



KWASCO
Kisii Water And Sanitation PLC.
Moving lives with Every Drop

STRATEGIC PLAN

2025 - 2030





KISII WATER AND SANITATION PLC



**KISII WATER AND SANITATION
COMPANY PLC (KWASCO)**

**STRATEGIC
PLAN
2025 - 2030**

KISII WATER AND SANITATION PLC (KWASCO)

| Strategic Plan 2025 - 2030

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ABBREVIATIONS

Abbreviation	Meaning
AGM	Annual General Meeting
BETA	Bottom-Up Economic Transformation Agenda
CIDP	County Integrated Development Plan
CIS	Customer Identification Survey
CM	Commercial Manager
CoK	Constitution of Kenya
CSR	Corporate Social Responsibility
DMA	District Metered Area
GIS	Geographical Information System
ICT	Information and Communication Technology
KPI	Key Performance Indicator
KUWASE	Kenya Union of Water and Sewerage Employees
KWASCO	Kisii Water and Sanitation Company PLC
LVSWWDA	Lake Victoria South Water Works Development Agency
MD	Managing Director
M&E	Monitoring and Evaluation
MTP IV	Fourth Medium Term Plan
NRW	Non-Revenue Water
NWHA	National Water Harvesting and Storage Authority
O&M	Operation and Maintenance
PESTEL	Political, Economic, Social, Technological, Environmental and Legal Analysis
PM	Project Manager
PPP	Public-Private Partnership
SDGs	Sustainable Development Goals
SPA	Service Provision Agreement
SWOT	Strengths, Weaknesses, Opportunities and Threats
TM	Technical Manager
WASREB	Water Services Regulatory Board
WRA	Water Resources Authority
WSP	Water Service Provider
WSTF	Water Sector Trust Fund
WWDA	Water Works Development Agency

FOREWORD



In the realm of public utilities, few resources are as essential to life and development as water. It is the foundation of healthy communities, a catalyst for economic growth, and a fundamental human need. As we present the **Kisii Water and Sanitation Company PLC (KWASCO) Strategic Plan 2025 -2030**, we are laying the foundation for a new chapter in the Company's journey following its establishment through the de-clustering of the former Gusii Water and Sanitation Company. This Strategic Plan articulates our commitment to providing reliable, safe, affordable, and sustainable water and sanitation services while creating a resilient institution capable of meeting the evolving needs of the people of Kisii County.

The water sector continues to operate in an increasingly dynamic environment characterized by rapid urbanization, climate change, aging infrastructure, rising customer expectations, governance reforms, technological advancements, and constrained financial resources. These challenges demand innovative solutions, sound leadership, and strong collaboration among all stakeholders. This Strategic Plan provides a clear roadmap for addressing these challenges while positioning KWASCO as a financially sustainable, customer-focused, and high-performing water service provider.

Our vision is anchored on delivering quality services that improve the health, livelihoods, and well-being of the communities we serve. We remain committed to fulfilling our mandate under the Water Act, 2016 by ensuring equitable access to clean water and safe sanitation services through efficient operations, prudent resource management, and environmental stewardship. The Board will continue to provide strategic leadership and oversight while supporting Management in implementing initiatives that promote operational excellence, infrastructure development, innovation, and institutional growth.

The successful implementation of this Strategic Plan will be guided by our core values Teamwork and Respect, Professionalism, Innovation, Integrity and Accountability, Customer Focus, Equity and Inclusion. These values define our culture and reinforce our commitment to transparency, ethical leadership, inclusivity, and continuous improvement in service delivery.

This Strategic Plan outlines strategic priorities that will guide the Company over the next five years, including improving water and sanitation service coverage, strengthening institutional capacity, enhancing financial sustainability, modernizing infrastructure, embracing digital transformation, strengthening corporate governance, protecting water resources, and fostering strategic partnerships for resource mobilization. These priorities have been developed through extensive stakeholder consultations and are aligned with national development priorities, the Water Act, 2016, Kenya Vision 2030, the Bottom-Up Economic Transformation Agenda (BETA), and the Sustainable Development Goals.

On behalf of the Board of Directors, I extend my sincere appreciation to the County Government of Kisii, the Ministry of Water, Sanitation and Irrigation, WASREB, development partners, our customers, shareholders, management, staff, and all stakeholders who contributed to the preparation of this Strategic Plan. Your continued partnership and support will be instrumental in realizing the aspirations contained herein.

As we embark on this five-year strategic journey, I invite all stakeholders to work with us in transforming KWASCO into a model water utility that delivers efficient, reliable, innovative, and sustainable services. Together, we shall build a stronger institution that safeguards our precious water resources and improves the quality of life for present and future generations.

Paul Ogecha Nyagosia
CHAIRMAN, BOARD OF DIRECTORS

ACKNOWLEDGEMENT



On behalf of Kisii Water and Sanitation Company PLC (KWASCO), I extend my sincere appreciation to all individuals and institutions whose invaluable contributions made the preparation of the KWASCO Strategic Plan 2025 - 2030 possible. This Strategic Plan is the product of a participatory and consultative process involving the Board of Directors, Management, staff, shareholders, government institutions, regulators, development partners, customers, and other key stakeholders. Their ideas, experiences, and commitment have shaped a shared vision for the Company's future.

I express my profound gratitude to the Board of Directors for providing strategic leadership, policy guidance, and oversight throughout the planning process. Their commitment to good corporate governance has ensured that this Strategic Plan aligns with the Company's mandate and long-term aspirations.

I also acknowledge the dedication and professionalism of the Management and staff of KWASCO, whose technical expertise, operational experience, and unwavering commitment greatly enriched the development of this Strategic Plan. Their contribution has ensured that the strategies and interventions identified are practical, achievable, and responsive to the needs of our customers.

Special appreciation goes to the County Government of Kisii, our shareholder, for its continued support and commitment to strengthening water and sanitation service delivery within the County. We are equally grateful to the Ministry of Water, Sanitation and Irrigation, the Water Services Regulatory Board (WASREB), the Lake Victoria South Water Works Development Agency (LVSWWDA), and other government institutions whose policy guidance, technical support, and regulatory oversight continue to strengthen the water sector.

We also appreciate our development partners, financial institutions, suppliers, community leaders, civil society organizations, and all stakeholders who continue to collaborate with the Company in advancing sustainable water and sanitation services. Their partnership remains invaluable in supporting infrastructure development, institutional strengthening, environmental conservation, and improved service delivery.

Finally, I sincerely thank our customers and the people of Kisii County for the confidence they have placed in KWASCO. Their feedback, expectations, and continued support have been instrumental in shaping this Strategic Plan. We remain committed to working closely with all stakeholders to achieve universal access to safe, reliable, and sustainable water and sanitation services while building a resilient, customer-focused, and financially sustainable utility.

Together, we will transform this Strategic Plan into tangible results that improve the quality of life of the people of Kisii County and contribute to the social and economic development of our region.

Lucy Wahito
MANAGING DIRECTOR

EXECUTIVE SUMMARY

The Kisii Water and Sanitation Company PLC (KWASCO) Strategic Plan 2025 - 2030 provides the Company's strategic direction for its first five-year planning cycle following its establishment as an independent Water Service Provider. The Plan is designed to harness the potential of the Company's water supply and sanitation systems within Kisii County to improve access to safe, reliable, affordable, and sustainable water and sanitation services.

In developing this Strategic Plan, KWASCO adopted a participatory and consultative approach involving the Board of Directors, Management, staff, the County Government of Kisii, regulators, customers, and other key stakeholders. This approach was intended not only to ensure that the strategies contained in the Plan are practical and implementable but also to promote ownership and commitment towards their successful implementation.

The strategic planning process involved a review of the Company's operating environment, stakeholder consultations, situational analysis, and assessment of institutional strengths, weaknesses, opportunities, and threats. The Plan will be cascaded into annual corporate work plans and departmental performance targets to guide day-to-day operations, enhance accountability, and support the realization of the Company's Vision of "To be a leader in innovative and sustainable water and sanitation solutions for all."

The Strategic Plan identifies the key strategic opportunities, challenges, objectives, and interventions that the Company will pursue in fulfilling its mandate under the Water Act, 2016. It aligns the Company's priorities with the Constitution of Kenya, Kenya Vision 2030, the Fourth Medium Term Plan (MTP IV), the Bottom-Up Economic Transformation Agenda (BETA), the Sustainable Development Goals (SDGs), the County Integrated Development Plan (CIDP) for Kisii County, and other relevant national and sector policies.

To realize its Vision and Mission, the Company has identified the following Strategic Themes, from which strategic objectives, key result areas, and SMART implementation strategies have been developed:

- i). Enhanced Coverage
- ii). Institutional Capacity Strengthening
- iii). Financial Sustainability
- iv). Corporate Culture Change and Brand Improvement
- v). Partnership Building and Resource Mobilization

The Strategic Plan supports the Government's commitment to ensuring universal access to clean, safe, and adequate water and sanitation services while strengthening institutional performance and environmental sustainability. Successful implementation will require strategic leadership by the Board of Directors, effective execution by Management, commitment from staff, and sustained collaboration with the County Government of Kisii, regulators, development partners, customers, and other stakeholders. Progress will be monitored through a robust monitoring and evaluation framework to ensure timely implementation and continuous improvement.

The Strategic Model of KWASCO comprises the Vision, Mission, Core Objectives, Core Values, Strategic Themes, Strategic Objectives, and Performance Framework. These elements were developed following a comprehensive assessment of the Company's internal and external operating environment and provide the foundation for achieving the Company's long-term aspirations.

Vision Statement

"To be a leader in innovative and sustainable water and sanitation solutions for all."

Mission Statement

"To provide safe, affordable, and sustainable water and sanitation services to all residents of Kisii County."

Core Values

The Company's operations and organisational culture are guided by the following core values:

- (i). **Teamwork and Respect:** We work together in unity, collaboration, and mutual respect to achieve common goals.
- (ii). **Professionalism:** We uphold high standards of competence, ethics, discipline, and excellence in all our undertakings.
- (iii). **Innovation:** We embrace creativity, technology, and continuous improvement to deliver efficient and sustainable solutions.
- (iv). **Integrity and Accountability:** We act with honesty, transparency, responsibility, and accountability in the management of the Company's resources and affairs.
- (v). **Customer Focus:** We are committed to providing reliable, affordable, and quality water and sanitation services that meet and exceed customer expectations.
- (vi). **Equity and Inclusion:** We promote fair, equitable, and inclusive access to water and sanitation services, ensuring that the needs of all customers and communities are considered.

This Strategic Plan represents KWASCO's commitment to strengthening institutional performance, expanding water and sanitation coverage, enhancing financial sustainability, improving customer satisfaction, and building strategic partnerships that will contribute to the socio-economic development of Kisii County over the period 2025 - 2030.

CHAPTER ONE

BACKGROUND INFORMATION

1. Key Entity Information

1.1. Background

Kisii Water and Sanitation Company PLC (KWASCO) was incorporated on 8 May 2025 under the Companies Act, 2015 as a public limited company following the de-clustering of the former Gusii Water and Sanitation Company Limited (GWASCO). The Company commenced operations as an independent Water Service Provider on 1 July 2025 and is wholly owned by the County Government of Kisii.

KWASCO is mandated to provide safe, reliable, affordable, and sustainable water and sanitation services to the residents of Kisii County in accordance with the Water Act, 2016 and other applicable national and county legislation governing the water sector. The Company operates under the policy direction of the County Government of Kisii and the regulatory oversight of the Water Services Regulatory Board (WASREB).

The Company operates seven water supply schemes, namely Kegati, Nyakomisaro, Gesusu, Keumbu, Ogembo, Tabaka, and Birongo, together with the Suneka Wastewater Treatment Works, serving urban, peri-urban, and rural communities across Kisii County. Through these systems, KWASCO is committed to improving access to quality water and sanitation services while promoting public health, environmental conservation, and socio-economic development.

As at 30 June 2026, the Company served an estimated 612,913 people, representing a water service coverage of 55.29% within its service area. KWASCO had 12,302 active water connections, produced an average of 8,250 cubic metres of treated water per day, and provided sewerage services to approximately 15% of the population within the sewered areas. The Company had an establishment of 140 employees dedicated to delivering efficient and customer-focused water and sanitation services.

Despite these achievements, the Company continues to face several challenges, including a Non-Revenue Water (NRW) level of 56%, increasing demand for water driven by rapid urbanization and population growth, ageing infrastructure, inadequate water production and distribution capacity, limited last-mile connectivity, climate change, environmental degradation of water catchment areas, and financial constraints that limit investment in infrastructure expansion and modernization.

The KWASCO Strategic Plan 2025–2030 provides the roadmap for addressing these challenges while leveraging emerging opportunities within the water sector. The Plan focuses on strengthening institutional capacity, enhancing operational efficiency, expanding water and sanitation coverage, improving financial sustainability, promoting innovation and digital transformation, strengthening corporate governance, and safeguarding the environment. It is aligned with the Constitution of Kenya, the Water Act, 2016, Kenya Vision 2030, the Fourth Medium Term Plan (MTP IV), the Bottom-Up Economic Transformation Agenda (BETA), the Sustainable Development Goals (SDGs), the Kisii County Integrated Development Plan (CIDP), and other relevant national and county policy frameworks.

