iv) Risk assessment management and compliance.

v) **Internal audit-** The committee oversees the company's internal audit function and receives reports directly from the internal auditor who reports to them.

02

Technical and Strategic Planning Committee roles include: -

i) Network expansion and rehabilitation issues

ii) Water quality and effluent issues

iii) Consumer complaint issues

iv) Water connection issues

v) Sewerage connection and faecal sludge management issues

vi) Source protection issues

vii) Water business development

03

Finance and Administration Committee roles include:

i) Corporate Strategy and budget

ii) Water sales and revenue collection issues

iii) Debt management

iv) Asset inventory and management

v) Management accounts

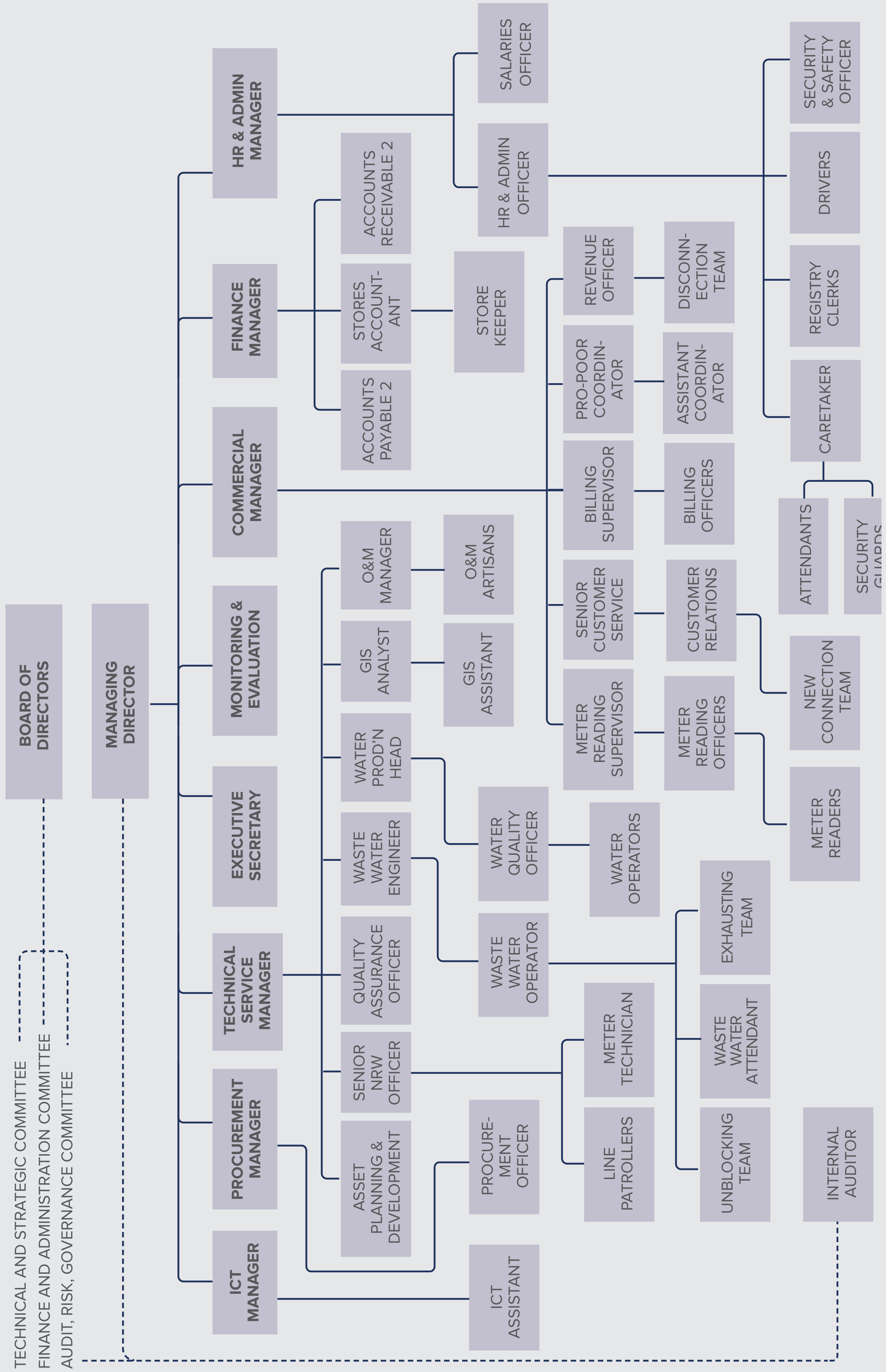
vi) Technical competence and Human Resource Issues

vii) Administration of WSP issues

2.6. Organizational Structure

NAWASCO has a blend of different diverse professional staff at different cadre to manage its daily operations in water and sanitation service delivery. At the apex, the board of director oversee the whole organization while the managing director is responsible for the day-to-day operation of the utility. Other key departments include, technical services, commercial, finance and human resources.

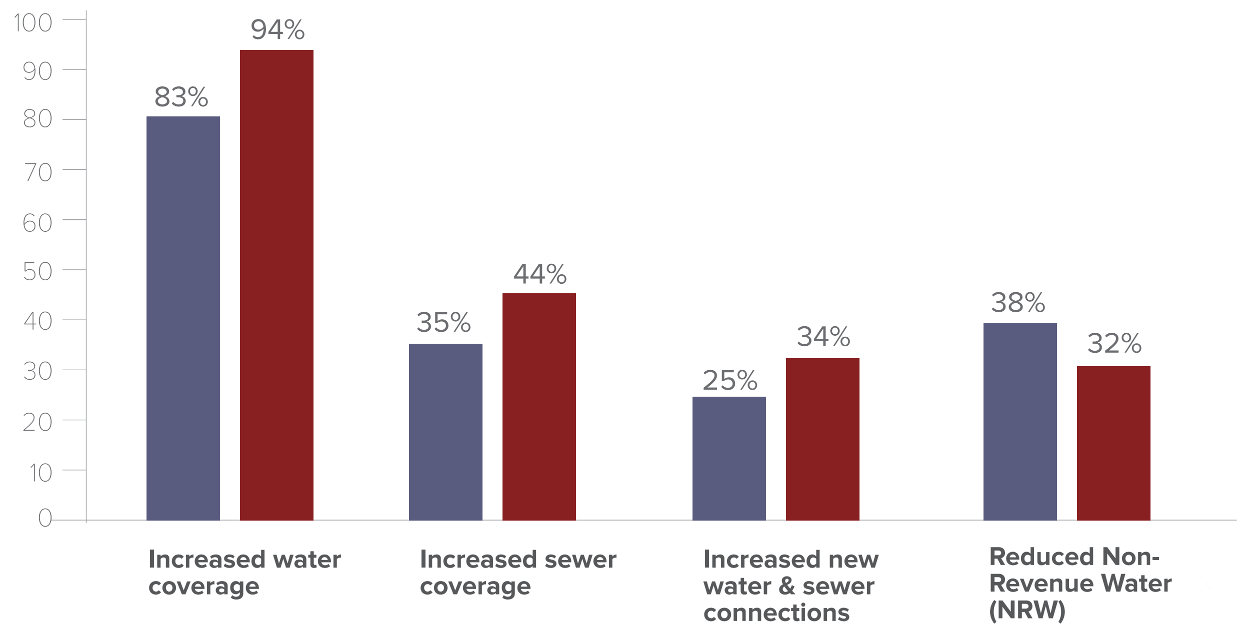
The utility has a total of 135 full time staff that are organized by function as described in the following page



Summary of achievements of previous BP-2019/2023

The current SP had projected a revenue of **2Billion**. The actual cumulative revenue is **1.68Billion** out of which **191 million** are Assets acquired during the SP period. Some of the key achievements and impacts (outlined under 3.0) include: -

1. Increased water coverage from 83% to 94%
2. Increased sewer coverage from 35% to 44%
3. Increased new water and sewer connections by 25% and 34% respectively.
4. Reduced Non-Revenue Water (NRW) from 38% to 32%
5. Approved Tariff (2019-2023) and approved License application 2021-2026
6. Increased billing from an average of 24 million to 26.3million per month
7. Improved water quality from 95% to 100% and waste water quality control
8. Improved operational processes and communication through digitization of all operations (ERP & GIS systems)



2.7. Non-Core activities implemented-CSR

NAWASCO in carrying out its operations is guided by fundamental principles among them Environmental Sustainability, which act as a link between the organization culture and the social system. Under Environmental Sustainability, NAWASCO work towards conserving the environment and protecting our catchment areas which is the source of our raw material.

The utility has a tree seedlings nursery where they donate the seedlings and works in partnerships with the Community Forest Associations and Water River Users Associations to reclaim the riparian land and rehabilitate the forest cover. These activities are undertaken as part of our Corporate Social Responsibility (CSR).

3 MARKET LANDSCAPE

3.1. Overview

Nanyuki town is located north of the equator (0^0 01North). The town has a rich history for over a century as a home to the colonial British settlers. It is mainly considered home to many local and international tourists having many tourist attractions including game ranches, mountain climbing and flower farms. In addition, Nanyuki town hosts key government institutions namely the Kenya Army, Kenya Airforce, the British Army Training Unit Kenya (BATUK), Nanyuki Prisons, National and County Government offices.

The town is cosmopolitan and being the current capital of Laikipia county, is a significant economic hub which also cuts across the neighbouring counties of Nyeri and Meru.

NAWASCO therefore has varied customer base ranging from key institution to households. Domestic customers mainly constitute the household connections, while commercial customers are mainly business owners, hotels among others. Notably, the nearby flower farms provide employment especially to the residents in the Low-Income Areas (LIA) of Likii, Majengo, Ichuga and Kangaita.

The overall population within the NAWASCO Service Provision Area (SPA) has grown from 120,081 people in 2019 to 134,043 in 2023. The population served for the same period increased from 112,661 and 129,528respectively. Water coverage improved form 92% is 93.8% while sewer coverage improved from 35% to 44%. We increased billing from an average of 24 million to 28 million per month. Non-Revenue Water has reduced from 38% to 31% under the same period.