The Strategic Plan will guide the Company's planning, budgeting, resource mobilization, performance management, monitoring and evaluation, and decision-making over the five-year period, enabling KWASCO to fulfil its mandate and progressively achieve universal access to safe, reliable, and sustainable water and sanitation services within Kisii County.

1.2. Geographical Scope

Kisii Water and Sanitation Company PLC (KWASCO) is mandated to provide water supply and sanitation services within its gazetted service area in Kisii County. The Company serves urban, peri-urban, and selected rural centres, playing a critical role in supporting public health, economic development, environmental sustainability, and improved quality of life for the residents of the County.

Kisii County occupies approximately 1,332.7 square kilometres and is one of the most densely populated counties in Kenya. The County experiences relatively high annual rainfall and favourable climatic conditions that support agriculture and provide significant water resources. However, increasing population growth, rapid urbanization, environmental degradation, encroachment of water catchment areas, and the impacts of climate change continue to exert pressure on available water resources and existing water and sanitation infrastructure.

KWASCO currently operates seven water supply schemes, namely:

- Kegati Water Supply Scheme
- Nyakomisaro Water Supply Scheme
- Gesusu Water Supply Scheme
- Keumbu Water Supply Scheme
- Ogembo Water Supply Scheme
- Tabaka Water Supply Scheme
- Birongo Water Supply Scheme

The Company also operates the Suneka Wastewater Treatment Works, which provides sewerage services to designated areas within Kisii Municipality and contributes to environmental protection through the safe collection, treatment, and disposal of wastewater.

The Company's service area covers Kisii Municipality and major urban and peri-urban centres, including Jogoo, Nyanchwa, Kiogoro, Kiamabundu, Motonto, Kegati, Nyakoe, Mosochi, Suneka, Keumbu, Gesusu, Ogembo, Tabaka, Birongo, and their surrounding settlements. As urbanization continues to accelerate, the demand for reliable water supply and improved sanitation services is expected to increase significantly over the planning period.

As at 30 June 2026, KWASCO served approximately 612,913 people, representing a water coverage of 55.29%, through 12,302 active water connections. Sewerage services covered approximately 15% of the population within the designated sewer service areas. While considerable progress has been achieved in expanding access to water services, several communities remain underserved due to inadequate water production capacity, ageing infrastructure, insufficient distribution networks, and limited last-mile connectivity.

The Company's geographical scope presents both opportunities and operational challenges. The County's rugged terrain and dispersed settlements increase the cost of developing and maintaining water supply infrastructure. In addition, high levels of Non-Revenue Water (NRW), environmental degradation of water catchment areas, competing demands for water resources, and climate variability continue to affect the reliability and sustainability of service delivery.

Over the implementation period of this Strategic Plan, KWASCO will prioritize expansion and rehabilitation of water supply infrastructure, modernization of distribution systems, reduction of Non-Revenue Water, improvement of sewerage services, protection of water sources, and adoption of modern technologies to enhance operational efficiency. The Company will also strengthen collaboration with the County Government of Kisii, national government agencies, regulators, communities, and development partners to increase service coverage, improve customer satisfaction, and ensure sustainable management of water resources.

Through these interventions, KWASCO seeks to progressively expand access to safe, reliable, affordable, and sustainable water and sanitation services, thereby contributing to improved public health, environmental conservation, and the socio-economic transformation of Kisii County.

1.3. Rationale for the Strategic Plan

The KWASCO Strategic Plan 2025 - 2030 provides the Company's strategic direction during its first five-year planning cycle as an independent Water Service Provider. The Plan establishes a shared vision for the future and provides a framework for achieving sustainable growth, operational excellence, and improved water and sanitation service delivery within Kisii County.

The Strategic Plan aligns the Board of Directors, Management, employees, the County Government of Kisii, regulators, customers, development partners, and other stakeholders around a common strategic agenda. It provides a practical roadmap for decision-making, resource allocation, institutional development, and performance improvement while strengthening corporate governance and accountability.

The Strategic Plan also enables the Company to identify strategic priorities, investment opportunities, institutional capacity requirements, and resource mobilization strategies necessary to achieve its Vision and Mission. In developing the Plan, the Company undertook a comprehensive assessment of its internal and external operating environment, stakeholder expectations, opportunities, risks, and institutional capabilities. This process enabled stakeholders to agree on the strategic direction that will guide the Company over the planning period.

Specifically, the Strategic Plan enables KWASCO to:

- Define a clear Vision, Mission, Core Objectives, Core Values, and Strategic Themes that will guide the Company's development.
- Identify strategic objectives and priority interventions required to improve water and sanitation service delivery.
- Strengthen corporate governance, accountability, transparency, and institutional performance.

- Establish measurable performance indicators, targets, and monitoring and evaluation mechanisms to track implementation and assess results.
- Guide investment planning, infrastructure development, resource mobilization, and financial sustainability.
- Promote innovation, digital transformation, environmental sustainability, and climate resilience in the Company's operations.
- Enhance stakeholder participation, collaboration, and customer satisfaction through improved engagement and communication.

This Strategic Plan will serve as the primary reference document for corporate planning, annual work plans, budgeting, performance contracting, monitoring and evaluation, and reporting. It will also provide the framework for mobilizing financial and technical resources, strengthening institutional capacity, and ensuring that KWASCO effectively fulfills its mandate of providing safe, affordable, reliable, and sustainable water and sanitation services to the residents of Kisii County.

1.4. General Approach to Strategic Planning

The preparation of the **KWASCO Strategic Plan 2025 - 2030** adopted a participatory, inclusive, and evidence-based approach to ensure that the Plan reflects the aspirations of the Company and its stakeholders. The planning process was designed to develop a shared strategic direction, strengthen institutional ownership, and establish a practical framework for achieving the Company's Vision and Mission over the five-year planning period.

The strategic planning process involved extensive consultations with the Board of Directors, Management, employees, the County Government of Kisii, the Water Services Regulatory Board (WASREB), Lake Victoria South Water Works Development Agency (LVSWWDA), customers, community representatives, development partners, and other key stakeholders. Their views, experiences, and expectations provided valuable input into the formulation of the Strategic Plan and helped ensure that the identified priorities are responsive to the needs of the communities served by the Company.

The preparation of the Strategic Plan was guided by the National Treasury Guidelines on Strategic Planning for Public Sector Institutions and other relevant government planning frameworks. A comprehensive situational analysis was undertaken to assess the Company's operating environment and determine the strategic issues that will influence performance during the planning period.

The strategic planning process comprised the following key activities:

- Review of the Company's legal, policy, and institutional framework.
- Assessment of the implementation status and lessons learned during the Company's transition to an independent Water Service Provider.
- Analysis of the internal operating environment, including governance, human resources, financial performance, infrastructure, service delivery, information and communication technology, and organizational capacity.
- Analysis of the external operating environment using the Political, Economic, Social, Technological, Environmental, and Legal (PESTEL) framework.

- Stakeholder identification and analysis to determine stakeholder expectations, interests, and levels of influence.
- Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis to identify the Company's strategic position.
- Review and validation of the Company's Vision, Mission, Core Objectives, and Core Values.
- Identification of strategic issues, Strategic Themes, strategic objectives, key result areas, performance indicators, and implementation strategies.
- Development of the implementation, resource mobilization, risk management, and monitoring and evaluation frameworks.

The participatory approach adopted during the planning process enhanced stakeholder ownership, strengthened consensus on the Company's strategic priorities, and ensured that the Strategic Plan is practical, realistic, and aligned with national and county development priorities. The resulting Strategic Plan provides a coherent roadmap for improving water and sanitation service delivery, strengthening institutional capacity, enhancing financial sustainability, and promoting sustainable management of water resources in Kisii County over the period 2025 - 2030.

1.5. Global, Regional and National Development Agenda

Access to safe water and adequate sanitation is recognized as a fundamental human right and is essential for safeguarding public health, protecting the environment, promoting social equity, and driving sustainable economic development. Water is a critical resource for domestic use, agriculture, industry, energy production, and ecosystem sustainability. However, increasing population growth, rapid urbanization, climate change, pollution, and degradation of water catchment areas continue to place significant pressure on global water resources.

Globally, the demand for water has continued to increase faster than population growth, with millions of people still lacking access to safely managed drinking water and sanitation services. These challenges have prompted coordinated international efforts to promote sustainable water resource management, improve access to water and sanitation, strengthen climate resilience, and encourage investment in water infrastructure. Consequently, water security remains a central component of the global sustainable development agenda.

At the regional level, African countries continue to prioritize water and sanitation as key enablers of socio-economic transformation, public health, food security, industrialization, and environmental sustainability. Regional frameworks encourage member states to strengthen water governance, improve investment in water infrastructure, enhance climate adaptation, and promote integrated water resources management to achieve sustainable development.

At the national level, the Government of Kenya recognizes water and sanitation as fundamental drivers of economic growth, poverty reduction, improved health outcomes, environmental protection, and social development. The Constitution of Kenya, 2010 guarantees every person the right to accessible and adequate housing, reasonable standards of sanitation, and clean and safe water in adequate quantities. The

Water Act, 2016 provides the legal and institutional framework for the development, management, regulation, and provision of water and sanitation services in Kenya.

The KWASCO Strategic Plan 2025 - 2030 is aligned with key global, regional, national, and county development frameworks, including:

- The United Nations Sustainable Development Goals (SDGs), particularly **Goal 6**, which seeks to ensure the availability and sustainable management of water and sanitation for all.
- The African Union Agenda 2063, which emphasizes sustainable management of natural resources, environmental sustainability, and improved access to basic services.
- Kenya Vision 2030, which identifies water and sanitation as critical enablers of socio-economic transformation.
- The Constitution of Kenya, 2010.
- The Water Act, 2016.
- The Fourth Medium Term Plan (MTP IV) 2023–2027.
- The Bottom-Up Economic Transformation Agenda (BETA), which recognizes water as a key driver of agricultural productivity, industrial growth, public health, and inclusive economic development.
- The Kisii County Integrated Development Plan (CIDP) and other relevant County Government policies and development strategies.

Through this Strategic Plan, KWASCO commits to contributing to the realization of these development agendas by expanding access to safe and reliable water supply, improving sanitation services, strengthening institutional capacity, promoting environmental conservation, enhancing climate resilience, and ensuring the sustainable management of water resources for present and future generations.

1.5.1. Sustainable Development Goals (SDGs)

In September 2015, the **United Nations General Assembly** adopted the **2030 Agenda for Sustainable Development**, comprising **17 Sustainable Development Goals (SDGs)** and **169 associated targets**. The Agenda provides a universal framework for ending poverty, protecting the planet, promoting prosperity, and ensuring that no one is left behind.

For the water sector, **Sustainable Development Goal (SDG) 6** is particularly relevant. It aims to "**Ensure availability and sustainable management of water and sanitation for all**" by the year 2030. The achievement of SDG 6 is fundamental to improving public health, reducing poverty, enhancing environmental sustainability, promoting gender equality, and supporting socio-economic development.

The six principal targets under SDG 6 are to:

- i. Achieve universal and equitable access to safe and affordable drinking water for all.
- ii. Achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women, girls, and people in vulnerable situations.
- iii. Improve water quality by reducing pollution, eliminating dumping, minimizing the release of hazardous chemicals and materials, halving the proportion of untreated wastewater, and substantially increasing recycling and safe reuse of water.

- iv. Substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity while significantly reducing the number of people affected by water scarcity.
- v. Implement Integrated Water Resources Management (IWRM) at all levels, including through appropriate transboundary cooperation where applicable.
- vi. Protect and restore water-related ecosystems, including rivers, lakes, wetlands, forests, mountains, aquifers, and other ecosystems that support water resources.

In addition to SDG 6, KWASCO's operations contribute to the realization of several other Sustainable Development Goals, including:

- **SDG 3:** Good Health and Well-being through the provision of safe drinking water and improved sanitation.
- **SDG 9:** Industry, Innovation and Infrastructure through investment in resilient water infrastructure and adoption of innovative technologies.
- **SDG 11:** Sustainable Cities and Communities by improving access to reliable urban water supply and sanitation services.
- **SDG 13:** Climate Action through climate-resilient infrastructure, water conservation, and adaptation measures.
- **SDG 15:** Life on Land through protection of water catchment areas and promotion of environmental conservation.

The **KWASCO Strategic Plan 2025 - 2030** aligns with the aspirations of the Sustainable Development Goals by prioritizing expansion of water and sanitation coverage, improvement of service quality, reduction of Non-Revenue Water, strengthening institutional capacity, protection of water resources, environmental sustainability, and climate resilience. Through implementation of this Strategic Plan, the Company will contribute to Kenya's commitment towards achieving **SDG 6** and the broader 2030 Agenda for Sustainable Development.

1.5.2. African Union Agenda 2063

Agenda 2063 is the African Union's long-term development blueprint for transforming Africa into a prosperous, integrated, peaceful, and sustainable continent. It provides a strategic framework for inclusive growth and sustainable development over a 50-year period and serves as the continent's roadmap for achieving socio-economic transformation.

The water and sanitation sector is addressed under Aspiration 1: "A Prosperous Africa Based on Inclusive Growth and Sustainable Development." In particular, Goal 7 seeks to achieve "Environmentally Sustainable and Climate Resilient Economies and Communities," with Water Security identified as one of its key priority areas.

The Agenda envisages an Africa where every citizen has access to safe, affordable, reliable, and sustainable water and sanitation services, supported by efficient management of water resources and climate-resilient infrastructure. Key targets include:

- Achieving universal access to safe drinking water and adequate sanitation.

- Increasing water demand satisfaction through improved water resource development and management.
- Enhancing water productivity in agriculture and other productive sectors through efficient water use.
- Promoting Integrated Water Resources Management (IWRM) to ensure sustainable utilization and conservation of water resources.
- Increasing wastewater collection, treatment, recycling, and reuse for agricultural, industrial, and environmental purposes.
- Protecting and restoring water catchment areas and aquatic ecosystems.
- Strengthening climate resilience and adaptation measures to address the impacts of climate change on water resources.

To achieve these aspirations, Agenda 2063 promotes several strategic interventions, including:

- Developing and implementing national and regional Integrated Water Resources Management (IWRM) frameworks.
- Promoting water harvesting, storage, distribution, and efficient utilization technologies.
- Strengthening regional cooperation in the management of shared water resources and river basins.
- Investing in modern and climate-resilient water infrastructure.
- Expanding access to water, sanitation, and hygiene (WASH) services, particularly in underserved rural and peri-urban communities.
- Establishing equitable and sustainable tariff systems that balance financial sustainability with affordability for vulnerable populations.

The KWASCO Strategic Plan 2025 - 2030 is aligned with the aspirations of Agenda 2063 by promoting sustainable water resource management, expanding access to safe water and sanitation services, reducing Non-Revenue Water, strengthening institutional capacity, investing in resilient infrastructure, protecting water catchment areas, embracing innovation, and enhancing climate resilience. Through these strategic interventions, KWASCO will contribute to the realization of Africa's vision of achieving water security, environmental sustainability, and improved quality of life for all citizens.

1.5.3. Kenya Vision 2030

Kenya Vision 2030 is the country's long-term development blueprint that seeks to transform Kenya into "a newly industrializing, middle-income country providing a high quality of life to all its citizens in a clean and secure environment by the year 2030." The Vision is implemented through successive Medium Term Plans (MTPs) and is anchored on three key pillars: the Economic Pillar, Social Pillar, and Political Pillar.

The water and sanitation sector is recognized as a critical enabler of socio-economic development and an essential foundation for achieving the aspirations of Vision 2030. Reliable access to safe water and adequate sanitation supports public health, food security, industrialization, environmental sustainability, urban development, and improved livelihoods.

The Vision for the water sector is to ensure that safe, reliable, and affordable water and sanitation services are available and accessible to all Kenyans by 2030. To achieve this vision, the Government has prioritized the following strategic interventions:

- Strengthening integrated water resources management to ensure sustainable development, conservation, allocation, and utilization of water resources.
- Increasing water storage and harvesting capacity through the construction and rehabilitation of dams, water pans, reservoirs, and other storage infrastructure.
- Expanding and rehabilitating water supply and sanitation infrastructure to meet the growing demands of urban and rural populations.
- Improving wastewater collection, treatment, reuse, and environmental protection.
- Strengthening hydro-meteorological data collection, monitoring, and information management systems to support effective planning and climate resilience.
- Promoting efficient water use, adoption of appropriate technologies, and reduction of water losses to enhance service delivery.
- Strengthening institutional capacity, governance, and financial sustainability within the water sector.
- Encouraging private sector participation, innovation, and partnerships to accelerate investment in water and sanitation services.

The KWASCO Strategic Plan 2025 - 2030 is aligned with the aspirations of Kenya Vision 2030 by prioritizing the expansion of water and sanitation service coverage, rehabilitation and development of water infrastructure, reduction of Non-Revenue Water, enhancement of operational efficiency, promotion of digital transformation, strengthening of institutional capacity, and sustainable management of water resources. The Plan also supports the Government's objective of improving access to quality water and sanitation services as a catalyst for economic growth, public health, environmental conservation, and improved quality of life for the people of Kisii County.

Through the implementation of this Strategic Plan, KWASCO will contribute to the realization of Kenya Vision 2030 by providing reliable, customer-focused, financially sustainable, and environmentally responsible water and sanitation services that support inclusive socio-economic development.

1.5.4. Constitution of Kenya, 2010

The Constitution of Kenya, 2010 provides the overarching legal and governance framework for the management and delivery of water and sanitation services in Kenya. It introduced a devolved system of government, establishing **47 county governments** and assigning them responsibility for the provision of county public services, including water and sanitation services.

The Constitution recognizes access to water and sanitation as fundamental human rights. Article 43(1)(b) guarantees every person "the right to accessible and adequate housing, and to reasonable standards of sanitation," while Article 43(1)(d) guarantees "the right to clean and safe water in adequate quantities." These constitutional provisions obligate both the national and county governments to progressively realize these rights through appropriate legislation, policy development, investment, and service delivery.

Under the Fourth Schedule of the Constitution, responsibility for **water and sanitation services** is largely devolved to county governments, while the National Government retains responsibility for water resources management, national public water works, water policy, and transboundary water resources. This constitutional framework promotes improved service delivery by bringing decision-making closer to the people and enhancing accountability, efficiency, and public participation.

To operationalize the constitutional provisions on devolution, several laws have been enacted, including the County Governments Act, 2012, the Water Act, 2016, the Intergovernmental Relations Act, 2012, and the Public Finance Management Act, 2012, among others. These legal frameworks provide for the establishment, governance, financing, regulation, and oversight of Water Service Providers (WSPs), including KWASCO.

The Constitution further emphasizes the principles of good governance, public participation, transparency, accountability, sustainable development, equity, inclusiveness, and prudent management of public resources. These principles form the foundation upon which KWASCO will implement this Strategic Plan.

The KWASCO Strategic Plan 2025 - 2030 is aligned with the Constitution by promoting equitable access to safe and affordable water and sanitation services, strengthening institutional governance, enhancing accountability and citizen participation, protecting the environment, and supporting the progressive realization of the constitutional right to water and sanitation for all residents of Kisii County. The Plan also contributes to the achievement of national development priorities under the Fourth Medium Term Plan (MTP IV) 2023–2027, which seeks to expand access to safe drinking water, improve sanitation services, rehabilitate and develop water infrastructure, protect water catchment areas, and strengthen the resilience of the water sector to climate change.

1.5.5. Bottom-Up Economic Transformation Agenda (BETA)

The **Bottom-Up Economic Transformation Agenda (BETA)** is the Government of Kenya's development blueprint aimed at accelerating inclusive economic growth, creating employment opportunities, reducing poverty, and improving the livelihoods of all Kenyans. The Agenda recognizes water and sanitation as critical enablers of socio-economic transformation, given their importance in supporting agriculture, manufacturing, health, housing, trade, tourism, and environmental sustainability.

BETA prioritizes investments in water infrastructure, water resource management, irrigation development, urban and rural water supply, sanitation, and climate resilience to enhance access to safe and reliable water services. The Agenda also emphasizes strengthening institutional capacity, promoting private sector participation, improving service delivery, and ensuring efficient and sustainable management of water resources.

As a County Water Service Provider, Kisii Water and Sanitation Company PLC (KWASCO) plays a critical role in supporting the implementation of the Bottom-Up Economic Transformation Agenda within Kisii County. Through the provision of reliable water supply and sanitation services, the Company contributes to improved public health, enhanced agricultural productivity, industrial development, business growth, environmental conservation, and overall socio-economic development.

The County Government of Kisii, as the shareholder of KWASCO, continues to support the Company in expanding and improving water and sanitation infrastructure, strengthening institutional capacity, and enhancing service delivery to meet the growing needs of households, public institutions, commercial enterprises, and industries across the County.

The **KWASCO Strategic Plan 2025 - 2030** is aligned with the aspirations of BETA by focusing on:

- Expanding access to safe, reliable, and affordable water and sanitation services.
- Improving operational efficiency and reducing Non-Revenue Water (NRW).
- Strengthening financial sustainability and corporate governance.
- Investing in resilient water and sanitation infrastructure.
- Promoting innovation, digital transformation, and operational excellence.
- Protecting water catchment areas and enhancing climate resilience.
- Creating an enabling environment for economic growth, employment creation, investment, and improved quality of life for the people of Kisii County.

Through the successful implementation of this Strategic Plan, KWASCO will contribute to the realization of the Bottom-Up Economic Transformation Agenda by ensuring that water and sanitation services continue to serve as a catalyst for inclusive economic development and sustainable growth in Kisii County.

1.5.6. Water Act, 2016

The Water Act, 2016 is the principal legislation governing the management, development, regulation, and provision of water and sanitation services in Kenya. The Act was enacted to align the water sector with the Constitution of Kenya, 2010, particularly the devolved system of government and the constitutional right of every person to clean and safe water in adequate quantities and to reasonable standards of sanitation.

The Act clearly defines the roles and responsibilities of the National Government, County Governments, regulatory institutions, Water Works Development Agencies, the Water Resources Authority, the Water Sector Trust Fund, and Water Service Providers (WSPs). It establishes a framework for effective governance, sustainable water resources management, efficient service delivery, consumer protection, and financial sustainability within the water sector.

Under the Water Act, 2016, County Governments are responsible for the provision of water and sanitation services within their respective jurisdictions. To discharge this mandate, County Governments are required to establish or appoint Water Service Providers (WSPs) in accordance with the Companies Act, 2015 or such other legal entities as may be approved by the Water Services Regulatory Board (WASREB). These entities are required to operate on commercially viable principles while ensuring equitable, affordable, efficient, and sustainable service delivery.

As a Water Service Provider established by the County Government of Kisii, Kisii Water and Sanitation Company PLC (KWASCO) derives its mandate from the Water Act, 2016 and operates under a licence issued by WASREB. In accordance with Section 78 of the Act, the Company is responsible for:

- Providing efficient, reliable, affordable, and sustainable water and sanitation services within its licensed service area.

- Developing, operating, maintaining, and managing water and sanitation infrastructure and other county assets assigned for water service provision.
- Preparing and implementing investment programmes aimed at expanding and improving water and sanitation services.
- Ensuring compliance with the service standards, regulatory requirements, and performance benchmarks established by WASREB.
- Promoting customer satisfaction through quality service delivery, timely response to customer needs, and effective stakeholder engagement.
- Maintaining sound corporate governance, prudent financial management, and accountability in the utilization of public resources.
- Supporting environmental conservation, protection of water catchment areas, efficient water use, and climate resilience in line with national policies and legislation.

The Water Act, 2016 also emphasizes the principles of public participation, transparency, accountability, consumer protection, environmental sustainability, and integrated water resources management. These principles provide the foundation for the implementation of the KWASCO Strategic Plan 2025 - 2030.

Accordingly, this Strategic Plan has been developed to ensure that KWASCO effectively fulfils its statutory mandate under the Water Act, 2016 by expanding access to safe water and sanitation services, strengthening institutional capacity, enhancing operational and financial performance, protecting water resources, and delivering sustainable services that contribute to the socio-economic development of Kisii County.

1.5.7. Kisii County Integrated Development Plan (CIDP) 2023–2027

The Kisii County Integrated Development Plan (CIDP) 2023–2027 is the County Government's medium-term development framework that outlines the County's priorities, programmes, and investment interventions over the five-year period. The CIDP provides the basis for planning, budgeting, resource allocation, and implementation of development projects across all sectors, including water, sanitation, and environmental management.

The CIDP recognizes that access to safe and reliable water supply and improved sanitation remains one of the key development challenges facing Kisii County. Although the County has made significant investments in water infrastructure over the years, increasing population growth, rapid urbanization, ageing infrastructure, inadequate distribution networks, limited last-mile connectivity, high Non-Revenue Water (NRW), and inadequate sewerage coverage continue to constrain access to quality water and sanitation services.

The CIDP identifies the following priority interventions for the water and sanitation sector:

- Increasing access to safe, reliable, and affordable water supply services.
- Expanding and rehabilitating water production, transmission, and distribution infrastructure.
- Increasing sewerage coverage and improving wastewater collection, treatment, and disposal.
- Reducing Non-Revenue Water through infrastructure rehabilitation, leak detection, metering, and improved system management.

- Protecting and conserving water catchment areas and other environmentally sensitive ecosystems.
- Strengthening institutional capacity and governance within the water sector.
- Promoting climate-resilient water infrastructure and sustainable management of water resources.
- Enhancing public awareness on water conservation, sanitation, hygiene, and environmental protection.

As the County Water Service Provider, Kisii Water and Sanitation Company PLC (KWASCO) plays a central role in implementing the water and sanitation priorities outlined in the CIDP. The Company's Strategic Plan 2025 - 2030 has therefore been aligned with the County's development agenda by focusing on expanding water and sanitation service coverage, improving operational efficiency, strengthening financial sustainability, reducing Non-Revenue Water, protecting water resources, enhancing customer satisfaction, and improving institutional performance.

The implementation of this Strategic Plan will contribute significantly to the achievement of the CIDP objectives by increasing access to safe drinking water, improving sanitation services, promoting environmental conservation, supporting economic growth, and enhancing the quality of life of the residents of Kisii County through sustainable and efficient water service delivery.