The current cumulative water connections are 19,245 while sewer connections are 8,975. We have 5 five main customer categories namely domestic, commercial, Private Schools, Public Schools and water kiosks. Currently, we do not have industries that use our services within the SPA.

i) Growth in Water connections

Category	Description	30th June 2019	Growth in Numbers	% Growth	30th June 2023
Domestic	Household connections- with an average of 4people per household	14,553	3,649	25%	18,202
Commercial	Businesses within city centre and the outskirts including hotels, Car wash, salons, shopping malls public institutions/ offices,	802	182	22.6%	984
Private schools	Privately owned schools, primary, secondary and tertiary	11	0	0	11
Public Schools	Publicly owned schools- Primary, secondary and tertiary	37		0	37
Water kiosk	The water Kiosks are mainly constructed by NAWASCO in Low Income Areas to serve people who may not have a connection. They are operated by private persons/Group within the located area. The kiosk operator (s) are also permitted to double up/sell household shop items.	13	0	0	13
Total		**15,406**	**3,839**	**24.9%**	**19,245**

ii) Growth in Sewer connections

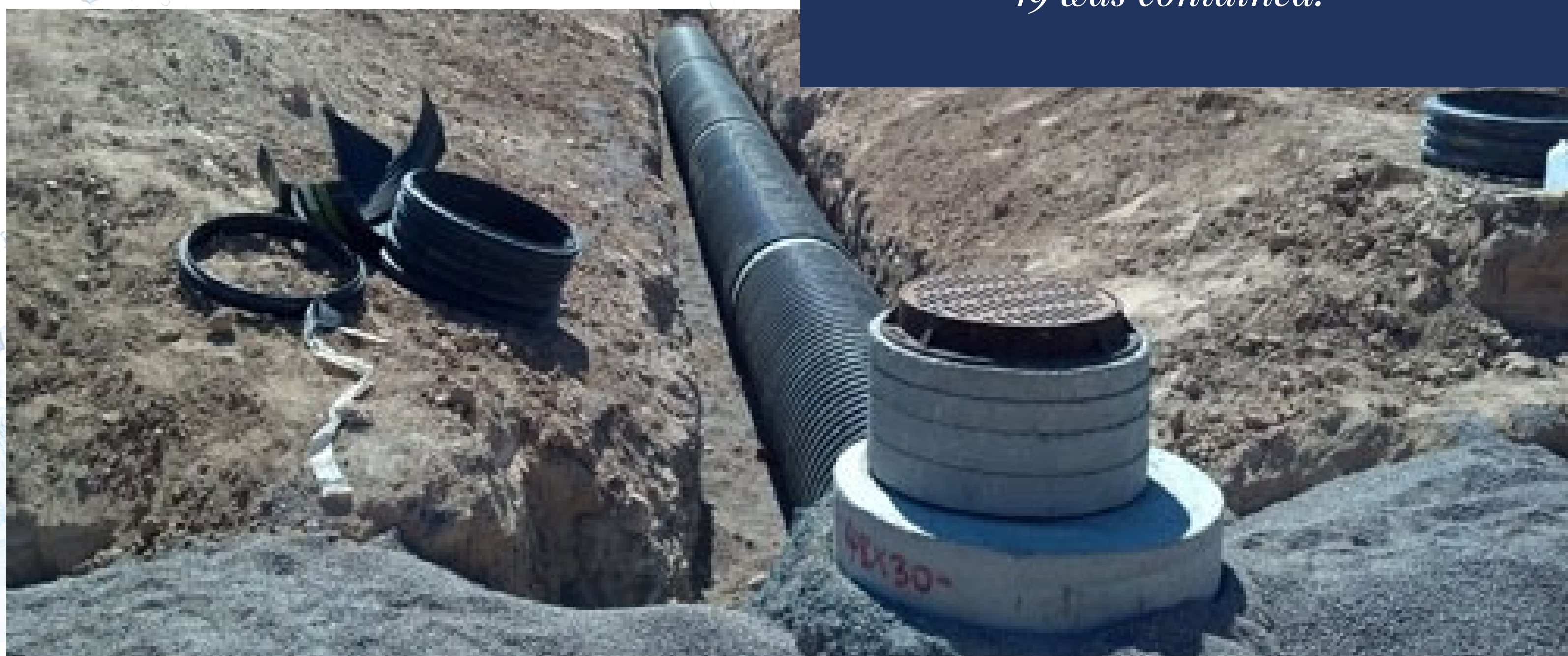
Category	Description	30th June 2019	Growth in Numbers	% Growth	30th June 2022
Domestic	Household connections- with an average of 4people per household	6,047	2,163	35.7%	8,210
Commercial	Businesses within city centre and the outskirts including hotels, Car wash, salons, shopping malls public institutions/ offices,	615	130	21.1%	745
Private schools	Privately owned schools, primary, secondary and tertiary	4	0	0	4
Public Schools	Publicly owned schools- Primary, secondary and tertiary	14	4	28.6%	18
Total		**6,676**	**2,297**	**34.4%**	**8,821**

Note:
Growth in Sewer connections was contributed by Sewer Extension in high populated areas e.g. Livian/Teachers and lower Muthaiga areas,

In the last 3 years, Nanyuki town and its outskirts has experienced population growth due to urbanization and immigrants from other bigger cities after COVID 19 pandemic between 2020-2021.At the same time, Nanyuki being a tourist town was equally hard hit by the pandemic hence affecting the economic earnings. The situation has now progressively improved after COVID 19 was contained. NAWASCO being one on the County institutions at the forefront to support interventions that would mitigate the effects of COVID 19. NAWASCO received funding support from Water Sector Trust Fund, Under CLSG programme to facilitate these interventions and support some operations during the pandemic.

Our mapped Low-Income Areas (LIAs) namely Majengo, Likii, Kangaita, Kanyoni and Ichuga, have continued to grow in population and hence a rise in demand for water and sanitation services. The business plan has incorporated projects targeting LIAs.

> *The situation has now **progressively improved** after COVID 19 was contained.*



3.2. PESTEL Analysis

PESTEL Analysis interrogates the Political, Economic, Social, Technological, Environmental and Legal external environment and how the changes thereof affect the way we do our business. Currently there is political stability and goodwill which will be conducive to deliver services and lobby for key infrastructure investments by the County and National governments. The current global and national inflation will affect our purchasing power with respect to inputs that facilitate delivery of services. Kenya's economic growth rate has declined in the recent past, with many economies affected by the COVID 19 pandemic. This continues to affect the disposable income for our customers especially in the low-income areas. However, there is hope for economic growth in the near future.

On the social front, Nanyuki town and its environment is experiencing rapid growth due to urbanization. This means higher demand for water and sanitation services. Within this period NAWASCO has put in place investments to expand water and sewer infrastructure, additional water sources and reduction of Non-Revenue Water. The majority of our customers are young and dynamic middle-income families who are adaptive to existing technologies and our customer engagement media will be intentional in reaching out to our customers' needs. NAWASCO has embraced technological inventions that promote efficiency and ease of service delivery.

The operations on water and sanitation services are well regulated within the sector. NAWASCO upholds compliance to the same, in addition other laws and regulation that affect our business including finance, tax procurement, environment among others. Changes in the regulations contributes to making changes in the way we do things. The existing key government Acts and regulations the water sector include the Water Act 2016, National Water Services Strategy, Vision 20230 and the Constitution of Kenya. These have not changed during the period. However, the Water Act 2016 is due for some reviews with ongoing discussions among the stakeholders.

However, in the recent past, there has been changes on the procurement regulations and Tax directives which affect our day-to-day business operations.

During the Business Plan period, NAWASCO obtained a 5-year license from Water Services Regulatory Board (WASREB) from 2021-2026, hence we are compliant with our mandate on provision of water and sanitation services.

3.3. Market Need

The key gaps that we have identified in our Service provision include:

i) Increased water and sanitation services demand against existing constrained supply. Our current water demand is 18,051m^3/day against our supply of 14,092m^3/day. The current average per capita consumption is 40l/c/d against the recommended sector benchmark for urban areas of 60l/c/d.

ii) Our current sewer coverage is 44%, hence still a long way to cover our Service Provision Area. This is mainly due to the high per capita investment cost of sewer investments.

iii) The existing infrastructure for water and sanitation is not adequate to sufficiently meet the demand. Hence the need for expansion, rehabilitation as well as additional balancing tanks.

iv) We have increased maintenance and operations costs emanating from the existing old and dilapidated infrastructure.

v) Our Non- Revenue Water is currently at 30% against the sector bench mark of 25%.

vi) The customer satisfaction survey index (2021/2022) indicated an average of 82% satisfaction. NAWASCO would like to progressively improve on this to over 95%.

vii) The previous business plan had budgetary allocations which enabled us to fully digitize all our operations (ERP & GIS systems). However, there is need to continuously improve on the systems to enhance better operational processes and service delivery.

viii) The existing Low-Income Areas (LIAs) are dynamic and keep on evolving. There is need to update the database and service levels in these areas.

ix) Need to conserve the environment, mainstream climate resilient and adaptive supply systems within our Service Provision Area as well as collaborate with other key stakeholders in conservation initiatives.

3.4. Addressing the Market Gap

In the current Business Plan period, NAWASCO has outlined measures to bridge the market gap as follows: -

i) Increase water supply by additional water sources (Surface and ground water). The proposed surface water project is expected to give an additional 6,000m^3/day. In addition, inventions to reduce NRW are geared towards increasing available water for distribution.

ii) The Business plan has proposed interventions towards improving and expanding existing water and sanitation infrastructure as well as assets renewal.

iii) Proposed strategic interventions that will reduce our Non- Revenue Water to at least 18%.

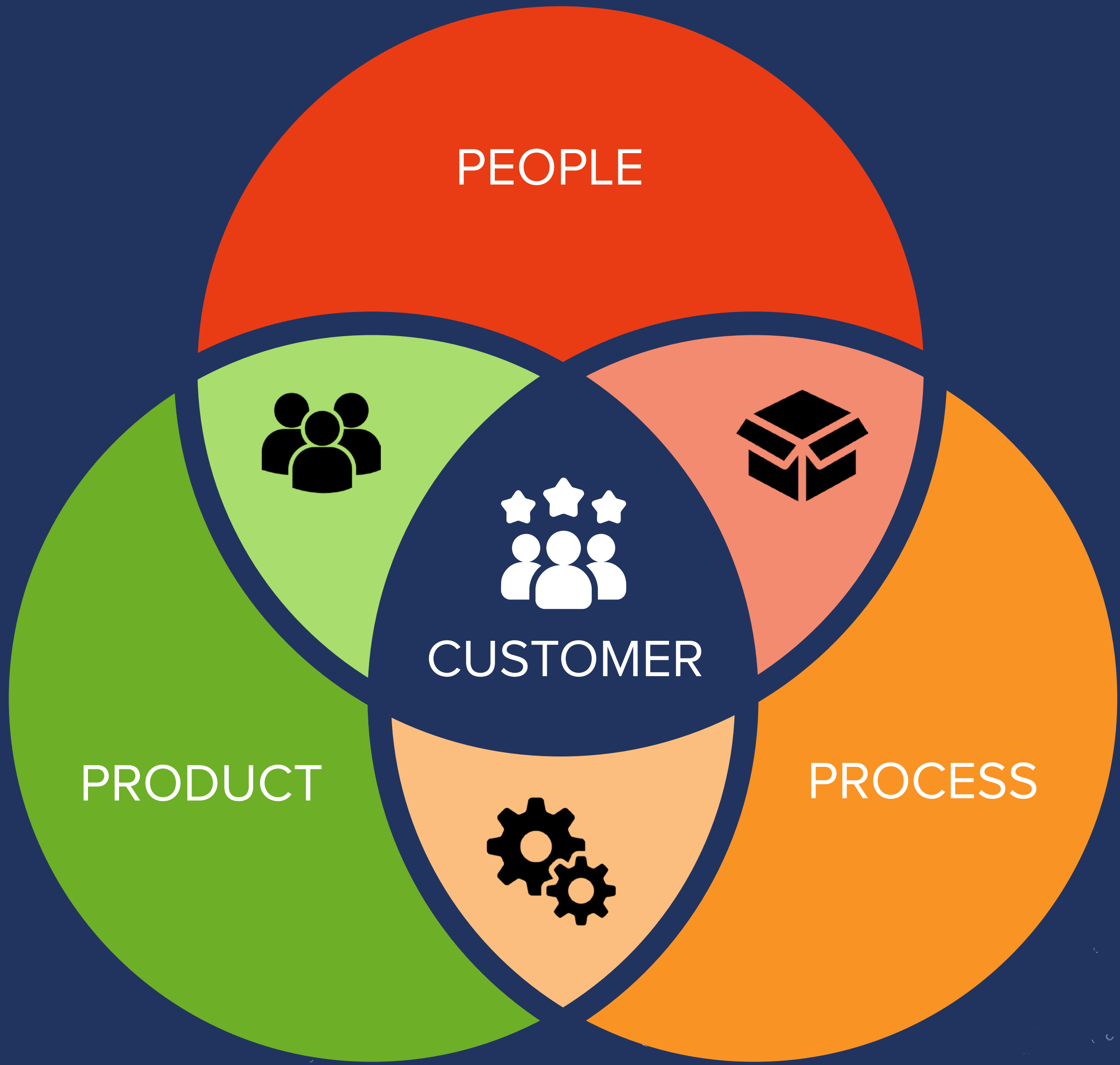
iv) The business plan has put in place activities that will improve customer service level, customer experience and increase customer satisfaction survey index to over 95%