1.6. History of the Company

Kisii Water and Sanitation Company PLC (KWASCO) was incorporated on 8 May 2025 under the Companies Act, 2015 as a public limited company following the de-clustering of the former Gusii Water and Sanitation Company Limited (GWASCO). The de-clustering was undertaken to establish separate Water Service Providers for Kisii and Nyamira Counties in line with the Constitution of Kenya, 2010 and the Water Act, 2016.

The Company officially commenced operations on 1 July 2025 as the licensed Water Service Provider for Kisii County. It is wholly owned by the County Government of Kisii and operates under the regulatory oversight of the Water Services Regulatory Board (WASREB). KWASCO was established to ensure efficient, reliable, affordable, and sustainable provision of water supply and sanitation services to the residents of Kisii County.

The Company operates seven water supply schemes, namely Kegati, Nyakomisaro, Gesusu, Keumbu, Ogembo, Tabaka, and Birongo, together with the Suneka Wastewater Treatment Works, which provides sewerage services within designated urban areas.

As at 30 June 2026, KWASCO served an estimated 612,913 people, representing a water coverage of 55.29%, through 12,302 active water connections. The Company produced an average of 8,250 cubic metres of treated water per day and provided sewerage services to approximately 15% of the population within the sewered areas. The Company has an establishment of 140 employees responsible for delivering water and sanitation services across its service area.

KWASCO is governed by a Board of Directors appointed in accordance with the Companies Act, 2015, the Water Act, 2016, and the Company's Articles of Association. The Board provides strategic leadership, policy

direction, and oversight, while the Managing Director is responsible for the day-to-day management of the Company's operations. Since its establishment, KWASCO has focused on strengthening institutional capacity, improving service delivery, enhancing financial sustainability, modernizing infrastructure, and expanding access to quality water and sanitation services throughout Kisii County.

1.7. Mandate of the Water Company

The mandate of Kisii Water and Sanitation Company PLC (KWASCO) is derived from the Constitution of Kenya, 2010, the Water Act, 2016, the Companies Act, 2015, the Company's Memorandum and Articles of Association, and the licence issued by the Water Services Regulatory Board (WASREB).

Pursuant to Section 78 of the Water Act, 2016, KWASCO is responsible for the provision of water and sanitation services within its licensed service area and the development, operation, maintenance, and management of county water and sanitation assets assigned to the Company.

The Company's mandate includes:

- i). Providing safe, reliable, affordable, and sustainable water supply services to domestic, commercial, industrial, institutional, and public consumers within its licensed service area.
- ii). Providing sewerage and sanitation services, including the collection, conveyance, treatment, and environmentally sound disposal of wastewater.
- iii). Developing, operating, maintaining, rehabilitating, and expanding water supply and sanitation infrastructure to improve service coverage and reliability.
- iv). Managing and safeguarding county water and sanitation assets entrusted to the Company in an efficient, accountable, and sustainable manner.
- v). Promoting efficient utilization of water resources through reduction of Non-Revenue Water (NRW), demand management, metering, and adoption of appropriate technologies.
- vi). Ensuring compliance with the service standards, regulatory requirements, and performance benchmarks prescribed by WASREB and other relevant regulatory authorities.
- vii). Protecting water sources, promoting environmental conservation, and supporting climate-resilient and sustainable water resource management practices.
- viii). Mobilizing financial, technical, and strategic resources to support investment in water and sanitation infrastructure and continuous improvement in service delivery.
- ix). Promoting customer satisfaction through quality service delivery, effective stakeholder engagement, timely response to customer needs, and continuous service improvement.
- x). Upholding the principles of good corporate governance, transparency, accountability, integrity, and prudent financial management in the execution of its mandate.

In fulfilling its mandate, KWASCO provides water and sanitation services to households, public institutions, commercial establishments, industries, and other consumers through piped water supply systems, sewerage services, water bowsers, exhauster services, and other approved service delivery mechanisms. The Company remains committed to progressively realizing the constitutional right to clean and safe water in adequate quantities and reasonable standards of sanitation for all residents within its service area.

1.8. Methodology for Developing the Strategic Plan

The KWASCO Strategic Plan 2025 - 2030 was developed through a participatory, consultative, and evidence-based process to ensure that it reflects the aspirations of the Company, its shareholders, customers, employees, regulators, and other key stakeholders. The methodology adopted was designed to promote stakeholder ownership, strengthen institutional commitment, and align the Plan with national and county development priorities.

The development of the Strategic Plan involved the following key activities:

(a) Review of Existing Strategic and Policy Documents

Relevant national and county policy documents, legal frameworks, sector strategies, regulatory guidelines, and corporate reports were reviewed to ensure alignment with the Constitution of Kenya, 2010, the Water Act, 2016, Kenya Vision 2030, the Fourth Medium Term Plan (MTP IV), the Bottom-Up Economic Transformation Agenda (BETA), the Kisii County Integrated Development Plan (CIDP), and other applicable frameworks.

(b) Assessment of the Company's Performance and Operating Environment

An assessment of KWASCO's operational, financial, institutional, and technical performance was undertaken to identify achievements, challenges, lessons learned, and opportunities for improvement. The assessment also considered the Company's transition following de-clustering and its current strategic position.

(c) Stakeholder Consultations

Extensive consultations were held with the Board of Directors, Management, employees, the County Government of Kisii, the Water Services Regulatory Board (WASREB), Lake Victoria South Water Works Development Agency (LVSWWDA), customers, development partners, and other stakeholders to obtain their views, expectations, and priorities for the Company's future development.

(d) Situational Analysis

A comprehensive situational analysis was undertaken using **SWOT** and **PESTEL** analytical frameworks to assess the Company's internal and external operating environment. This facilitated the identification of strategic issues, opportunities, risks, and critical success factors that informed the Strategic Plan.

(e) Strategic Planning Workshops

A series of strategic planning workshops were conducted to review the Company's Vision, Mission, Core Values, Strategic Themes, Strategic Objectives, Key Result Areas, strategies, and performance indicators. These workshops provided a platform for building consensus on the Company's strategic direction over the five-year planning period.

(f) Preparation and Review of the Draft Strategic Plan

The draft Strategic Plan was prepared based on the findings of the situational analysis and stakeholder consultations. It underwent internal technical review by Management and the Board to ensure consistency, practicality, and alignment with the Company's mandate and development priorities.

(g) Validation, Approval, and Finalization

The draft Strategic Plan was subjected to stakeholder validation to confirm its relevance, completeness, and responsiveness to stakeholder expectations. Comments received during the validation process were incorporated before the Plan was finalized and approved by the Board of Directors for implementation.

The participatory methodology adopted in developing this Strategic Plan ensured that it is realistic, results-oriented, and responsive to the needs of stakeholders. It also provides a solid foundation for effective implementation, monitoring, evaluation, and continuous improvement throughout the 2025/26 - 2029/30 planning period.

1.9. Outline of the Strategic Plan

The **KWASCO Strategic Plan 2025 - 2030** is organized into six chapters, each addressing a specific aspect of the Company's strategic direction and implementation framework.

Chapter One: Introduction

This chapter provides the background to the Strategic Plan, including the Company's profile, geographical scope, rationale for the Strategic Plan, strategic planning approach, alignment with global, regional, national, and county development agendas, the history and mandate of the Company, the methodology adopted in developing the Strategic Plan, and the overall structure of the document.

Chapter Two: Situational Analysis

This chapter presents an assessment of the Company's internal and external operating environment. It includes a review of organizational performance, the Political, Economic, Social, Technological, Environmental, and Legal (PESTEL) analysis, the Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis, stakeholder analysis, and the key strategic issues that the Company seeks to address during the planning period.

Chapter Three: Strategic Direction

This chapter outlines the Company's strategic model, including the Vision, Mission, Core Objectives, Core Values, Strategic Themes, Strategic Objectives, strategies, expected outcomes, and Key Result Areas that will guide implementation over the five-year period.

Chapter Four: Strategy Implementation Framework

This chapter provides the implementation framework for the Strategic Plan, including strategic initiatives, annual work planning, institutional arrangements, organizational structure, human resource requirements, risk management, resource mobilization strategies, and the financial resources required for successful implementation.

Chapter Five: Monitoring, Evaluation and Learning Framework

This chapter outlines the framework for monitoring, evaluating, reporting, and learning during the implementation of the Strategic Plan. It specifies performance indicators, reporting mechanisms, evaluation processes, roles and responsibilities, and feedback systems to support evidence-based decision-making and continuous improvement.

Chapter Six: Financial Plan and Resource Mobilization

This chapter presents the estimated financial requirements for implementing the Strategic Plan, identifies potential sources of funding, and outlines strategies for resource mobilization to ensure the successful execution and sustainability of the Company's strategic programmes and projects over the planning period.

CHAPTER TWO

PAST PERFORMANCE ANALYSIS

2. KWASO Performance Assessment

2.1. Overview

This chapter presents an assessment of Kisii Water and Sanitation Company PLC's (KWASCO) operational, financial, and institutional performance during its transition to an independent Water Service Provider. The analysis establishes the baseline upon which the Strategic Plan 2025 - 2030 has been developed and identifies the key strengths, challenges, opportunities, and strategic issues that will influence the Company's performance over the planning period.

The chapter reviews the Company's performance against its mandate, regulatory requirements, and strategic priorities, considering the transition following the de-clustering of the former Gusii Water and Sanitation Company Limited (GWASCO). It also examines the internal and external operating environment, stakeholder expectations, and sector trends that are likely to affect service delivery during the implementation of this Strategic Plan.

The findings of this analysis provide the basis for the formulation of the Company's Strategic Themes, Strategic Objectives, Key Result Areas, and performance targets.

2.2. Analysis of Past Performance

2.2.1. GWASCO Performance Analysis

Since KWASCO commenced operations on 1 July 2025, the performance of the former Gusii Water and Sanitation Company Limited (GWASCO) provides the baseline for assessing future improvements. Table 2.1 presents a comparative analysis of the utility's performance for FY 2023/24 and FY 2024/25 based on WASREB Key Performance Indicators.

Table 1: Comparative Performance of the Former GWASCO (FY 2023/24 - 2024/25)

Key Performance Indicator	2023/24	2024/25	Change	Interpretation
Drinking Water Quality (%)	99	99	No change	Maintained excellent compliance with water quality standards.
Non-Revenue Water (%)	64	58	Improved by 6 percentage points	Water losses reduced but remain above the acceptable benchmark.
Water Coverage (%)	48	55	Improved by 7 percentage points	Access to water services expanded.
Hours of Supply (Hours/Day)	21	22	Improved	Reliability of water supply improved.

Staff Productivity (Staff/1,000 Connections)	5	7	Declined	Increase in staff per 1,000 connections reduced labour productivity.
Revenue Collection Efficiency (%)	96	95	Slight decline	Revenue collection remained strong despite a marginal reduction.
Personnel Expenditure (% of O&M Costs)	35	40	Increased	Staff costs represented a larger share of operating costs.
O&M Cost Coverage (%)	81	102	Significant improvement	Operating revenue became sufficient to cover O&M costs.
Metering Ratio (%)	98	100	Improved	Achieved full customer metering.
Total Score	101	103	Improved	Overall utility performance improved.
Ranking by Category	18	18	No change	Position within category maintained.
Overall National Ranking	39	36	Improved by 3 positions	National ranking improved.

Source: WASREB Performance Reports 2023/24 and 2024/25.

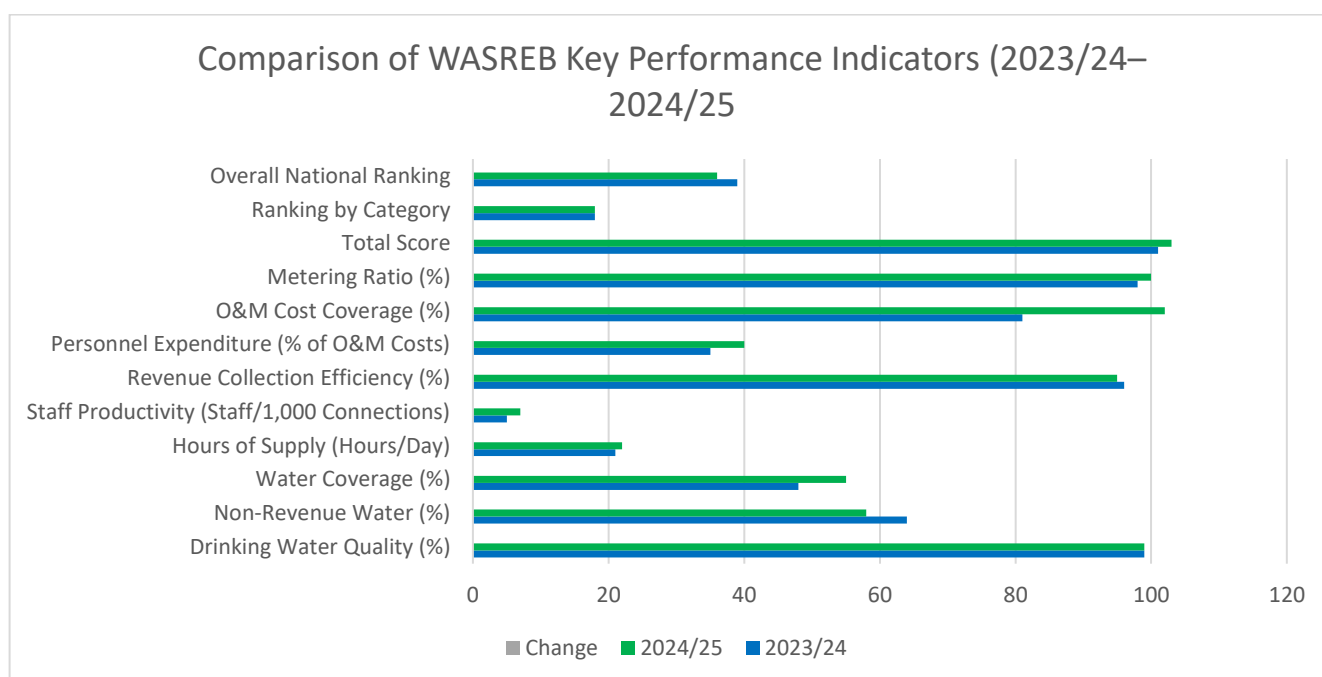


Figure 1: Comparison of WASREB Key Performance Indicators for the Former GWASCO (2023/24–2024/25)

The comparative assessment indicates that the former GWASCO registered an overall improvement in performance between FY 2023/24 and FY 2024/25, with the total WASREB score increasing from **101 to 103** and the overall national ranking improving from position **39th to 36th**.

The utility maintained excellent compliance with drinking water quality standards while recording notable improvements in water coverage, continuity of supply, metering ratio, and operation and maintenance cost coverage. These improvements demonstrate progress in service delivery, financial performance, and operational management.

Despite these achievements, several performance gaps persisted. Non-Revenue Water remained high at **58%**, significantly above the regulatory target, indicating continued physical and commercial losses. Staff productivity declined due to an increase in the number of staff per 1,000 connections, while personnel costs accounted for a larger proportion of operating expenditure. Revenue collection efficiency also declined marginally, although it remained at a satisfactory level.

These historical performance trends informed the development of the KWASCO Strategic Plan 2025-2030. Consequently, the Company has prioritized interventions aimed at reducing Non-Revenue Water, expanding water and sewerage coverage, strengthening financial sustainability, improving operational efficiency, enhancing staff productivity, and maintaining high standards of water quality and customer service.

2.2.2. KWASCO Performance Analysis

Following its establishment on **1 July 2025**, KWASCO inherited water and sanitation infrastructure, operational systems, human resources, and service responsibilities within Kisii County from the former GWASCO. The Company's first year of operation has therefore focused on institutional stabilization, strengthening governance structures, improving operational efficiency, and ensuring continuity of service delivery.

As at 30 June 2026, the Company's key performance indicators were as follows:

Table 2: KWASCO Performance

Performance Indicator	Baseline (2025/26)
Active Water Connections	12,302
Population Served	612,913
Water Coverage	55.29%
Sewerage Coverage	15%
Water Supply Schemes	7
Wastewater Treatment Works	1 (Suneka)
Average Water Production	8,250 m ³ /day
Non-Revenue Water (NRW)	56%
Staff Establishment	140 Employees

The baseline assessment indicates that while the Company has maintained continuity of water supply and sanitation services following de-clustering, significant challenges remain. High Non-Revenue Water, ageing

infrastructure, limited water production capacity, inadequate distribution networks, insufficient sewerage coverage, increasing demand for water services, climate change, and financial constraints continue to affect operational performance.

Despite these challenges, the Company has established the institutional foundation necessary for long-term growth and service improvement. The Strategic Plan 2025 - 2030 therefore focuses on expanding service coverage, reducing Non-Revenue Water, improving operational efficiency, strengthening financial sustainability, enhancing customer satisfaction, investing in infrastructure development, and building institutional capacity.

Subsequent sections of this chapter analyse the Company's internal and external operating environment, stakeholder expectations, and strategic issues to inform the strategic direction and priorities for the five-year planning period.

2.2.3. Analysis of Past Performance

As Kisii Water and Sanitation Company PLC (KWASCO) commenced operations on 1 July 2025 following the de-clustering of the former Gusii Water and Sanitation Company Limited (GWASCO), the Company has no historical performance record of its own. Consequently, the performance of the former GWASCO, as reported in the WASREB Performance Reports for FY 2023/24 and FY 2024/25, provides the baseline for this Strategic Plan.

The comparative analysis indicates that the former GWASCO recorded improvements in several Key Performance Indicators (KPIs) between FY 2023/24 and FY 2024/25. The overall performance score improved from **101** to **103**, while the national ranking improved from **39** to **36** among publicly owned Water Service Providers. Nevertheless, significant operational and financial challenges remained and have informed the strategic priorities of KWASCO.

2.2.3.1. Drinking Water Quality

Drinking water quality remained consistently high at **99%** in both FY 2023/24 and FY 2024/25, demonstrating continued compliance with national drinking water quality standards. KWASCO will sustain this performance through continuous water quality monitoring, laboratory capacity enhancement, adequate treatment chemical management, and strict compliance with WASREB and Ministry of Health standards.

2.2.3.2. Water Coverage

Water coverage improved from **48%** in FY 2023/24 to **55%** in FY 2024/25, reflecting expansion of the water distribution network and increased customer connections. Despite this progress, a considerable proportion of the population remains without access to piped water services due to inadequate distribution infrastructure, limited production capacity, and insufficient last-mile connectivity.

During the Strategic Plan period, KWASCO will prioritize infrastructure expansion, rehabilitation of ageing networks, implementation of last-mile connectivity projects, and increased customer connections to enhance service coverage across Kisii County.

2.2.3.3. Hours of Supply

Average hours of water supply improved from **21 hours** to **22 hours per day**, indicating enhanced service reliability. However, interruptions continue to occur due to ageing infrastructure, leakages, power outages, and operational constraints.

KWASCO will invest in rehabilitation of transmission and distribution pipelines, optimization of water production systems, storage enhancement, and preventive maintenance to progressively achieve continuous water supply.

2.2.3.4. Personnel Expenditure as a Percentage of O&M Costs

Personnel expenditure increased from **35%** to **40%** of Operation and Maintenance (O&M) costs. Although this reflects investment in human resources, it also places pressure on operational expenditure.

The Company will enhance labour productivity through organizational restructuring, staff capacity development, automation of business processes, and improved performance management while maintaining prudent expenditure control.

2.2.3.5. Operation and Maintenance Cost Coverage

Operation and Maintenance Cost Coverage improved significantly from **81%** in FY 2023/24 to **102%** in FY 2024/25, indicating that operating revenue became sufficient to meet operating and maintenance expenses.

KWASCO will build on this achievement by strengthening revenue generation, improving cost efficiency, optimizing energy consumption, and implementing prudent financial management practices to ensure long-term financial sustainability.

2.2.3.6. Revenue Collection Efficiency

Revenue Collection Efficiency remained strong, recording **96%** in FY 2023/24 and **95%** in FY 2024/25. Although there was a marginal decline, the performance remained above the regulatory benchmark.

The Company will continue strengthening billing accuracy, debt management, customer engagement, digital payment platforms, and enforcement of credit control measures to sustain high collection efficiency.

2.2.3.7. Non-Revenue Water (NRW)

Non-Revenue Water reduced from **64%** to **58%**, representing a notable improvement. However, NRW remains significantly above the acceptable regulatory threshold, indicating substantial physical and commercial water losses.

Reducing NRW will remain one of KWASCO's highest strategic priorities through active leak detection, pressure management, meter replacement, illegal connection regularization, establishment of District Metered Areas (DMAs), network rehabilitation, and enhanced data-driven monitoring.

2.2.3.8. Staff Productivity

Staff productivity declined from **5** to **7 staff per 1,000 water connections**, indicating reduced labour efficiency.

The Company will improve productivity through automation, digitization of operations, staff training, performance-based management, and optimization of workforce deployment.

2.2.3.9. Metering Ratio

The metering ratio improved from **98%** to **100%**, indicating that all active customer connections were metered.

KWASCO will maintain universal metering through timely replacement of defective meters, implementation of smart metering technologies, and regular meter calibration to enhance billing accuracy and reduce commercial water losses.

Table 3: GWASCO KPI Score as per WASREB Impact Reports 17 and 18

WASREB Key Performance Indicator	WASREB Target (Large WSP: Population 100,000 - 500,000)	2023/24	2024/25	Remarks (2024/25)
Quality of Services				
1. Water Coverage (%)	>90%	48%	55%	Non-Acceptable
2. Drinking Water Quality (%)	>95%	99%	99%	Good
3. Hours of Supply (hrs/day)	17-24	21	22	Good
Economic Efficiency				
4. Personnel Expenditure as % of Total O&M Costs	<20%	35%	40%	Non-Acceptable
5. O&M Cost Coverage (%)	≥150%	81%	102%	Acceptable
6. Revenue Collection Efficiency (%)	>95%	96%	95%	Acceptable
Operational Sustainability				
7. Non-Revenue Water (%)	<20%	64%	58%	Non-Acceptable
8. Staff Productivity (Staff per 1,000 Water Connections)	<6 (Large WSP)	5	7	Acceptable
9. Metering Ratio (%)	100%	98%	100%	Good

2.3. General Challenges

During its first year of operations following the de-clustering of the former Gusii Water and Sanitation Company Limited (GWASCO), Kisii Water and Sanitation Company PLC (KWASCO) encountered several challenges that have influenced its strategic direction. The key challenges include:

- High Non-Revenue Water (NRW):** The Company continues to experience significant physical and commercial water losses due to ageing infrastructure, leakages, illegal connections, meter inaccuracies, and inadequate pressure management.
- Ageing and Inadequate Infrastructure:** Existing water supply and sewerage infrastructure requires rehabilitation, upgrading, and expansion to meet the growing demand for services and improve last-mile connectivity.
- Limited Water Production Capacity:** Increasing population, urbanization, and economic growth have increased demand for water beyond the current production and distribution capacity in some service areas.

- (d) **Financial Sustainability Constraints:** The Company faces limited financial resources for infrastructure development and modernization amid rising operational costs, particularly electricity, treatment chemicals, and maintenance.
- (e) **Climate Change and Environmental Degradation:** Climate variability, declining water yields, catchment degradation, and extreme weather events pose risks to sustainable water resource availability and service reliability.
- (f) **High Customer Expectations:** Customers increasingly demand reliable water supply, improved service quality, prompt response to complaints, and enhanced customer engagement.
- (g) **Institutional Capacity Development:** As a newly established Company, KWASCO continues to strengthen its governance structures, policies, systems, internal controls, and organizational capacity to support efficient service delivery.
- (h) **Technology and Digital Transformation:** There is a need to modernize business processes through integrated Enterprise Resource Planning (ERP), Geographic Information Systems (GIS), smart metering, customer information systems, and automation of operational processes.
- (i) **Regulatory and Compliance Requirements:** The Company must continuously comply with the requirements of the Water Act, 2016, WASREB regulations, environmental laws, public finance regulations, and other applicable legal frameworks.
- (j) **Resource Mobilization:** The substantial investment required for infrastructure expansion and rehabilitation necessitates enhanced partnerships with the County Government, National Government, development partners, financial institutions, and the private sector.

2.4. Critical Success Factors

Successful implementation of the KWASCO Strategic Plan 2025–2030 will depend on the following critical success factors:

- (a) Strong leadership, corporate governance, and commitment by the Board of Directors and Management.
- (b) Continued support from the County Government of Kisii, the National Government, Water Services Regulatory Board (WASREB), Lake Victoria South Water Works Development Agency (LVSWWDA), Water Sector Trust Fund (WSTF), and other sector institutions.
- (c) Adequate financial resources through improved revenue generation, prudent financial management, and effective resource mobilization.
- (d) Investment in rehabilitation, expansion, and modernization of water supply and sanitation infrastructure.
- (e) Effective implementation of Non-Revenue Water reduction programmes through network rehabilitation, active leak detection, pressure management, meter replacement, and regularization of illegal connections.
- (f) Adoption of digital technologies, including integrated ERP systems, GIS, smart metering, customer information systems, and data-driven decision-making.
- (g) Recruitment, retention, continuous capacity building, and performance management of competent and motivated staff.

- (h) Effective monitoring, evaluation, learning, and performance reporting to facilitate timely implementation, accountability, and continuous improvement.
- (i) Strong stakeholder engagement, customer participation, strategic partnerships, and effective communication to enhance service delivery and customer satisfaction.
- (j) Promotion of innovation, environmental sustainability, climate resilience, and responsible management of water resources to ensure long-term service reliability and sustainability.

CHAPTER THREE

SITUATIONAL AND STAKEHOLDER ANALYSIS

3. Situational Analysis

The purpose of the situational analysis is to provide a comprehensive assessment of the internal and external environment within which Kisii Water and Sanitation Company PLC (KWASCO) operates. The analysis identifies the key factors that influence the Company's ability to achieve its mandate, realize its Vision and Mission, and deliver reliable, affordable, and sustainable water and sanitation services to the residents of Kisii County. It also provides an evidence-based foundation for identifying strategic priorities, addressing institutional challenges, and exploiting opportunities for growth and improved service delivery.