v) Within the current period, the company has put in measures that will improve the staff productivity, innovation and performance which will in turn lead to improved service delivery.

vi) NAWASCO will carry out a baseline survey and mapping of the Low-Income Areas and establish the service levels for informed interventions

vii) NAWASCO will take up environmental conservation initiatives that improve our carbon footprint in addition to enhancing collaborations with stakeholders (WRA, WRUAs, KFS, CFAs, NEMA and customers) to mitigate and adapt to climate change.

4 STRATEGIC PLAN



Overview

This business plan is aligned to our Strategic Plan 2023-2028. Specifically, the business plan will assist NAWASCO to actualize the Strategic Plan.

The strategic plan developed 5 key strategic objectives as guided by the 4 perspectives in the Balanced Score Card namely Financial, Customer, Internal and Learning & growth perspectives

4.1. Strategic Objectives Overview

The five key Strategic Objectives (SO) as stipulated in the Strategic Plan are stated as: -

SO: 1
Increase and sustain access to potable water and safe sanitation services

SO: 2
Grow commercial and financial viability and sustainability

SO: 3
Improve customer experience

SO: 4
Strengthen operational processes

SO: 5
Strengthen human capital and promote innovation

4.2. Linkage of Strategic and Specific Objectives to Water Sector Key Performance Indicators

Water sector Key Performance Indicators (KPIs) as set out by Water Services Regulatory Board (WASREB) are classified into 3 main clusters namely Quality of Service, Economic Efficiency and Operational Sustainability

KPI Cluster	Quality of Service	Economic Efficiency	Operational Sustainability
KPI Indicators	• Water coverage % • Drinking water Quality % • Hours of Supply-No	• Personnel as a percentage of O&M costs • O& M cost Coverage % • Revenue Collection Efficiency % • Non-Revenue Water %	• Staff productivity per 1000 connections-No • Metering Ratio %

Within the current strategic period, the strategic and specific objectives are linked towards the achievement of one or more Key Performance Indicator(s) -KPI(s) as outlined below

Perspective	Strategic Objective	Specific Objectives	Key performance Indicators addressed by the Strategic and Specific Objectives
Financial Perspective	Increase and sustain access to potable water and safe sanitation services	• Increase water coverage from 94% to 98% • Increase sewer coverage from 44% to 49% • Improve water treatment and quality monitoring technology • Ensure equitable service delivery in Low Income Areas (LIAs) • Strengthen water supply resilience and adaptation to climate change	Water Coverage % Hours of Supply-No
	Grow commercial and financial viability and sustainability	• Reduce NRW from 30% to 18% • Increase billing revenue from 28million to 40million per month • Increase O&M cost coverage ratio from 119% to 133% • Improve average collection efficiency from 97% to 98% • Broaden revenue streams for the company • Improve credit rating from A (Score 62) to AA (Score 71-85)	Non-Revenue Water % Metering Ratio % O& M cost Coverage % Revenue Collection Efficiency % Personnel as a percentage of O&M costs %
Customer Perspective	Improve Customer Service Experience	• Increase customer satisfaction levels from 82% to 95% • Improve the level of stakeholder satisfaction	Drinking Water Quality %
Internal Perspective	Strengthen operational processes	• Embrace quality management systems • Integrate M&E in organization processes	Staff productivity
Learning and growth Perspective	Strengthen human capital and promote Innovation	• Increase staff productivity • Promote culture of continuous learning • Promote innovative work culture	Staff Productivity Personnel as a percentage of O&M costs %

Perspective	Strategic Objective	Specific Objectives	Measures	Base-line 2022	2023-2024 Target	2024-2025 Target	2025-2026 Target
Financial Perspective	Grow commercial and financial viability and sustainability	Reduce NRW from 30% to 18%	% reduction in Non-Revenue Water	32%	30%	25%	22%
		Increase billing revenue from 36million to 40million per month	Average Monthly increase in billing revenue (in Million Kshs)	27m	32m	34m	36m
		Improve average collection efficiency from 97% to 99%	Average annual collection efficiency	97%	97%	98%	98%
		Improve credit rating from A (62points) to AA (71-85 points)	Credit rating points	62	64	66	68
		Increase O&M cost coverage from 119% to 133%	% Increase O&M cost coverage	119%	121%	125%	127%
Customer Perspective	Improve Customer Service levels	Customer Satisfaction Index	Customer Satisfaction Survey report	82%	90%	92%	93%
Internal Processes Perspective	Strengthen operational processes	Preparation and implementation of Operational Manual	1no. Organization Operational Manual in place and operational	1	1	1	1
		Ensure quality Management systems	"Iso Certification/ Accreditation ISO 9001: 2015 "	0	1	1	1
		Integrate M&E in Organizational processes	M& E Module integrated with ERP	0	1	1	1
Learning and Growth perspective	Strengthen human capital and promote Innovation	Increase staff productivity	Job Evaluation	1	1	1	1
		Promote culture of continuous learning	No of staff trained	135	135	135	135
		Promote innovative work culture	No of Innovations	3	3	3	3

4.3. Balanced Score Card -2023/2026

Perspective	Strategic Objective	Specific Objectives	Measures	Base-line 2022	2023-2024 Target	2024-2025 Target	2025-2026 Target
Financial Perspective	Increase and sustain access to potable water and safe sanitation services	Increase water coverage from 94% to 98%	% increase in water access	93%	94%	96%	97%
			Hours of supply	23	23	24	24
		Increase sewer coverage from 44% to 49%	% increase in sanitation access	43%	44%	46%	47%
		Ensure equitable service delivery in Low Income Areas	% increase in water Service levels in LIAs	93%	94%	96%	98%
		Maintain Drinking Water Quality at 100%	Water Quality reports	100%	100%	100%	100%
		Strengthen water supply resilience and adaptation to climate change	No of Grown Trees (planted &Maintained)	0	20000	20000	20000
			No of Ha. In the water catchment rehabilitated	0	20Ha	20Ha	20Ha
			Km of river bank rehabilitated	0	4Km	4Km	4Km
			No of trees grown (planted and maintained) on river Likii and Nanyuki	0	4000	4000	4000
			No of river clean ups conducted	0	2		2
			Wetland contructed	0	1		
			Waste water recycling and reuse project-Gravity Main Constructed	0			28.4Km
			Waste water recycling and reuse project-Distribution lines Constructed				
			No of customers connected to use recycled water				

4 PROJECTS FOR INVESTMENTS

5.1. Proposed Project investments summary (2023/2026)

Focus Area	Proposed Investments	Summary costs(Kshs)	Expected Impact
Water Coverage	i) New surface water source (proposed Nanyuki river intake) targeted to produce 6000m3/day	37,037,050	i) Increase water service reliability, ii) Improved water service levels iii) Increased water coverage iv) Improved customer satisfaction levels v) Reduction of physical water losses vi) Increased revenue vii) Improved Financial sustainability
	ii) Upgrade the treatment plant (introduction of the lamella plates)	1,500,000	
	iii) Increase water balancing /storage tank capacity (Reli B, 1no Stadium, 1no Ruai,1no Nyariginu) @ 108m^3	18,800,000	
	iv) Upgrade and rehabilitation of distribution lines -Total-87.42km (Kilimo - Teachers -31.7 km; Emmanuel -9.0km; Temu-3.72km; Milimani -17.8km; Baraka -23.3Km, CBD Bemwaki area – 2.93Km, Kabiru – 1.90Km)	46,671,260	
	v) Water extensions (Sarafina - Camp Mianzi -Airstrip 20.47 km (580 new connections, 16 underserved); Nalanya - delta water project -9.3 kms (460 new connections), Reli B-5.7km (76 new connections and 83 underserved connections)	19,294,720	
	vi) Drilling and equipping 2no boreholes (Nyariginu/Mukima)	11,999,000	
TOTAL		**135,302,030**	

Focus Area	Proposed Investments	Summary costs(Kshs)	Expected Impact
Climate change resilience and adaptation	Waste water recycling and re-use project- Phase1 (Construction of wetland)	1,842,920	Improved environment and improved livelihoods
	Waste water recycling and re-use project- Phase 2 (Construction of Gravity Main to Kariunga Dam)	23,672,990	
TOTAL		**25,515,910**	

Focus Area	Proposed Investments	Summary costs(Kshs)	Expected Impact
Sanitation Coverage	i) Sewer extensions (Likii A/ Makutano(21.437Km) (Accounts 1600);	64,512,860	i) Increased sewer coverage ii) Improved water service levels iii) Improved customer satisfaction levels iv) Increased revenue
	ii) Annual desludging of Wastewater ponds	4,500,000	
	iii) Solarization of Pump Stations (Ruai, Livian, Batuk, Taji and Likii)	1,160,192	
TOTAL		**70,173,052**	