To achieve this, the Strategic Planning Team applied four complementary analytical tools. The McKinsey 7-S Framework was used to assess the Company's internal organizational capacity by examining the alignment of its Strategy, Structure, Systems, Staff, Skills, Style, and Shared Values. A SWOT Analysis was undertaken to identify the Company's internal strengths and weaknesses, together with the external opportunities and threats that may affect its performance. A PESTEL Analysis was conducted to evaluate the Political, Economic, Social, Technological, Environmental, and Legal factors influencing the Company's operating environment. In addition, a Stakeholder Analysis was carried out to identify KWASCO's key stakeholders, understand their expectations and interests, and determine appropriate strategies for effective engagement and collaboration.

The findings from these analyses informed the identification of the Company's strategic issues, which form the basis for the Strategic Themes, Strategic Objectives, Strategies, Key Performance Indicators (KPIs), and implementation framework contained in this Strategic Plan. Through this systematic assessment, the Strategic Plan is anchored on the realities of the Company's operating environment and provides a practical roadmap for enhancing institutional performance, expanding service coverage, strengthening financial sustainability, improving customer satisfaction, and promoting environmental stewardship over the period 2025–2030.

3.1. Internal Environmental Analysis

An internal environmental analysis was undertaken to assess KWASCO's institutional capacity, operational effectiveness, governance systems, human resources, financial capability, and organizational culture. The purpose of this analysis was to identify the internal factors that support or hinder the Company's ability to achieve its strategic objectives and fulfil its mandate of providing safe, reliable, affordable, and sustainable water and sanitation services within Kisii County.

The analysis focused on evaluating the Company's organizational strengths, operational capabilities, systems, processes, and resource base. It also identified institutional gaps requiring strategic interventions to improve service delivery, operational efficiency, financial sustainability, and organizational performance during the implementation of the Strategic Plan.

To undertake this assessment, the Strategic Planning Team applied two complementary analytical tools. The McKinsey 7-S Framework was used to evaluate the alignment of the Company's seven critical organizational elements, namely Strategy, Structure, Systems, Staff, Skills, Style, and Shared Values. This assessment provided insights into the Company's institutional readiness to implement its strategic priorities effectively. In addition, a Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis was conducted to identify KWASCO's internal strengths and weaknesses that influence its performance and competitiveness.

The findings of the internal environmental analysis informed the development of strategic interventions aimed at strengthening corporate governance, enhancing institutional capacity, improving operational efficiency, modernizing business systems, promoting innovation, and building a high-performing organization capable of delivering quality water and sanitation services. These findings also provide the basis for the strategic objectives and implementation strategies outlined in this Strategic Plan.

3.1.1. McKinsey 7-S Framework Analysis

The McKinsey 7-S Framework was used to assess KWASCO's organizational readiness and institutional capacity to successfully implement the Strategic Plan 2025–2030. The framework provides a holistic approach to evaluating the extent to which the Company's internal elements are aligned in support of its strategic direction and operational objectives.

The assessment examined seven interdependent organizational elements: Strategy, Structure, Systems, Staff, Skills, Style, and Shared Values. These elements collectively influence the Company's effectiveness, efficiency, adaptability, and overall performance. The analysis sought to determine the strengths of the existing institutional arrangements, identify areas requiring improvement, and establish strategic interventions necessary to enhance organizational performance.

The assessment was undertaken through consultative engagements involving the Board of Directors, Management, and representatives of staff. Participants evaluated each of the seven elements to determine their level of alignment with the Company's Vision, Mission, Core Values, Strategic Themes, and operational priorities. The exercise also identified institutional gaps, operational constraints, and opportunities for organizational improvement that could enhance service delivery and long-term sustainability.

The findings of the McKinsey 7-S Framework informed the development of targeted interventions aimed at strengthening governance, improving organizational structures, enhancing business systems, building staff capacity, promoting effective leadership, and embedding a performance-oriented organizational culture. These interventions are summarized in the sections that follow and provide a foundation for successful implementation of the Strategic Plan.

Table 4: McKinsey 7-S Framework Analysis

Element	Key Issues Identified	Strategic Intervention
1) Strategy	Limited understanding of the Strategic Plan across the organization.	Cascade the Strategic Plan to all staff and align departmental work plans and performance contracts with strategic objectives.
	Resistance to organizational change and innovation.	Implement organizational change management and continuous communication programmes.
	High Non-Revenue Water (NRW).	Strengthen implementation of the NRW Reduction Strategy through active leakage control, metering, pressure management and enforcement.
	Need to strengthen implementation of corporate policies.	Regularly review, disseminate and monitor compliance with Company policies and procedures.
	Revenue enhancement initiatives require strengthening.	Implement revenue enhancement and debt management strategies and improve customer billing efficiency.
2) Structure	Need to align the organizational structure with business growth and strategic priorities.	Periodically review the organizational structure to support efficient service delivery.
	Inadequate coordination between departments.	Strengthen cross-functional coordination and clearly define reporting relationships.
	Unclear delegation of responsibilities in some functions.	Review reporting lines and enhance accountability through documented responsibilities.
3) Systems	Need for integrated Enterprise Resource Planning (ERP) and automation.	Implement an integrated ERP system covering finance, procurement, HR, stores and asset management.
	Limited integration between billing, finance and customer information systems.	Integrate business systems to improve operational efficiency and reporting.
	Ageing customer database and meter records.	Continuously update customer and asset databases using GIS and Customer Information Systems (CIS).
	Inadequate internal communication systems.	Develop and implement an internal communication framework supported by digital platforms.

	Need to strengthen operational manuals and Standard Operating Procedures (SOPs).	Regularly review and update operational manuals and SOPs.
4) Staff	Skills gaps in specialized technical areas.	Recruit competent staff and implement targeted capacity-building programmes.
	Need for effective succession planning.	Develop and implement a succession planning framework.
	Need to strengthen performance management.	Implement performance contracts linked to strategic objectives and key performance indicators.
	Staff motivation and retention require improvement.	Develop staff welfare, recognition and reward programmes.
	Training not fully aligned to organizational needs.	Undertake regular Training Needs Assessments and implement annual training plans.
5) Skills	Need for enhanced competencies in engineering, ICT, finance, customer service, environmental management and NRW management.	Implement continuous professional development and specialized technical training.
	Need to strengthen innovation and digital skills.	Promote digital literacy, innovation and knowledge management across the Company.
6) Style (Leadership)	Need for enhanced staff engagement and participatory leadership.	Promote transformational leadership, teamwork, accountability and open communication.
	Need to strengthen decision-making based on data and performance.	Institutionalize evidence-based planning and performance management.
7) Shared Values	Need to strengthen awareness and application of the Company's Core Values.	Integrate Core Values into staff induction, performance appraisal and organizational culture programmes.
	Need to strengthen customer-centric culture.	Enhance customer engagement, service standards and feedback mechanisms.
	Need to strengthen gender equality, diversity and inclusion.	Mainstream gender, diversity and inclusion in all Company programmes and policies.
	Need to strengthen integrity and ethical conduct.	Enforce the Code of Conduct and strengthen ethics and anti-corruption initiatives.

3.1.2. SWOT Analysis

A Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis was undertaken to assess KWASCO's internal capabilities and the external environment in which it operates. The analysis provides an understanding of the Company's competitive position by identifying its internal strengths and weaknesses, as well as the opportunities and threats that may influence the successful implementation of the Strategic Plan 2025–2030. The findings informed the identification of strategic issues and the formulation of appropriate strategies to enhance service delivery, strengthen institutional capacity, improve financial sustainability, and achieve the Company's long-term objectives.

Table 5: SWOT Analysis

A. Strengths

Strengths	How to Enhance or Sustain
Established legal mandate under the Water Act, 2016 and Companies Act, 2015.	Maintain full compliance with statutory and regulatory requirements and strengthen corporate governance.
Strong support from the County Government of Kisii and sector institutions.	Strengthen collaboration through regular stakeholder engagement, joint planning and implementation of priority projects.
Competent Board of Directors with diverse professional expertise.	Enhance Board capacity through continuous governance training, benchmarking and performance evaluation.
Experienced and committed workforce.	Implement continuous professional development, succession planning and performance management.
High compliance with drinking water quality standards (99%).	Continue investment in laboratory facilities, water quality monitoring and preventive maintenance.
Modern water treatment facilities and established distribution network.	Rehabilitate, maintain and optimize infrastructure to improve reliability and efficiency.
High revenue collection efficiency and improved financial controls.	Strengthen debt management, customer billing and revenue assurance programmes.
Established digital payment platforms and customer billing systems.	Enhance digital services through system integration, automation and improved customer self-service platforms.
Strong partnerships with WASREB, LVSWWDA, County Government and development partners.	Expand strategic partnerships for technical assistance, financing and infrastructure development.
Availability of operational and customer data to support decision-making.	Strengthen data governance, GIS, customer information systems and business intelligence tools.

B. Weaknesses

Weaknesses	How to Address
High Non-Revenue Water (56%).	Implement a comprehensive NRW Reduction Programme including leak detection, pressure management, meter replacement and regularization of illegal connections.
Limited water and sewerage coverage.	Expand infrastructure through strategic investments and last-mile connectivity projects.
Ageing water distribution infrastructure.	Prioritize rehabilitation and replacement of ageing pipelines and equipment.
Limited water production capacity in some service areas.	Invest in expansion of treatment facilities, storage capacity and development of new water sources.
High operational costs, particularly electricity and treatment chemicals.	Improve energy efficiency, optimize operations and adopt cost-saving technologies.
Inadequate automation of business processes.	Implement an integrated ERP, GIS and digital workflow management systems.
Limited financial resources for capital investment.	Strengthen internally generated revenue and diversify resource mobilization through grants, loans and Public-Private Partnerships (PPPs).
Skills gaps in specialized technical areas.	Undertake Training Needs Assessments and recruit specialized personnel where necessary.
Inadequate sewerage infrastructure.	Develop phased sewerage expansion projects and mobilize investment resources.
Customer complaints arising from intermittent water supply.	Improve operational efficiency, communication and customer service response mechanisms.

C. Opportunities

Opportunities	How to Leverage
Growing urbanization and increasing demand for water services.	Expand customer connections and invest in infrastructure development.
County Government commitment to improving water and sanitation services.	Align projects with County development priorities and mobilize County funding.
National Government investment in the water sector.	Pursue funding opportunities under national water programmes and strategic initiatives.
Development partner support.	Strengthen partnerships and prepare bankable project proposals for infrastructure financing.
Advances in digital technology and smart water management.	Invest in smart metering, GIS, SCADA, ERP and digital customer service platforms.
Availability of climate financing and green infrastructure funding.	Develop climate-resilient projects eligible for green financing and donor support.

Public-Private Partnerships (PPPs).	Engage private sector partners in infrastructure development, technology and service delivery.
Growing public awareness on environmental conservation.	Strengthen catchment protection, water conservation and community engagement programmes.
Emerging innovations in renewable energy.	Adopt solar-powered pumping and energy-efficient technologies to reduce operating costs.

D. Threats

Threats	Mitigation Measures
Climate change and prolonged droughts.	Diversify water sources, protect catchments and strengthen climate resilience programmes.
Catchment degradation and environmental pollution.	Collaborate with stakeholders on watershed conservation and enforcement of environmental regulations.
Rising electricity, fuel and chemical costs.	Improve operational efficiency, invest in renewable energy and optimize resource utilization.
Population growth and rapid urbanization.	Expand production, storage and distribution infrastructure to meet increasing demand.
Illegal water connections and vandalism.	Strengthen surveillance, customer regularization and enforcement measures.
Inflation and economic instability.	Improve financial planning, cost control and revenue diversification.
Changes in regulatory and policy requirements.	Maintain continuous compliance and strengthen regulatory engagement.
Public health emergencies and natural disasters.	Develop and implement business continuity and emergency response plans.
Competition from private boreholes and alternative water sources.	Improve service reliability, customer satisfaction and water quality to retain and attract customers.

3.2. External Environmental Analysis

3.2.1. Political, Economic, Social, Technological, Legal and Environmental (PESTLE) Analysis

The external environment comprises factors that are largely beyond the direct control of Kisii Water and Sanitation Company PLC (KWASCO) but have a significant influence on its operations, service delivery, financial sustainability, and long-term growth. Understanding these factors enables the Company to anticipate emerging challenges, capitalize on available opportunities, and formulate appropriate strategies for achieving its strategic objectives.

A PESTLE analysis was undertaken to evaluate the Political, Economic, Social, Technological, Legal, and Environmental factors that are likely to influence the implementation of the Strategic Plan 2025–2030. The analysis considered the prevailing national and county policy environment, economic conditions,

demographic trends, technological advancements, regulatory requirements, climate change, and environmental sustainability issues affecting the water and sanitation sector.

The findings of the PESTLE analysis provide valuable insights into the external opportunities and threats facing KWASCO and inform the formulation of strategic interventions aimed at enhancing resilience, improving operational efficiency, strengthening compliance, promoting innovation, and ensuring sustainable water and sanitation service delivery.

The results of the analysis are summarized in Table 6.