Focus Area	Proposed Investments	Summary costs(Kshs)	Expected Impact
Non -Revenue Water	i) Connections transfer (3,000no) to the new lines and relocation of the inaccessible meters (Bemwaki, Thingithu, Nanyuki high, Mugambi, Muthaiga and Kaugu)	6,000,000	i) Reduced overall NRW and improved efficiency & reliability ii) Improved customer satisfaction iii) Improved revenue &sustainability
	ii) Establish 12 DMAs (Likii, Teachers, Baraka A, Baraka B, Thingithu, Bluegum, Kaugu, Mugambi, Asian quarters, Milimani, Temu, Muthaiga,)	3,000,000	
	iii) Repair of 5no. leaking tanks (Nanyuki High - old and new, 43 Tank, Inooro, and Njogu-ini - masonry)	8,042,564	
	iv) Acquire assorted leak detection equipment (Acoustic sticks -3no; Underground leak detector - 1no; Pipe locator - 1no; Ultrasonic Flow Meter-2no	3,185,000	
	v) Acquire 3no motorbikes for meter servicers	630,000	
	vi) Acquire a meter testing bench	5,000,000	
TOTAL		**25,857,564**	

Focus Area	Proposed Investments	Summary costs(Kshs)	Expected Impact
Water Quality	i) Automate flocculant and disinfectant dosing system	2,000,000	i) Compliance with sector requirements ii) improved customer service levels iii) Reduced O&M Costs iv) Improved sustainability
	ii) Rehabilitate the 6 filters at the treatment works	3,000,000	
	iii) Acquire water quality online monitoring devices (residual chlorine 2, turbidity & color 3)	5,250,000	
	iv) Maintain and acquire water quality analysis equipment and reagents- Photometer	300,000	
	v) Turbidity Analyzer Controller	2,000,000	
	vi) Acquire Modern Jar Tester; Automatic colony counter	360,000	
TOTAL		**12,910,000**	
Improve Billing and commercial viability	i) Upgrade Nawasco's ERP system (Billing and customer service functions)	1,500,000	i) Increased billing on actual ii) Improved customer self service iii) Improved revenue iv) Improved financial and commercial viability
	ii) Addition of new water connections (normal growth and extensions)	40,800,000	
	iii) Introduction of 114no. smart meters for major consumers	2,460,000	
	iv) Replacement of 3,914no. under registering meters	14,144,001	
TOTAL		**58,904,001**	
Improvement of Low-Income Areas	v) Social Connections in Low Income Areas	1,404,000	i) Better service delivery in LIA ii) Improved customer satisfaction in LIA
	vi) Construction of additional fabricated water kiosks in LIA 3No. (Kangaita and Likii A)	1,800,000	
SUB TOTAL		**3,204,000**	
	TOTAL CAPEX	**331,866,557**	

5.2. Summary Percentage investment per category analysis

Investment Area	CAPEX Investment Amount (Kshs)	Percentage
Water coverage	135,302,030	41%
Sewer coverage	70,173,052	21%
Billing, new connections and commercial viability	58,904,001	18%
Non-Revenue Water	25,857,564	8%
Climate Change	25,515,910	8%
Water Quality	12,910,000	4%
Low Income Areas	3,204,000	1%
Total	**331,866,557**	**100%**

5.3. Soft components Investments supporting Business Plan Implementation-OPEX

Strategic Objective	Key activities	Expected outputs and outcomes
1. Increase and sustain access to potable water and safe sanitation services	i) Rehabilitate water source catchment & carbon credit initiative (60Ha with 60,000 indigenous seedlings). Tree growing in Target Forest area in collaboration with Community Forest Associations and Kenya Forest Service. Maintenance & protection by CFA scouts ii) River Bank rehabilitation Likii & Nanyuki on Carbon Credit initiative (12km- 12,000 seedlings) Tree growing in degraded riverbank areas, including gabions in collaboration with Water Resources Authority and Water Resources Users Association iii) Carry out 4no. river clean up exercises and awareness creation with stakeholders (Likii and Nanyuki rivers)	i) Contribute to reduction of carbon footprint for a better environment ii) Improved carbon credit rating and financial support through Green Bond
2. Improve customer service experience	i) Bi-Monthly customer experience forums- at every zone ii) Quarterly stakeholders' engagement forums and reporting as per Stakeholder Analysis chapter iii) Conduct biennial customer satisfaction surveys iv) Customer sensitization meetings on Water Harvesting and Storage techniques (2no per year)	i) Increase customer satisfaction levels from 82% to 95% ii) Improve the level of stakeholder satisfaction.

Strategic Objective	Key activities	Expected outputs and outcomes
3. Strengthen Operational processes	i) Develop and implement an operational manual ii) Integrate M&E in organization processes iii) Get ISO 9001:2015 certified on quality management systems iv) Technical support to key water schemes in collaboration with Laikipia County	i) Improved operational processes ii) Improved service delivery iii) International compliance on quality management systems
4. Strengthen human capital and promote innovation	i) Embark on continuous capacity building of staff- Training, benchmarking, Team building ii) Promote innovative work culture: Create platform for innovation and reward system	i. Increased Staff productivity ii. Reduced operational costs

5.4. Detailed CAPEX Investments, funding sources and expected return on Investments

5.4.2 Internally funded Investments

Focus Area	Specific Investment	Investment Cost (Kshs.)	Year	Avg Annual expected return (Kshs.)	Expected Payback Period (Yr)	Remarks
Water coverage	New surface water source (proposed Nanyuki river intake 6000m3/day)	37,037,050	1	59,472,000	0.62	Key priority project
	Upgrade the treatment plant (Introduction of the lamella plates)	1,500,000	1	-	-	This will be implemented concurrently with Additional water source
	Increase water balancing /storage tank capacity 1no. tanks of 108m3 each)	4,667,000	2	-	-	This is a balancing tank -At Reli B
	Increase water balancing /storage tank capacity 2no tanks of 108m3 each)	9,333,000	3	-	-	2no. Balancing tanks at Stadium and Ruai
	Elevated steel tank – Nyariginu- 108m3	4,800,000	3	-	-	Balancing tank at Nyariginu
	Water Extensions					
	i) Sarafina - camp miazi -Airstrip 20.47 km	8,810,000	2	4,434,240	2	Targets 596 connections
	ii) Reli B 5.7Km	2,907,930	2	1,182,960	2.5	Targets 159 connections
	iii) iv)Nalanya Delta (9.3km)	7,576,790	3	2,208,000	3.4	Targets 460new connections
	Upgrade and Rehabilitation projects					
	i) CBD -Bemwaki area 2.93km	1,512,260	1	1,400,251	1.1	Project to include accounts transfer
	ii) Kabiru pipeline 1.9km	541,000	2	144,840	3.74	
	iii) Baraka A (23.3km)	8,549,690	2	843,156	4.6	
	iv) Milimani-17.8 Km	7,519,150	3	1,501,698	5	
	Drilling, equipping, Solarization of Boreholes					
	i) Drilling and equipping 1No.BH-Nyariginu	6,200,000	2	1,722,800	3.6	Average yield of 10m3/hr pumping for 8hrs a day.
	Sub Total	**100,953,870**				

Focus Area	Specific Investment	Investment Cost (Kshs.)	Year	Avg Annual expected return (Kshs.)	Expected Payback Period (Yr)	Remarks
Sewer Coverage	Wastewater ponds desludging	1,500,000	1	-	-	Annual activity
	Wastewater ponds desludging	1,500,000	2	-	-	Annual activity
	Likii A/Makutano (21.437Km)	25,786,982.	2&3	7,138,673	10.05	Partly funded by LCG
	Solarization of Pump Stations	1,160,192	3	-	-	Likii pumping station
	Wastewater ponds desludging	1,500,000	3	-	-	Annual activity
	SUB TOTAL - Sewer Coverage	**70,173,052**				
Water Quality	Rehabilitate 6no filters at the Treatment works	3,000,000	1	-	-	Contribute to improving water quality
	i) Acquire water quality analysis equipment Photometer	300,000	2	-	-	
	ii) Acquire Turbidity analyzer controller	2,000,000	2	-	-	Investments to support automated water quality monitoring
	iii) Acquire modern Jar Tester	160,000	2	-	-	
	iv) Acquire water quality online monitoring devices (residual chlorine 2, turbidity and colour 3-Phase 2	5,250,000	3	-	-	
	v) Automate Flocculant and disinfectant dosing system	2,000,000	3	-	-	
	vi) Acquire automatic colony Counter	200,000	3	-	-	
	SUB TOTAL - Water Quality	**12,910,000**				
Low Income Areas	Social connections- Year 1,2 and 3 @ 468,000 each	1,404,000	1,2,3	-	-	Social connections in LIAs
	Construction of fabricated Water kiosks (1No)	600,000	2	-	-	Likii & Kangaita
	Construction of fabricated Water kiosks (2No)	1,200,000	3	-	-	
	SUB TOTAL - Low Income Areas	**3,204,000**				

Focus Area	Specific Investment	Investment Cost (Kshs.)	Year	Avg Annual expected return (Kshs.)	Expected Payback Period (Yr)	Remarks
NRW	Connections transfer to the new lines and relocation of the inaccessible meters (Bemwaki, Thingithu, Nanyuki high, Mugambi Muthaiga and Kaugu)	6,000,000	1 &2	2,000,000	3	
	Isolation of distribution network Establish DMAs-(3no)	1,000,000	1	-	-	DMAs- Likii, Teachers, Baraka A,
	Acquire meter testing Bench	5,000,000	2	-	-	
	Isolation of distribution network Establish –(3no)	1,000,000	2	-	-	DMAs- Baraka B, Thingithu, Bluegum,
NRW	Isolation of distribution network Establish- (3no)	1,000,000	3	-	-	DMAs- Kaugu, Mugambi, Asian quarters
	Repair of the leaking tanks (Nanyuki High - old and new, 43 Tank , Inooro tank and Njogu-ini)	8,042,564	3			Contribute to reduce Physical water losses
	Acquire assorted leak detection equipment	85,000	1	-	-	
	i) Acoustic sticks					
	ii) Pipe Locator	800,000	1	-	-	
	iii) Acquire motorbike for meter servicing team(1no)	210,000	1	-	-	
	iv) Underground leak detector	1,500,000	2	-	-	
	v) Ultrasonic Flow Meter	800,000	2	-	-	
	vi) Acquire motorbike for meter servicing team (1no)	210,000	2	-	-	
	vii) Acquire motorbike for meter servicing team (1no)	210,000	3	-	-	
		25,857,560				

Focus Area	Specific Investment	Investment Cost (Kshs.)	Year	Avg Annual expected return (Kshs.)	Expected Payback Period (Yr)	Remarks
Customer billing and revenue	Upgrade NAWASCO ERP system (Billing and customer service functions)	1,000,000	1	-	-	
	New Water Connections (1192connection) p	11,920,000	1	-	-	
	Introduction of Smart Meters for Major Consumers	820,000	1	-	-	
	Replacement of under-registering meters	4,714,667	1	-	-	On average 20meters per month
	Upgrade NAWASCO ERP system (Billing and customer service functions)	250,000	2			
	New Water Connections (1,340 connections)	13,400,000	2			
	Introduction of Smart Meters for Major Consumers	820,000	2			
	Replacement of under-registering meters	4,714,667	2			
	Upgrade NAWASCO ERP system (Billing and customer service functions)	250,000	3			
	New Water Connections (1,548 connections)	15,480,000	3			
	Introduction of Smart Meters for Major Consumers	820,000	3			
	Replacement of under-registering meters	4,714,667	3			
		58,904,001				

Note: The total earnings from the projected Financial Statements amount to **Kshs. 220,858,068.**

5.4.3 Investments through Development Partners

Focus Area	Specific Investment	Investment Cost (Kshs.)	Year	Average Annual expected return (Kshs.)	Expected Payback Period (Yr)	Remarks
Water Coverage	Upgrade and rehabilitation of distribution lines					
	i) Kilimo Teachers (31.7km)	15,008,620	1	4,587,506	3	The proposed project to be implemented under CLSG 2 programme funded through Water Sector Trust Fund
	ii) Emmanuel (9.0km)	7,550,301	1	2,198,065	3	
	iii) Temu 3.72km	5,989,859	1	2,100,990	3	
	iv) Mukima Borehole	5,799,033	1			
	Total (WSTF-Donor's contribution)	**34,347,813**				
Climate Change resilience and adaptation	Waste water recycling and re-use project- Phase1 (Construction of wetland)	1,842,920	2			The expected return to be realized at the end of phase 3 through connection of customers to use recycled waste water
	Waste water recycling and re-use project- Phase 2 (Construction of Gravity Main to Kariunga Dam)	23,672,990	3			
	Sub Total **(Donor's contribution)**	**25,515,910**				

5.4.4 Investments through Laikipia County

	Water Extension Taji 40.8km	13,018,888	3	6,078,480	2.2	Projecting 850 connections after implementation
	Sewer Extension Likii A/Makutano (21.437Km)	38,725,878	2&3	7,138,673	10.05	The total Project cost is Kshs. 64,512,680. NAWASCO to contribute Kshs. 25,786,802
	Total support through Laikipia County	**51,744,766**				

5.5. Summary projected CAPEX and OPEX Investments for the period 2023/2026

Summary Annual CAPEX and OPEX costs (2023/2026)

Year	Projected Annual Capital Investment Budget (Kshs)	Projected Annual Recurrent Expenditure (Kshs)	Total Annual Projected Budget (Kshs)
2023/2024	102,915,137	329,133,943	432,049,080
2024/2025	109,754,067	335,250,288	445,004,355
2025/2026	119,197,353	340,706,238	459,903,591
Total	**331,866,557**	**1,005,090,469**	**1,336,957,026**

5.6. Summary financing sources for the Business Plan period (2023/2026)

No	Financing Source	Estimated Budget Contribution (Kshs)	Estimated percentage Contribution (%)
1	Tariff/Ring fencing	1,188,898,537	88.9%
2	External Grants- (Water Sector Trust Fund)	34,347,813	2.6%
3	External Donors- Climate Change	25,515,910	1.9%
4	County Government	51,744,766	3.9%
5	Commercial Financing	37,050,000	2.8%
	Total	**1,336,957,026**	**100%**

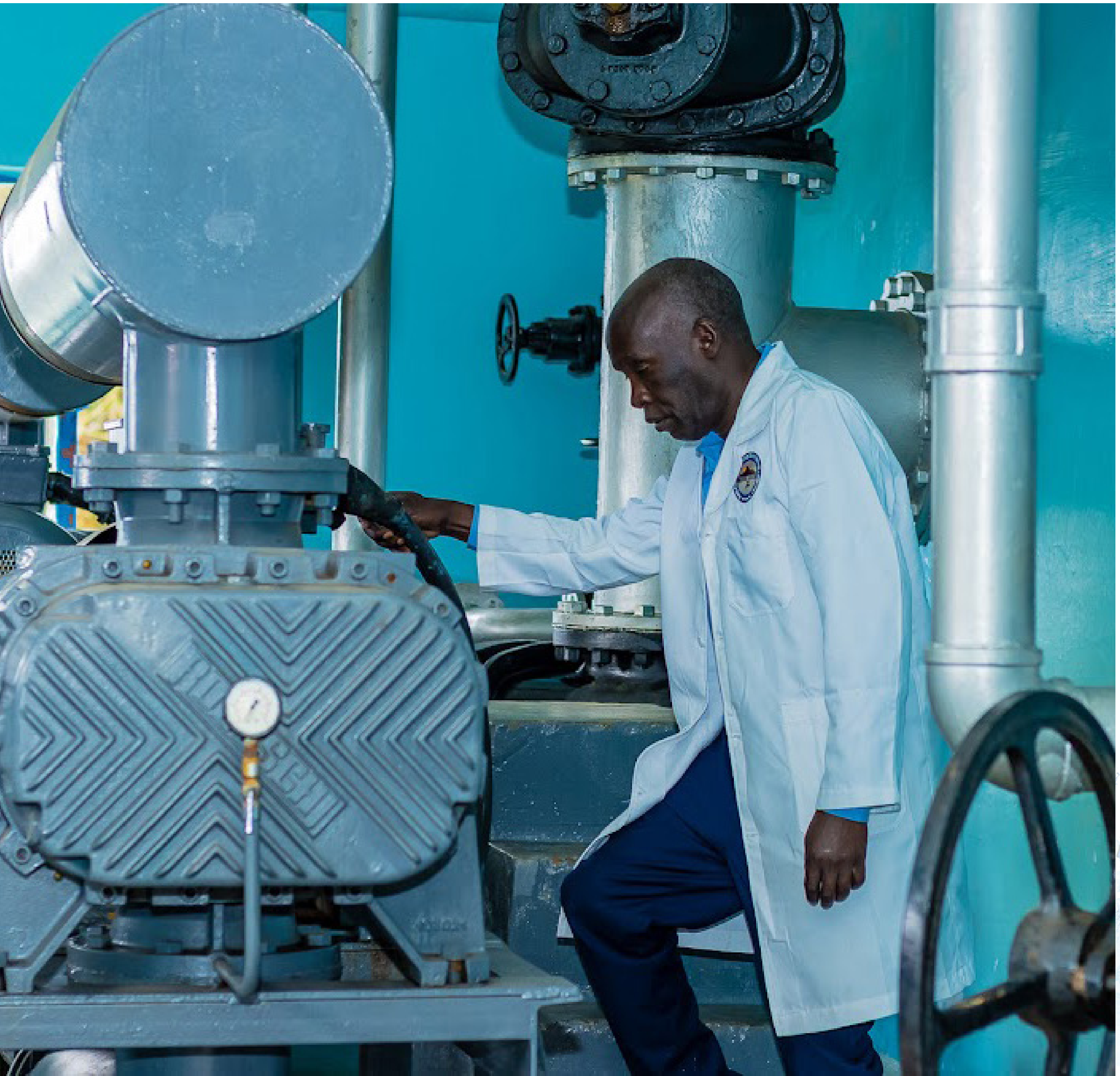
Note: Total projected revenue for the period 2023/2026- **Kshs. 1,225,948,537**

5.7. Sustainability of Investments

Key measures to ensure the investments sustainability include: -

- This business plan has prioritized projects with low hanging fruits after analyzing the return on investment for all the key projects, giving priority to projects with shorter payback period
- The investments are tied to increasing water and sanitation coverage in terms of new connections, increasing hours of service and reducing NRW. The proposed investments will be able to cover the operations and maintenance which is reflected in the Operations & Maintenance Cost Coverage. We expect to grow the Operations Cost coverage from 119% to 127% by 2026.
- Currently, NAWASCO has an able technical team that handles the operations. However, the company will invest in continuous capacity building to enhance on skills for project operations and maintenance.

6 ORGANIZATIONAL ASSESSMENT



6.1. SWOT Analysis

STRENGTHS

- Competent, qualified, multiskilled, young and experienced staff
- Advanced operational and management systems and technology – ERP, GIS and Mobile Apps
- Effective & efficient IT system.
- Good and ambient working environment
- Compliance with regulatory and taxation frameworks
- Improved infrastructure
- Respected in the industry for innovations – e.g. GIS
- Good team synergy
- Good communication and negotiation skills
- Good management and support
- Strong Brand & ability to attract development partners
- Ability to accumulate reserves for capital expenditure
- Gender balance compliance
- Efficient Staff Productivity per 1,000 connections
- Good customer relations
- Business Unit- Equator Glaciers

STRATEGIES TO LEVERAGE ON OUR STRENGTH

- Document and share success stories with relevant stakeholders (Fliers, Website, brochures)
- Actively engage relevant partners and donors in fundraising, PPP etc.
- Maintain NAWASCO Brand in excellent service delivery, Corporate Social Responsibility, Sports etc.
- Implement Staff recognition and reward system- for teams and individuals
- Grow/ expand the business unit- Equator Glaciers

WEAKNESSES

- Constrained capacity of existing infrastructure
- High maintenance cost due to dilapidated infrastructure
- Dilapidated infrastructure leading to high Non-Revenue Water
- Limited resources.

STRATEGIES TO IMPROVE ON OUR WEAKNESS

- Identify and prioritize investments with low hanging fruits/ returns
- Continuous improvement of existing infrastructure
- Widen revenue streams

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OPPORTUNITIES

- In an ideal location for harnessing solar technology
- Good quality water source
- Reticulation by gravity
- Minimal competition in the service provision area
- Rapidly expanding urban area
- Available land for expansion of infrastructure – existing ways leaves, land for treatment plant, etc.
- Goodwill from stakeholders – county, WWDAs
- High level of stakeholder awareness

STRATEGIES TO TAP INTO THE OPPORTUNITIES

- Invest in green energy solutions
- Ensure top notch service delivery to customers
- Continuous Stakeholder engagement and Participation- Well informed stakeholders

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THREATS

- Insecurity (Cyber Attacks, Vandalism)
- Clients getting alternative sources of water
- Natural Calamities e.g., Drought
- Over-reliance on Large customers
- Changes in Government policies
- Changes in political environment
- Uncoordinated Developments by National & County Governments

STRATEGIES TO MITIGATE THREATS

- Ensure adequate and high-quality water and sewerage service to curb alternatives form customers
- Continuously integrate risk management reviews in our processes

6.2. Risks and Mitigation Measures

Overview

Within the current Business Planning period NAWASCO had identified potential risk that may affect the implementation process and realization of results. In addition, the organization has outlined the mitigation measures that will facilitate our preparedness and ability to stay on course of the planned investments. In this Business plan, the risks have been classified into 3 main categories namely: Institutional, Operational and Financial. The Board and Management team will constantly review the risks and mitigation measures so as to be aligned with the constantly changing internal and external operating environments.