Table 6: PESTEL Analysis

Factor	Key Issues/Implications	Strategic Response
Political	• Strong support from the County Government of Kisii. • National water sector reforms and Government policies. • Government commitment to Universal Health Coverage (UHC), SDGs and the Bottom-Up Economic Transformation Agenda (BETA). • Political interference in operational decisions and revenue enforcement. • Devolution and changing policy priorities.	• Strengthen collaboration with County and National Governments. • Align programmes with national and county development priorities. • Enhance stakeholder engagement and policy advocacy. • Promote good corporate governance and institutional independence. • Position projects for government and donor funding.
Economic	• Inflation increasing the cost of goods and services. • Rising electricity and water treatment chemical costs. • Limited financial resources for infrastructure investment. • Customer affordability challenges and revenue collection risks. • Need for cost-reflective tariffs.	• Improve operational efficiency and cost management. • Reduce Non-Revenue Water (NRW). • Diversify funding through grants, PPPs and climate financing. • Strengthen revenue collection and financial management. • Support periodic tariff reviews in accordance with WASREB guidelines.
Social	• Rapid population growth and urbanization. • Increasing demand for reliable water and sanitation services. • Growing customer expectations for quality	• Expand water and sewerage infrastructure. • Improve customer service and communication.

	service. • Public perception that water should be provided at minimal cost. • Need for greater community participation and customer awareness.	• Strengthen public participation and stakeholder engagement. • Conduct customer education and awareness programmes. • Promote equitable access to water and sanitation services.
Technological	• Emerging smart water technologies. • Need for integrated ERP and digital business systems. • Smart metering, GIS and SCADA technologies. • Digital payment platforms and online customer services. • Cybersecurity and data management requirements.	• Accelerate digital transformation. • Implement an integrated ERP system. • Deploy smart meters and GIS-based asset management. • Strengthen ICT infrastructure and cybersecurity. • Enhance digital customer engagement and data analytics.
Environmental	• Climate change affecting water availability. • Catchment degradation and deforestation. • Water pollution from domestic and agricultural activities. • Soil erosion and environmental degradation. • Increasing emphasis on environmental sustainability and climate resilience.	• Protect and conserve water catchment areas. • Promote integrated water resources management. • Invest in climate-resilient infrastructure. • Strengthen environmental monitoring and pollution control. • Promote afforestation, watershed conservation and environmental awareness.
Legal	• Water Act, 2016. • Constitution of Kenya, 2010. • WASREB licensing and regulatory requirements. • Companies Act, 2015. • Public Finance Management Act, PPADA, Employment Act, EMCA, OSHA and Data Protection Act. • Increasing regulatory compliance requirements.	• Ensure full compliance with all applicable laws and regulations. • Strengthen corporate governance and internal controls. • Regularly review Company policies and procedures. • Build staff capacity on regulatory compliance. • Maintain effective engagement with regulators and oversight institutions.

3.3. Stakeholder Analysis

Stakeholder analysis is a systematic process of identifying stakeholders, understanding their interests and expectations, and determining appropriate strategies for enhancing collaboration and managing stakeholder relationships. The analysis enables Kisii Water and Sanitation Company PLC (KWASCO) to align stakeholder expectations with its strategic objectives, strengthen partnerships, improve accountability, and facilitate effective implementation of the Strategic Plan 2025-2030.

The Company recognizes that successful implementation of this Strategic Plan will require active participation and support from customers, government institutions, regulators, development partners, employees, suppliers, financial institutions, and the communities it serves. The Company will continue to strengthen stakeholder relationships through effective communication, accountability, transparency, and collaborative partnerships. Table 3.7 summarizes the key stakeholders, their expectations, KWASCO's expectations, and the strategies for sustaining mutually beneficial relationships.

Table 7: Stakeholder Analysis

Stakeholder	Stakeholder Expectations from KWASCO	KWASCO Expectations	Engagement / Response Strategy
Customers	Reliable, safe and affordable water and sanitation services; timely response to complaints; quality customer service	Prompt payment of bills; protection of infrastructure; reporting leakages and illegal connections; cooperation	Customer satisfaction surveys, customer education, digital customer platforms, smart metering, customer engagement forums
County Government of Kisii	Efficient service delivery; accountability; achievement of County development priorities	Policy support; infrastructure funding; land acquisition support; political goodwill	Performance reporting, joint planning, regular consultations, alignment with CIDP and ADPs
Water Services Regulatory Board (WASREB)	Compliance with licence conditions and performance standards	Regulatory guidance; performance evaluation; sector benchmarking	Timely reporting, implementation of regulatory recommendations, continuous compliance
Lake Victoria South Water Works Development Agency (LVSWWDA)	Proper utilization of water infrastructure; collaboration on development projects	Technical support; asset development; project financing	Joint planning, project implementation, asset management collaboration
Water Resources Authority (WRA)	Sustainable abstraction and protection of water resources	Water abstraction permits; catchment management support	Compliance with permits, catchment conservation programmes, integrated

			water resources management
National Environment Management Authority (NEMA)	Environmental compliance and pollution control	Environmental approvals and technical guidance	Environmental Assessments (EIAs), environmental audits, climate resilience initiatives
Development Partners and NGOs	Transparency, accountability, project sustainability and measurable impact	Technical assistance; grants; concessional financing; knowledge sharing	Project proposals, monitoring and evaluation reports, transparent financial reporting
Board of Directors	Good governance; compliance; prudent resource utilization; improved organizational performance	Strategic leadership; policy approval; oversight; resource mobilization	Regular Board reporting, governance training, implementation of Board resolutions
Employees	Fair remuneration; career development; safe workplace; training opportunities	Professionalism; integrity; productivity; commitment to organizational goals	Performance management, capacity building, staff engagement, recognition and wellness programmes
County Assembly of Kisii	Accountability, prudent use of public resources and quality service delivery	Legislative support; budget approvals; policy oversight	Timely reporting, stakeholder engagement and regular consultations
Suppliers and Contractors	Fair procurement processes; timely payments; transparency	Quality goods, works and services; competitive pricing; timely delivery	Compliance with PPADA, contract management, prompt communication and payment
Financial Institutions	Sound financial management and timely repayment of obligations	Banking services; loans; financial advisory services	Prudent financial management, timely servicing of facilities, strong financial reporting
Private Sector / PPP Partners	Transparent partnerships and investment opportunities	Investment, innovation, technology transfer and financing	Public-Private Partnerships (PPPs), joint investment initiatives, stakeholder forums
Communities and Local Leaders	Expanded access to water; environmental conservation; employment opportunities	Community support; protection of infrastructure; public participation	Community engagement, Corporate Social Responsibility (CSR), environmental conservation programmes
Other Water Service Providers (WSPs)	Collaboration, benchmarking and sharing of best practices	Knowledge sharing and technical collaboration	Benchmarking visits, WASPA participation, peer learning programmes

Kenya Union of Water and Sewerage Employees (KUWASE)	Improved staff welfare; fair labour practices; collective bargaining	Industrial harmony and constructive engagement	Regular consultations, compliance with labour laws, dispute resolution mechanisms
National Government Ministries and Agencies	Alignment with national policies and achievement of sector goals	Policy direction; technical support; funding	Compliance with national frameworks, collaboration in programme implementation, periodic reporting
Media	Timely, accurate and factual information	Responsible reporting and public awareness	Media briefings, press releases, public communication strategy

CHAPTER FOUR

STRATEGIC MODEL

4. Strategic Model

4.1. Introduction

This chapter presents the strategic model that will guide the implementation of the Kisii Water and Sanitation Company PLC (KWASCO) Strategic Plan 2025–2030. The strategic model has been developed based on the findings of the performance review presented in Chapter Two, the situational and stakeholder analyses presented in Chapter Three, and the Company's legal and institutional mandate.

These analyses identified the Company's key strategic issues, opportunities, risks, stakeholder expectations and emerging sector trends that require focused interventions during the five-year planning period.

The strategic model translates the identified strategic issues into priority areas of intervention through clearly defined Strategic Themes, Strategic Objectives, Strategies, Key Performance Indicators (KPIs), targets and expected results. It provides the framework for improving institutional performance, expanding access to water and sanitation services, strengthening financial sustainability, enhancing customer satisfaction, promoting environmental sustainability, strengthening corporate planning and resource mobilization, and embracing innovation and digital transformation.

The implementation of this strategic model will guide decision-making, resource allocation, annual work planning, budgeting, procurement, monitoring, evaluation, reporting and performance management throughout the Strategic Plan period.

4.2. Strategic Issues

The strategic issues were identified through the review of the Company's past performance, internal and external environmental analyses, stakeholder consultations and consideration of emerging trends in the water and sanitation sector.

The key strategic issues to be addressed during the Strategic Plan period are:

1. Limited water service coverage and inadequate last-mile connectivity.
2. Low sewerage coverage and inadequate sanitation infrastructure.
3. High Non-Revenue Water (NRW) resulting from physical and commercial losses.
4. Ageing and inadequate water supply, transmission and distribution infrastructure.
5. Limited water production and storage capacity to meet growing demand.
6. Increasing demand for water and sanitation services arising from population growth, urbanization and socio-economic development.
7. High operational costs, particularly electricity and water treatment chemicals.
8. Financial sustainability challenges, including revenue collection, customer receivables, cost recovery and the need for additional investment resources.
9. Climate change, environmental degradation and pressure on water catchment areas.
10. Need for digital transformation, automation and adoption of smart water technologies.
11. Institutional capacity gaps in human resources, governance, systems, internal controls and organizational performance.
12. Increasing stakeholder expectations for quality, reliable, affordable, responsive and customer-centred services.
13. Need to strengthen corporate planning, monitoring, evaluation and performance management.

14. Need to enhance resource mobilization and strategic partnerships to support priority infrastructure and institutional investments.

These strategic issues provide the basis for the five Strategic Themes that constitute the Company's strategic direction for 2025–2030.

4.3. Strategic Priorities

The strategic priorities of Kisii Water and Sanitation Company PLC (KWASCO) have been developed from the findings of the performance review, internal and external environmental analyses, stakeholder consultations and the Company's legal mandate.

The Strategic Plan is anchored on the following five Strategic Themes:



Figure 2: Strategic Priorities

The five themes are interrelated and collectively provide the framework for achieving the Company's Vision and Mission.

Strategic Theme 1: Enhanced Services Coverage

Expanding access to safe, reliable and sustainable water and sanitation services is a core mandate and priority of KWASCO.

The Company currently serves approximately 612,913 people through 12,302 active water connections, while water coverage stands at approximately 55.29%. Sewerage coverage remains approximately 15%. Service delivery is further constrained by inadequate production capacity, ageing infrastructure, limited storage capacity, insufficient last-mile connectivity, high Non-Revenue Water and limited sewerage infrastructure.

During the Strategic Plan period, KWASCO will prioritize the rehabilitation and expansion of water production, transmission, storage and distribution infrastructure; extension of water and sewerage networks; increased customer connections; improvement of service reliability; reduction of service interruptions; enhancement of drinking-water quality; improvement of wastewater treatment; and reduction of Non-Revenue Water.

The Company will also strengthen water-resource protection, catchment conservation, environmental sustainability and climate resilience to ensure that increased service coverage is supported by sustainable water resources and resilient infrastructure.

Expected result: Increased access to safe and reliable water and sanitation services, improved service quality and reliability, expanded infrastructure and enhanced environmental sustainability.

Strategic Theme 2: Institutional Capacity Strengthening

Effective and sustainable delivery of water and sanitation services depends on strong governance, competent human resources, efficient business processes, sound internal controls, modern ICT systems and effective organizational structures.

KWASCO will strengthen corporate governance, human-resource capacity, staff productivity, institutional performance, legal and regulatory compliance, internal controls, risk management and ICT-enabled business processes.

The Company will implement targeted staff training and capacity-development programmes, strengthen performance management, optimize workforce productivity, automate key business processes, improve management information systems and promote accountability, integrity, innovation and continuous improvement.

Expected result: A competent, accountable, efficient, resilient and well-governed institution capable of delivering its mandate effectively.

Strategic Theme 3: Financial Sustainability

Financial sustainability is critical to KWASCO's ability to operate, maintain and expand water and sanitation infrastructure.

The Company's financial performance is affected by Non-Revenue Water, operating costs, customer receivables, infrastructure investment requirements and the need for improved cost recovery.

KWASCO will strengthen revenue generation, billing and collection efficiency, customer debt management, cost control, financial planning, budgeting and expenditure management.

The Company will implement measures to reduce Non-Revenue Water, improve operational efficiency and strengthen cost recovery. It will also pursue appropriate tariff measures in accordance with the applicable regulatory framework and strengthen financial resource mobilization to support infrastructure investment and service improvement.

Expected result: Improved revenue performance, stronger cost recovery, improved expenditure efficiency, reduced financial pressures and a financially sustainable Company.

Strategic Theme 4: Customer Service, Corporate Culture and Brand Improvement

Customers are at the centre of KWASCO's service delivery mandate. Sustainable improvement in water and sanitation services requires responsive customer service, effective communication, timely complaint resolution and a positive corporate culture.

KWASCO will strengthen customer engagement, feedback and complaints-management mechanisms and improve the timeliness and quality of responses to customer concerns.

The Company will expand digital customer-service and payment channels and use technology to improve accessibility, transparency and convenience.

KWASCO will also promote a customer-focused corporate culture, professional conduct, effective communication, teamwork, accountability and continuous improvement. Corporate branding and communication will be strengthened to improve the Company's visibility, public image and stakeholder confidence.

Expected result: Improved customer satisfaction, stronger customer relationships, enhanced corporate reputation and a responsive, service-oriented organizational culture.

Strategic Theme 5: Corporate Planning, Monitoring, Evaluation and Resource Mobilization

Effective implementation of the Strategic Plan requires strong corporate planning, performance management, monitoring, evaluation and reporting systems.