i) Institutional risks

Identified Risks	Potential impact of the risk to the implementation of the business plan	Proposed Mitigation Measures
New Changes in the regulatory framework could adversely affect the operations. (Water sector, Tax, Environment, Procurement, etc	Changes may increase overall costs in operations and investments compared to the original Business Plan	• Flexible reviews of the Business Plan and make provisions for budget viament when need arises • Participation and engagement in relevant sector regulations • The Company to adjust and comply to new legislations and the environment
Inadequate resources (Capital, equipment, etc.) to meet sector performance targets(KPIs)	Inadequate resources in the institution my lead to under achievements on sector targets Key Performance Indicators (KPIs), leading to poor service delivery and reduced goodwill with stakeholders	• Board and management to continuously mobilize internal and external resources for maximum performance • Management to encourage innovations from staff that reduce operations cost and reward excellent performance
Unmet expectations and conditions by Development Partners and key stakeholders	Unmet conditions by Development Partners and key stakeholders may lead to delayed /stalled project implementation, affecting the expected timelines for service delivery	• Ensure clearly defined MoUs and contracts • Cultivate goodwill and ensure compliance with Development partners requirements
Climate Change	Adverse climate change e.g. long droughts can negatively affect all operations and sources of revenue form water and sanitation services. This will subsequently lead to reduced financial stability and reduced service delivery.	• Create and allocate funds for disaster management to minimize impact on operations • Plan and prioritize investments that are climate resilient

ii) Operational risks

Identified Risks	Potential impact of the risk to the implementation of the business plan	Proposed Mitigation Measures
Low surface water discharge during dry seasons	Low water production during dry means that we will not meet the water demand, leading to reduced billing and overall reduced sustainability	• Investments in groundwater sources to supplement production during dry season • Additional surface water source has been factored in this Business Plan • Encourage Customers to have sufficient storage
Old and undersized pipe network	The Old and undersized pipe network will contribute to water losses, reduced water supply to customers leading to reduced revenue	• Replacement of old and undersized pipe network • A total of 79.2Km pipeline will be replaced within this Business Plan period
High Non-Revenue Water	High Non -Revenue Water contributes to loss of revenue to the institution which may subsequently affect our ability to expand minor investments and operations, leading to inadequate service delivery to our customers	• Continuously put measures to reduce physical and apparent losses • Customer engagement • Investments towards reduction of NRW totaling to 25.8 million in the next 3years

iii) Financial risks

Identified Risks	Potential impact of the risk to the implementation of the business plan	Proposed Mitigation Measures
Increasing debtors and bad debts	Increasing debtors, increasing bad debts and over reliance on large customers may lead to unpredictable revenue patterns and reduce the financial sustainability of the organization.	• Improve collection efficiency through a vibrant debt collection team and implementation of debt collection policy • Conduct consistent customer sensitization and feedback meetings
Over reliance on large customers	This will reduce the ability to implement minor investments geared towards increasing access to water and sanitation services as well as the ability to meet financial obligations. -Subsequently, this will lead to poor service delivery to customers and stakeholders	• Enhance goodwill, engagement and follow-ups with Major customers

7 FINANCIAL SUMMARY

7.1. Financial Statements

7.1.2 Historical Financial data

Budget: Nawasco's budget for the past three years amounted to Kshs 1,342,130,937 comprising of Kshs 874,874,702 recurrent expenditure and Kshs 467,256,235 capital expenditure.

The company expected to generate revenue amounting to Kshs 1,007,719,536 adequate to cover the recurrent expenditure of Kshs 874,874,702 giving a surplus of Kshs 132,844,834. This surplus was expected to cover projected capital expenditure amounting to Kshs 467,256,235. This would have covered 28% or Kshs 132,844,834 of the capital expenditure implying that the balance of 72% or Kshs 334,411,401 would be financed through external sources.

Actual: The company achieved revenue amounting to Kshs 1,019,516,847 against a recurrent expenditure of Kshs 1,010,113,838 giving a surplus of Kshs 9,403,009. The company utilized this surplus (7%) for capital projects and was able to mobilize grants amounting to Kshs 133,763,196 which was utilized to bridge the gap of 93% to finance capital expenditure amounting to Kshs 143,166,205.

OCCR: The cost coverage declined from 111% in the year 2019/20 to 97% in the year 2021/22022 largely due to covid 19 pandemic.

Other KPIs: Other Key performance indicators against preset targets are as follows indicating operational efficiency

1.33b
Nawasco's budget for the past three years

1.02b
Revenue achieved by the company within the period

9.4m
Surplus utilized for capital projects

Description	KPI	2019/20	2020/2021	2021/2022
O & M coverage	150%	111%	97%	97%
Staff costs as a % of O & M	30%-40%	48%	41%	43%
Maintenance costs as a % of O & M	8%-15%	16%	17%	19%
Board costs as a % of O & M	=<2%	2%	2%	2%

7.1.3 Statement of Profit and Loss and other comprehensive Income (Period 2019-2022)

Statement of Profit or Loss and Other Comprehensive Income for the year ended June 30

	2019/20	2020/2021	2021/2022
	Ksh	Ksh	Ksh
INCOME			
Operating revenue	323,795,529	345,355,156	326,063,629
Grants income	9,293,000	62,721,211	59,355,641
Other income			2,393,344
Total Income	**333,088,529**	**408,076,368**	**387,812,613**
EXPENDITURE			
Staff cost	139,008,270	147,808,648	157,320,734
Administrative expenses	62,551,154	113,508,292	63,864,663
Operations	36,662,379	29,621,617	64,791,015
Maintenance	37,379,209	48,606,959	57,556,175
Motor vehicle running expenses	10,511,913	12,618,649	12,671,237
Board expenses	5,731,412	4,348,568	4,260,795
Finance cost	-		1,292,150
TOTAL EXPENDITURE	**291,844,337**	**356,512,733**	**361,756,769**
EARNINGS BEFORE DEP.& AMORTIZATION	41,244,192	51,563,635	26,055,844
Depreciation & Amortization	127,181,657	63,867,077	38,115,281
EARNINGS BEFORE TAX	**(85,937,464)**	**(12,303,442)**	**(12,059,437)**
Net profit (loss) from enterprise	1,183,160	2,739,320	1,305,168
EARNINGS AFTER INTEREST & TAX	**(84,754,304**	**(9,564,121)**	**(10,754,269)**

7.1.4 Statement of Financial Position (Period: 2019-2022)

Statement of financial position as at	2019/20	2020/21	2021/22
	Ksh	Ksh	Ksh
ASSETS			
Non -Current assets			
Property plant and equipment	230,193,602	251,431,043	256,236,918
Intangible assets software (IFMIS)	6,982,456	5,236,840	3,491,224
Total	**237,176,058**	**256,667,884**	**259,728,142**
Current assets			
Inventories	6,988,757	8,641,638	15,537,274
Trade receivables	187,161,326	153,505,025	146,374,445
Prepayment and deposits	20,000		
Cash and bank balances	13,708,089	22,003,525	7,088,240
Total	**207,878,171**	**184,150,187**	**168,819,959**
Total assets	**445,054,230**	**440,818,071**	**428,548,101**
EQUITY AND LIABILITIES			
Capital and reserves			
Share Capital	100,000	100,000	100,000
Capital reserves	157,938,935	157,938,935	157,938,935
Revenue reserves	(2,440,127)	(12,004,248)	39,477,904
Grant	7,922,652	4,183,940	0
Grants	105,686,252	105,600,447	96,061,339
Total	**269,207,712**	**255,819,074**	**293,578,178**
Non current liabilities			
Provision for gratuity	7,076,054	5,963,893	5,963,893
Long term loan		0	6,327,482
Total	**7,076,054**	**5,963,893**	**12,291,375**
Current liabilities			
Trade & other payables	138,107,758	144,096,497	89,163,737
Provision for gratuity			3,339,661
Borrowings		0	2,221,351
Consumer deposits	30,662,707	34,938,607	27,953,801
Total	**168,770,465**	**179,035,104**	**122,678,550**
Total	**445,054,230**	**440,818,071**	**428,548,101**

7.1.5 Statement of Cashflows (Period 2019-2022)

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED JUNE 30

	2019/20	2020/21	2021/22
	Ksh	Ksh	Ksh
Cash flows from operating activities			
Profit after tax	(84,754,304)	(9,564,121)	(10,754,269)
Adjustment		0	62,236,421
Depreciation	19,410,085	25,516,097	36,369,665
Amortization	1,745,614	1,745,616	1,745,616
	(63,598,605)	**17,697,592**	**89,597,433**
Changes in working capital:			
(Increase) / decrease in inventories	6,061,336	(1,652,881)	(6,715,636)
(Increase) / decrease in trade and other receivables	135,089,685	33,676,301	7,130,580
(Decrease) / increase in trade and other payables	(11,789,141)	9,152,479	(58,577,905)
Cash generated from / (used in) in operating activities	**65,763,276**	**58,873,491**	**31,434,471**
Taxation paid			
Interest paid			
Dividend paid			
Tax paid			
Loans repaid			
Net cash used in operating activities	**65,763,276**	**58,873,491**	**31,434,471**
CASHFLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(55,357,359)	(46,753,538)	41,175,540)
Net cash used in investing activities	**(55,357,359**	**(46,753,538)**	**(41,175,540)**
Cash flow from financing activities			
Grant	(62,427,973)	(3,824,517)	(13,723,048)
Loan		0	8,548,832
Net cash flow from financing activities	(62,427,973)	**(3,824,517)**	(5,174,216)
Net increase / (decrease) in cash and cash equivalents	**(52,022,056)**	**8,295,436**	**(14,915,284)**
Opening cash and cash equivalent	65,730,145	13,708,088	22,003,524
Closing cash and cash equivalent	13,708,089	**22,003,524**	**7,088,240**

7.2. Forecasted Financial data

Budget: NAWASCO will require **Kshs 1,336,957,026** to implement its budget over the next three years comprising of **Kshs 1,005,090,469** recurrent expenditure and **Kshs 331,866,557** capital expenditure.

Revenue: The company is expected to generate revenue amounting to **Kshs 1,225,948,537** which will be adequate to cover the recurrent expenditure of **Kshs 1,005,090,469** giving a surplus of **Kshs 220,858,068.** This surplus will cover **66.5%** of the projected capital expenditure. The balance of **33.4%** or **Kshs. 111,008,489** of the capital expenditure will be financed through other sources (County government and donors).

OCCR: The cost coverage is expected to increase from 119% in the year 2023/24 to 127% by 2026 indicating commercial and financial sustainability

KPIs: Other Key performance indicators against preset targets are as follows indicating operational efficiency

1.33b
Budget to be implemented over the next three years

1.23b
Expected revenue to be generated over the period

111m
Estimated deficit to be financed through other sources

Description	KPI	2023/24	2023/25	2023/26
O & M coverage	150%	117%	122%	127%
Staff costs as a % of O & M	30%-40%	48%	48%	47%
Board costs as a % of O & M	=<2%	2%	2%	2%
Maintenance costs as a % of O & M	8%-15%	15%	13%	14%

7.2.2 Projected Statement of Profit and Loss and Comprehensive Income 2023-2026

Projected Statement of Profit and Loss and Comprehensive Income 2023-2026

	2023/24	2024/25	2025/26
	Ksh	Ksh	Ksh
INCOME			
Water billings	231,533,869	245,425,901	260,151,455
Sewer billings	96,134,869	101,902,962	108,017,139
Standing charges	10,785,341	11,432,461	12,118,409
Other billings	46,628,387	49,426,090	52,391,655
Total Income	**385,082,466**	**408,187,413**	**432,678,658**
EXPENDITURE			
Staff cost	158,748,957	159,967,912	161,186,540
Administrative expenses	69,761,380	76,871,192	80,059,396
Operations	29,798,758	31,550,014	32,193,290
Maintenance	49,829,942	45,212,037	46,200,774
Motor vehicle running expenses	13,560,328	14,189,401	14,752,871
Board expenses	6,142,429	6,167,582	6,313,367
Finance cost	1,292,150	1,292,150	0
TOTAL EXPENDITURE	**329,133,943**	**335,250,288**	**340,706,238**
EARNINGS BEFORE TAX, DEP.& AMORTIZATION	55,948,522	72,937,126	91,972,420
Depreciation & Amortization	40,832,482	40,832,482	97,978,547
EARNINGS BEFORE INTEREST & TAX	15,116,040	32,104,643	(6,006,127)
EARNINGS BEFORE TAX	**15,116,040**	**32,104,643**	**-6,006,127**

7.2.3 Projected Statement of Financial Position 2023-2026

Projected Statement of Financial Position 2023-2026

	2023/24	2024/25	2025/26
	Ksh	Ksh	Ksh
ASSETS			
Non current assets	Ksh	Ksh	Ksh
Property plant and equipments	281,587,909	339,684,273	360,829,451
Intangible assets software (IFMIS)	799,998	799,998	749,998
Total	**282,387,907**	**340,484,271**	**361,579,449**
Current assets			
Inventories	7,474,491	6,781,805	6,930,116
Trade receivables	131,176,034	122,208,932	116,032,990
Cash and bank balances	7,442,652	7,814,785	8,205,524
Total	**146,093,177**	**136,805,523**	**131,168,630**
Total assets	**428,481,084**	**477,289,794**	**492,748,079**
EQUITY AND LIABILITIES			
Capital and reserves			
Share Capital	100,000	100,000	100,000
Capital reserves	157,938,935	157,938,935	157,938,935
Revenue reserves	50,220,387	72,854,891	68,774,062
Grants	93,836,541	118,648,649	137,681,712
Total	**302,095,863**	**349,542,475**	**364,494,709**
Non current liabilities			
Provision for gratuity	3,970,688	4,325,820	4,732,749
Long term loan	4,455,438	2,326,561	(0)
Total	**8,426,126**	**6,652,381**	**4,732,749**
Current liabilities			
Trade & other payables	81,156,315	82,664,455	84,009,757
Provision for gratuity	4,303,554	3,074,242	1,992,062
Borrowings	1,565,424	817,440	(0)
Consumer deposits	30,933,801.0	34,538,801.0	37,518,801.0
Total	**117,959,094**	**121,094,938**	**123,520,620**
Total	**428,481,083.38**	**477,289,794**	**492,748,078**

7.2.4 Projected Statement of Cashflow 2023-2026

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED JUNE 30

	2023/24	2024/25	2025/26
	Ksh	Ksh	Ksh
Cash flows from operating activities			
Profit after tax	10,742,482	22,634,504	(4,080,829)
Prior year adjustments	35,618,067	7,489,598	(730,993)
Depreciation & Amortisation	40,602,120	40,602,120	97,802,175
	86,962,668	**70,726,222**	**92,990,354**
Changes in working capital:			
(Increase) / decrease in inventories	7,882,783	692,686	(148,311)
(Increase) / decrease in trade and other receivables	12,635,453	9,184,165	6,367,682
(Decrease) / increase in trade and other payables	(8,007,421)	1,508,140	1,345,303
Cash generated from / (used in) in operating activities	99,473,483	82,111,212	100,555,028
Taxation paid			
Dividend paid			
Tax paid			
Net cash used in operating activities	**99,473,483**	**82,111,212**	**100,555,028**
CASHFLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(102,915,137)	(109,754,067)	(119,197,353)
Net cash used in investing activities	(102,915,137)	(109,754,067)	(119,197,353)
Cash flow from financing activities			
Grant	11,498,250	38,535,156	32,756,111
Grant amortization	(13,723,048)	(13,723,048)	(13,723,048)
Loan	6,020,863	3,144,002	
Net cash flow from financing activities	**3,796,065**	**27,956,110**	**19,033,063**
Net increase / (decrease) in cash and cash equivalents	354,411	313,255	390,738
Opening cash and cash equivalent	7,088,240	7,442,651	7,755,906
Closing cash and cash equivalent	7,442,651	7,755,906	8,146,644

7.3. Projected Key Financial Ratios

Ratio	Item Description	2023/24	2023/25	2023/26
Liquidity	Current Ratio	1.2	1.1	1.1
	Quick Ratio	0.06	0.06	0.07
Safety	Debt to Equity Ratio	0.42	0.37	0.39
	Debt to Coverage Ratio	1.76	7.15	-
Efficiency	Days in Receivables	124.3	109.3	97.9
	Accounts Receivable Turnover	2.9	3.3	3.7
	Collection efficiency	95%	97%	98%
Profitability	O&M cost Coverage	117%	122%	127%

Other Key WSP Financial Indicators	Projected percentage		
Description	2023/24	2024/25	2025/26
Staff costs as a % of O&M	48%	48%	47%
Board costs as a % of O&M	2%	2%	2%
Maintenance costs as a % of O&M	15%	13%	14%
Staff training costs as a % of O&M	2%	2%	2%

8 MONITORING & EVALUATION

8.1. Overview

Monitoring and Evaluation is a key element in tracking progress, efficiency and meeting the Business Plan objectives within the specified period.

In this Business Plan an **Implementation Matrix** and **Balanced Score Card** have detailed the specific investment targets, responsibilities, expected outcomes and impacts. These documents will be referenced during annual business plan review by the board and management.

The company will also make use of internal planning and reporting tools to ensure effective tracking of projects including but not limited to:

i) Approved Annual workplan and budget
ii) Quarterly workplans and reports
iii) Monthly workplans and reports
iv) Board reports (Quarter, Half year and Annual)
v) Approved Tariff Investment

In addition, the management will carry out scheduled review meetings and field monitoring visits on the planned investments through accurate data collection and analysis for informed decision making. The lessons learned, best practices and success stories to be documented for upscaling and replication where applicable.

NAWASCO Monitoring & Evaluation policy provides a guideline on monitoring of investments and processes for relevance, effectiveness, efficiency, coherence, impact and sustainability.

i) **Relevance:** The extent to which the interventions/ activities contribute to the achievements of the Strategic Objectives and the Business Plan as a whole.

ii) **Effectiveness:** This will measure how far are the objectives being met in terms of improved services, revenues, Is the intervention /project / activity achieving its objective?

iii) **Efficiency:** How well are the resource inputs (materials, human, funds etc.) being used/utilized to produce the required outputs and results?

iv) **Coherence:** How well does the intervention fit. Is it compatible with other sectors and institutions?

v) **Impact:** The positive and negative, primary and secondary long-term effects produced by the intervention. It can be either direct/indirect, intended or unintended. What difference will the intervention make?

vi) **Sustainability:** Will the benefits of the intervention last, and/ or produce further benefits after the intervention is completed and beyond this Plan? In addition, it will measure the long-term benefits and the resilience to risk of the overall gains.

8.2. Implementation Plan 2023-2026

Specific Objective	Activity	Base line	Target	Refer-ence	Perfor-mance Indicators	Expected output(s)	Expected Outcome(s)	Expected Impact(s)	Person Respo-nsible	Proposed Budget in Kshs. In thousands '000'			Funding Source
										2023/24	2024/25	2025/26	
Increase water coverage from 94% to 98%	New surface water source (proposed Nanyuki river intake 6000m3/day)	13, 392 m3/ day	18, 392 m3/day	BoQs, Design Technical progress reports completion Certificate	additional water volume per day	additional 6,000m3 per day	Increased coverage through extension	Increase water service relaibility, Increased revenue	TSM CM FM Proc M	37,037.05			Tariff/ Commercial financing
	Upgrade the treatment plant (introduction of the lamella plates)	13, 392 m3/ day	18, 392 m3/day		No of Lamella plates as informed by the design	additional capacity to treat 6,000m3 per day	Maintained water quality at 100%	Improved water service levels		1,500			Tariff
Increase water coverage from 94% to 98%	Increase water balancing / storage tank capacity (2 no Stadium, 1 no Ruai, 1 no 43-site Kangaita,reli B)@ 108m3	7,641 m3/ day	8,181 m3/day	BoQs, Design Technical progress reports completion Certificate	No of tanks constructed Added Storage Capacity in m3	Increased storage capacity by 540m3/day	Increased Service hours	Improved water service levels Improved customer satisfation levels	MD TSM CM FM Proc M		4,667	9,333	Donor/Tariff
Increase water coverage from 94% to 98%	Upgrade and rehabilitation of distribution lines i) Kilimo Teachers (31.7km)	0km	134.45km	BoQs, layouts, Techical Progress reports, new customer connections list	No of Km of pipeline rehabilitated No of existing and new customer connections with improved service in the specific areas	Upgraded/ rehabilitated pipeline new customer connections improved water distribution system	Reduced OM cost Reduced NRW	Improved Service hours from 20 hrs to 23 Hrs/day in the target area	MD TSM CM FM Proc M	15,009			WSTF
	ii) Emmanuel 9.0km									7,550.30			WSTF
	iii) Temu 3.72km									5,989.86			WSTF
	iv) Milimani 17.8km											7,519	WSTF
	v) Baraka A 23.3km										8549.69		Tariff
	vi) Baraka B 10.8km Borehole area												Tariff
	vii) CBD bemwaki area 2.93km									1512.26			Tariff
	viii) Kabiru 1.9km										541		
	ix) Kaugu 4.5km												Tariff
	x) Shika adabu 5.6km												Tariff
	xi) Ruai- Kwambuzi (23.2km)												Tariff
Increase water coverage from 94% to 98%	i) Water Extensions Sarafina - camp miazi -Airstrip 20.47 km	545km	712.51km	BoQs, Layouts, Technical Progress reports, Completion reports New connection data"	No of Km of water extensions completed No of new connections in the specific areas	New infrastructure in the identified areas increased customer base & water coverage	Increased revenue Increased water coverage	Improved service delivey in the identified areas	MD TSM CM FM Proc M		8,810.00		Tariff
	ii) Nalanya Delta 9.3km											7,576.79	Tariff
	iii) Taji 40.8km												Tariff
	iv) Reli B 5.7Km										2,907.93		Tariff

Specific Objective	Activity	Base line	Target	Refer-ence	Perfor-mance Indicators	Expected output(s)	Expected Outcome(s)	Expected Impact(s)	Person Respo-nsible	Proposed Budget in Kshs. In thousands '000'			Funding Source
										2023/24	2024/25	2025/26	
Increase water coverage from 94% to 98%	Drilling, equipping and solarization additional boreholes i) Mukima borehole	0	1	BoQs, Design Technical progress reports completion Certificate	No of BHs drilled, equipped and Solarized BH yield	1 No BH drilled, equipped and solarized	Increased Water Production, Water Access	Improved customer service levels	MD TSM CM FM Proc M	5799			Tariff
	Equipping and solarization additional boreholes ii) Taji and Reli B			Procurement documents,BOQs, Technical reports	No of Boreholes Equipped No of Solarized Borehoes	Identified Boreholed equiped and Solarized	Additional Ground water production Increased customer base and revenue	Improved Service levels in the specific areas					Tariff
	iii) Nuru Stima-2No												Tariff
	iv) Solarization/ Connection to grid- 2No Nuru BHs												
Increase water coverage from 94% to 98%	Drilling and equipping 1No. BH-Ruai								MD TSM CM FM Proc M				Tariff
	Drilling and equipping 1No. BH-Mathagiro												Tariff
	Drilling and equipping 2No.BH-Nyariginu and Ruai										6200		Tariff
	Elevated tank - Nyariginu	8181 m3/ day	8,289 m3/day	BoQs , Designs, Technical reports	No of elevated stel tanks constructed Volume of Storage added"	1No elevated Steel tank constructed	Increased Storage improved disribution pressure in the area	Improved Service levels and customer satisfaction				4,800	Tariff
Increase sewer coverage from 44% to 49%	Likii A/Makutano(21.437Km) (Accounts 1600)	0	1,600	Design and B.o.Q	No. of Kilometers constructed and accounts connected to the sewer	New infrastructure in the identified areas increased customer base & sewer coverage	Increase in sewer coverage Increased revenue	Increase in service levels Increased customer Satisfaction Reduced pollution "	MD TSM SS Proc M		40,512.86	24,000	Tariff
	Ruai/Kilimo Sewer Project(7.091Km)	0	644										Tariff
	Shika Adabu(3.159Km)		132										Tariff
	Taji 6.429km												Tariff
Increase sewer coverage from 44% to 49%	Purchase an exhauster truck (10,000 Litre Capacity)	1	2	Quotation and Tender Documents	1 No. exhauster purchased	Increase in sanitation coverage	Increase in revenue		MD TSM Proc M FM				Tariff
Increase sewer coverage from 44% to 49%	Wastewater ponds disluging - Annually	1	1	Quotation and Tender Documents	Volume of pond desludged	Increase in retention time	Increase in retention time		MD TSM Proc M FM SS	1500	1500	1,500	Tariff
	Solarisation of Pump Stations(Ruai, Livian ,Batuk, Taji, Likii)	0	5	Design and B.o.Q	Solarization of 5 No. Pumping Stations	Increase in sanitation coverage	Increase in sanitation coverage	Reduction in electricity bills.				1,160.200	Tariff

Specific Objective	Activity	Base line	Target	Refer-ence	Perfor-mance Indicators	Expected output(s)	Expected Outcome(s)	Expected Impact(s)	Person Respo-nsible	Proposed Budget in Kshs. In thousands '000'			Funding Source
										2023/24	2024/25	2025/26	
Improve water treatment and quality monitoring technology	Automate flocculant and disinfectant dosing system	0	4	assets register	number of automatic dozers purchased	automated flocculant and disinfection processes	improved drinking water quality	improved customer service levels	MD TSM WQO Proc M			2,000	Tariff
	Rehabilitate 6no filters at the Treatment works	0	6	maintenance schedule document	number of rehabilitated filters	fully rehabilitated and laid filters	improved water turbidity	improved drinking water quality		3,000			Tariff
	Acquire water quality online monitoring devices (residual chlorine 2, turbidity and colour 3	0	5	NAWASCOS assets register	number of online analyzers installed	on line water analysis for turbidity and residual chlorine	improved water quality surveillance	realtime data on water quality in respect to residual chlorine and turbidity				5,250	Tariff
	Maintain and acquire water quality analysis equipment and reagents i) Photometer"	1	2		1 Photometer acquired	separate analysis chemical effluent and drinking water	modern analytical methods perfomed	ultramodern laboratory	MD TSM WQO Proc M PPC		300		Tariff
	ii) Modern Jar Tester	0	1		1 modern Jar tester acquired						160		Tariff
	iii) Automatic colony Counter	0	1		1 Automatic colony Counter acquired							200	Tariff
	iv)Turbidity analyzer controler	0	1		1 turbidity analyzer controller						2000		Tariff
	v) Colilert- 18Test Kit	0	1		1 Colilert- 18Test Kit acquired								Tariff
Ensure equity service delivery in LIAs	Construction of fabricated Water kiosks	12	17	BoQs, Drawings, Progress reports	no. of kiosks fabricated and functional	additional 5 water kiosks to ease water access by beneficiaries	Improved water coverage, sustainable potable and affordable water	Improved service hours increased revenue	MD TSM PPC FM		600	1,200	Tariff
	Social connections in Pro-poor Areas	0	180		No of rehabilitated water kiosks	3no. Kiosks rehabilitated	Increased water kiosk storage and improved kiok operations	Improved service hours improved revenue	MD TSM PPC FM	468	468	468	Tariff
Strengthen water supply resilience and adaptation to climate change	Construction of Wetland (2,650m3)	0	1	Design and B.o.Q	1425CM Wetland constructed	Better effluent quality	Aquifer recharge Revenue generation by selling the treated waste water	Revenue generation by selling the treated waste			1,842.92		Tariff

Specific Objective	Activity	Base line	Target	Refer-ence	Perfor-mance Indicators	Expected output(s)	Expected Outcome(s)	Expected Impact(s)	Person Respo-nsible	Proposed Budget in Kshs. In thousands '000'			Funding Source
										2023/24	2024/25	2025/26	
	Waste water recycling and re-use project- Phase 2 (Construction of Gravity Main to Kariunga Dam)	0	28.4Km Gravity main	BoQs, Drawings, Progress reports	No. of Kilometers constructed and accounts connected to recycled water	New infrastructure in the for water recycling in place. 615no customers connected for water re-use"	Contribute to underground water recharge Irrigation using recycled water"	Improved enviroment and livelihoods	MD TSM SS PPC FM			23,673	Tariff
	Waste water recycling and re-use project- Phase 3 (Construction of distribution lines and connections to consumers)	0	28Km distribution										Tariff
Reduce NRW from 31% to 30%	Connections transfer to the new lines and relocation of the unaccessible meters	0	3,000	"B.O.Qs Technical progress report"	No. of connections transferred	Reduced or minimized occurrences of bursts and leakages	Reduced NRW and more water for distribution	Reduced overall NRW and improved efficiency	"MD TSM NRWO Proc M"	3,000	3,000		Tariff
	"Isolation of distribution network Establish 12no DMAs"	0	12	B.O.Q and hydraulic design	No. of DMAs isolated	More distinct and manageable areas for NRW reduction and monitoring	Lowered NRW in the DMAs and sustenance	Reduced and sustained overall NRW	"MD TSM NRWO FM "	1,000	1,000	1,000	Tariff
Reduce NRW from 31% to 30%	Repair of the leaking tanks	0	6	B.O.Q, Technical progress reports, Completion reports	No.of tanks repaired	Reduced losses from the leaking tanks	Reduced NRW and more water for distribution	Reduced overall NRW and improved efficiency	MD TSM NRWO FM				
	i)nanyuki high (old & new) tanks											3,532	Tariff
	ii)43 old tank											1,387	Tariff
	iv)njoguini											606	Tariff
	v) Inooro											2,518	Tariff
Reduce NRW from 31% to 30%	Acquire assorted leak detection equipment			B.O.Qs and Specifications, invoices, Receipts	No.of equipment acquired	Increased ability to detect underground leaks	Reduced NRW and more water for distribution	Reduced overall NRW and improved efficiency	MD TSM NRWO				
	i)Acoustic sticks	0	3							85			Tariff
	ii)Underground leak detector	0	1								1500		Tariff
	iii)Pipe Locator	0	1							800			Tariff
	iv)UltraSonic Flow Meter	1	2								800		Tariff
	Acquire modern Portable Meter testing kit	0	1	B.O.Qs and Specifications	No. of portable meter testing kits acquired	Increased ability to test for meter accuracy	More accurate bills and reduced customer complains	Reduced overall NRW and improved efficiency and reliability	TSM/ NRWO				Tariff
	3No motorbikes for meter servicing team			B.O.Qs and Specifications	No. of motorbikes acquired	Improved mobility of meter servicers	Increased number of serviced meters	Improved billing and reduced NRW	TSM/ NRWO	210	210	210	Tariff
	Acquire a meter testing bench	0	1	B.O.Qs and Specifications	Acquired meter testing bench	Increased ability to test for meter accuracy	More accurate bills and reduced customer complains	Reduced overall NRW and improved efficiency and reliability	TSM/ NRWO		5,000		Donor/Tariff

Specific Objective	Activity	Base line	Target	Refer-ence	Perfor-mance Indicators	Expected output(s)	Expected Outcome(s)	Expected Impact(s)	Person Respo-nsible	Proposed Budget in Kshs. In thousands '000'			Funding Source
										2023/24	2024/25	2025/26	
ii)Increase monthly billing from Ksh 36 million to Ksh 40 million	Upgrade NAWASCO ERP system (Billing and customer service functions)	0	1	improved App Procurement Documents ICT reports	No of Developed App and functions thereof	NAWASCO App developed and operational	Increased billing on actual Improved customer self service improved revenue	Improved revenue &sustainability Improved customer satisfaction"	CM RO ICT	1,000	250	250	Tariff
	New Water Connections (Normal Growth and new connections)		7,800	New connections Data	No of Monthly/ annual new connections	New connections installed every month	Increased customer base, water coverage and revenue	Improved service levels	TSM CM PO	11,920	13,400	15,480	Tariff
	Introduction of Smart Meters for Major Consumers	0	190	Monthly Billing Reports	No of installed Automated Connections	installation of the smart meters	Improved monitoring of the large consumer meter	Increased Revenue	"CM RO"	820	820	820	Tariff
	Replacement of underegistering meters (1,179 meters per year)	2,673	8,568	monthly mete replacement reports	No of underestering metres replaced	Improved billing and revenue	Improved financial sustainability	Contibute to overall company growth and sustainability	CM RO	4,714.670	4,714.670	4,714.670	Tariff
									SUB-TOTAL	**102,914.76**	**109,754.07**	**119,197.36**	
									TOTAL	**331,866.20**	**BP**		


Vision
Mission

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