KWASCO will strengthen the linkage between strategic planning, annual work planning, budgeting, procurement, implementation and performance reporting.

The Company will institutionalize monitoring of strategic objectives, KPIs, annual targets and implementation milestones. Regular performance reviews will be undertaken to identify implementation challenges, corrective actions and opportunities for improvement.

KWASCO will also strengthen resource mobilization through development of investment proposals and engagement with development partners, Government institutions, financiers and other stakeholders.

Resource mobilization will focus on supporting priority investments in water supply, sanitation, institutional strengthening, digital transformation, climate resilience and other strategic interventions.

Expected result: Improved strategic-plan implementation, stronger performance accountability, timely corrective action and increased availability of resources for priority investments.

4.4. Strategic Objectives

The five Strategic Themes are translated into the following strategic objectives:

Strategic Objective 1

Expand access to safe, reliable and sustainable water and sanitation services and increase production, storage and distribution capacity.

This objective will focus on expanding water and sanitation coverage, increasing production and storage capacity, improving network infrastructure and reliability, increasing active connections, maintaining universal metering, improving water and wastewater quality, protecting water resources and strengthening climate resilience.

Strategic Objective 2

Strengthen institutional capacity, corporate governance, human-resource capability, ICT systems and organizational effectiveness.

This objective will focus on institutional performance, governance, staff productivity, capacity development, legal and regulatory compliance, internal controls, ICT systems, business-process automation and organizational effectiveness.

Strategic Objective 3

Improve financial sustainability and commercial performance through enhanced revenue generation, prudent financial management, cost efficiency and Non-Revenue Water reduction.

This objective will focus on revenue collection, billing efficiency, receivables management, cost recovery, expenditure control, Non-Revenue Water reduction, financial management, operational efficiency and resource mobilization.

Strategic Objective 4

Improve customer satisfaction, service quality, corporate culture and organizational image through responsive, innovative and digitally enabled service delivery.

This objective will focus on customer satisfaction, complaints management, digital payment channels, digital customer services, service responsiveness, corporate culture, stakeholder communication and brand improvement.

Strategic Objective 5

Strengthen corporate planning, monitoring, evaluation, performance management and resource mobilization to support effective implementation of the Strategic Plan.

This objective will focus on annual work planning, performance monitoring, evaluation, reporting, strategic-plan implementation, KPI tracking, investment planning, development-partner engagement and mobilization of financial and technical resources.

4.5. Strategic Strategies

The following strategies will guide implementation of the Strategic Objectives:

Table 8: Strategic Strategies

Strategic Theme	Strategic Objective	Key Strategies
Theme 1: Enhanced Services Coverage	Expand access to safe, reliable and sustainable water and sanitation services and increase production, storage and distribution capacity.	Expand and rehabilitate water infrastructure; increase production and storage capacity; extend distribution networks; increase connections; improve water quality; expand sewerage services; improve wastewater treatment; reduce service interruptions; protect water sources; implement climate-resilient infrastructure.
Theme 2: Institutional Capacity Strengthening	Strengthen institutional capacity, corporate governance, human-resource capability, ICT systems and organizational effectiveness.	Strengthen governance; improve HR planning and development; enhance staff productivity; strengthen internal controls and compliance; improve risk management; automate business processes; strengthen ICT infrastructure and systems; promote performance management and organizational learning.
Theme 3: Financial Sustainability	Improve financial sustainability and commercial performance through enhanced revenue generation, prudent financial management, cost efficiency and NRW reduction.	Improve billing and collection; strengthen debt recovery; reduce NRW; improve cost recovery; control operating expenditure; strengthen financial planning and reporting; optimize personnel and energy costs; pursue appropriate tariff measures; mobilize financial resources.
Theme 4: Customer Service, Corporate Culture and Brand Improvement	Improve customer satisfaction, service quality, corporate culture and organizational image through responsive, innovative and digitally enabled service delivery.	Strengthen customer care; improve complaints management; expand digital payment and customer-service channels; improve communication; promote customer-focused culture; strengthen corporate branding; enhance stakeholder engagement; improve service responsiveness.
Theme 5: Corporate Planning, Monitoring, Evaluation and Resource Mobilization	Strengthen corporate planning, monitoring, evaluation, performance management and resource mobilization to support effective implementation of the Strategic Plan.	Strengthen annual work planning; align budgets with strategic priorities; institutionalize M&E; conduct periodic performance reviews; strengthen reporting; track KPIs; develop investment proposals; engage development partners; mobilize Government and other resources; strengthen implementation accountability.

4.6. Strategic Performance Indicators and Targets

The implementation of the Strategic Plan will be guided by measurable Key Performance Indicators (KPIs). The KPIs provide a clear basis for measuring progress from the 2025/26 baseline to the annual targets and the end-term targets for 2029/30.

The principal strategic indicators include:

Theme 1: Enhanced Services Coverage

- Water Coverage
- Active Water Connections
- Water Production
- Hours of Supply
- Metering Ratio
- Sewerage Coverage
- Sanitation Coverage
- Drinking Water Quality Compliance
- Wastewater Treatment Compliance
- Catchment/Water Resource Protection Initiatives
- Climate-Resilient Interventions

Theme 2: Institutional Capacity Strengthening

- Institutional Capacity/Performance Score
- Staff Productivity
- Staff Trained Against Identified Needs
- Compliance with Legal and Regulatory Requirements
- Key Business Processes Automated

Theme 3: Financial Sustainability

- Revenue Collection Efficiency
- Personnel Expenditure as a Percentage of O&M Costs
- O&M Cost Coverage
- Non-Revenue Water
- Customer Receivables
- Annual Operating Revenue

Theme 4: Customer Service, Corporate Culture and Brand Improvement

- Customer Satisfaction Index
- Customer Complaints Resolved within Prescribed Period
- Customers Using Digital Payment Channels
- Customer Complaint Resolution Time
- Digital Customer Services Available

Theme 5: Corporate Planning, Monitoring, Evaluation and Resource Mobilization

- Strategic Plan Implementation Rate
- External Resources Mobilized

The detailed baselines, annual targets, interventions, responsibilities, budgets and funding sources are provided in **Annex I: KWASCO Strategic Plan 2025–2030 Implementation Matrix**.

4.7. Strategic Results Framework

The Strategic Model establishes a direct link between the Company's strategic direction and its implementation and performance-management systems.

The results chain will be structured as follows:

Strategic Results Framework: Strategic Theme → Strategic Objective → Strategy → Key Activity/Intervention → KPI → Baseline → Annual Target → Responsibility → Budget → Funding Source → Expected Result.

This results-based approach will ensure that the Strategic Plan is directly linked to annual work planning, budgeting, resource allocation, implementation, monitoring, evaluation and institutional performance management.

Each Strategic Theme will be translated into annual programmes and activities. The annual targets will be reviewed through periodic performance assessments, while corrective actions will be undertaken where implementation performance falls below the planned targets.

The implementation matrix will therefore serve as the principal framework for translating the Strategic Plan into actionable annual programmes and budgets.

4.8. Strategic Model Implementation Logic

The implementation of the Strategic Model will follow an integrated planning and performance-management cycle:

Strategic Model Implementation Logic

Integrated Planning and Performance-Management Cycle



Figure 3: Strategic Model Implementation Logic

This approach will enable KWASCO to maintain a clear line of sight between strategic priorities, available resources, implementation activities and measurable institutional results.

4.9. Linkage with Annual Planning and Budgeting

The Strategic Plan will be operationalized through annual work plans and budgets. Each department and responsible unit will develop annual activities and targets that are directly linked to the Strategic Themes, Strategic Objectives and KPIs contained in this Strategic Plan.

Annual budgets shall be aligned to the strategic priorities to ensure that available financial resources are directed towards activities that contribute to the achievement of the Company's strategic objectives.

The implementation matrix in Annex I shall therefore provide the basis for:

- Annual departmental work plans;
- Annual budgets and resource allocation;
- Procurement planning;
- Performance contracting and appraisal;
- Quarterly and annual performance reporting;
- Board performance reviews;
- Monitoring and evaluation;
- Resource mobilization;
- Programme and project prioritization; and
- Mid-term and end-term review of the Strategic Plan.

Where significant changes occur in the operating environment, annual targets and implementation priorities may be reviewed through the Company's approved planning and governance processes without compromising the overall strategic direction of the Plan.

4.10. Strategic Model and Annex I

The strategic model presented in this chapter is operationalized through Annex I: KWASCO Strategic Plan 2025–2030 Implementation Matrix.

Annex I translate each Strategic Theme and Strategic Objective into measurable KPIs, annual targets, key activities/interventions, responsible departments, budget requirements and funding sources.

The Annex shall therefore be treated as an integral part of the Strategic Plan and shall provide the principal reference framework for implementation, monitoring, evaluation and reporting during the Strategic Plan period.

The alignment between the Strategic Model and the Implementation Matrix shall be maintained throughout the planning period to ensure consistency in terminology, objectives, indicators, targets, responsibilities, budgeting and performance reporting.

Accordingly, the Strategic Plan shall operate as one integrated management framework linking:

Strategic Model

Strategic Direction → Implementation → Budget → Performance → Monitoring → Evaluation → Accountability → Results.



Figure 4: Strategic Model

Table 9: Summary of Strategic Themes, Objectives and Strategies

Strategic Theme	Strategic Objective	Strategies
Strategic Theme 1: Enhanced Services Coverage	Expand access to safe, reliable and sustainable water and sanitation services and increase production, storage and distribution capacity.	• Expand water services to unserved and underserved areas. • Rehabilitate and expand water production and treatment facilities. • Increase water storage, transmission and distribution capacity. • Increase active water connections and improve last-mile connectivity. • Maintain universal metering and replace defective meters. • Expand sewerage and sanitation services to unserved and underserved areas. • Rehabilitate and improve wastewater treatment facilities, including Suneka Wastewater Treatment Plant. • Improve water quality and wastewater treatment compliance. • Protect water catchments and water sources. • Implement climate-resilient water and sanitation interventions.
Strategic Theme 2: Institutional Capacity Strengthening	Strengthen institutional capacity, corporate governance, human-resource capability and organizational effectiveness.	• Ensure good corporate governance, accountability and transparency. • Enhance human-resource capacity, staff competency and productivity. • Strengthen performance management and institutional effectiveness. • Improve internal efficiencies and business processes. • Strengthen internal controls, risk management and regulatory compliance. • Improve institutional visibility and corporate image. • Strengthen ICT systems and automate key business processes. • Promote a culture of integrity, accountability, innovation and continuous improvement.

Strategic Theme 3: Financial Sustainability	Improve financial sustainability and commercial performance through enhanced revenue generation, prudent financial management, cost efficiency, NRW reduction and resource mobilization.	• Improve revenue collection efficiency to at least 95%. • Increase O&M cost coverage to at least 120% by 2029/30. • Strengthen billing, collection and debt-recovery systems. • Reduce NRW from 56% to ≤40%. • Reduce customer receivables from KSh 190 million to ≤KSh 140 million. • Strengthen financial planning, budgeting and expenditure control. • Enhance internal financial controls and accountability. • Pursue cost-reflective tariffs. • Mobilize development-partner, government and other external resources.
Strategic Theme 4: Customer Service, Corporate Culture and Brand Improvement	Improve customer satisfaction, service quality, corporate culture and organizational image through responsive, innovative and digitally enabled service delivery.	• Develop and regularly review the Company Service Delivery Charter. • Improve customer satisfaction to at least 80% by 2029/30. • Strengthen customer feedback and complaints-management systems. • Increase complaints resolved within the prescribed period to ≥95%. • Reduce complaint resolution time from 72 hours to ≤24 hours. • Promote digital payment channels. • Develop digital customer-service platforms. • Strengthen the Company's online identity and corporate brand. • Promote a customer-centred corporate culture. • Ensure consistency and quality of service delivery.
Strategic Theme 5: Corporate Planning, Monitoring, Evaluation and Resource Mobilization	Strengthen corporate planning, monitoring, evaluation, performance management and resource mobilization to ensure effective implementation of the Strategic Plan.	• Strengthen annual work planning and budgeting. • Cascade the Strategic Plan to departmental and individual work plans. • Establish effective monitoring, evaluation and reporting systems. • Track Strategic Plan implementation and performance against KPIs. • Conduct annual, mid-term and end-term

		performance reviews. • Strengthen management information and performance dashboards. • Align budgets and departmental plans to strategic priorities. • Develop funding proposals and resource-mobilisation initiatives. • Strengthen partnerships with government, development partners and other stakeholders. • Improve reporting to the Board, regulator, County Government and other stakeholders.
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Table 10: Summary of Strategic Themes, Strategic Objectives and Strategies

KPI	Baseline 2025/26	2026/27	2027/28	2028/29	2029/30
Water Coverage	55.29%	58%	61%	64%	67%
Active Water Connections	12,302	13,500	14,800	16,200	17,600
Water Production	8,250 m ³ /day	9,000	10,000	11,000	12,000
Sewerage Coverage	15%	17%	19%	21%	23%
Sanitation Coverage	95%	96%	97%	98%	99%
Revenue Collection Efficiency	95%	≥95%	≥95%	≥95%	≥95%
O&M Cost Coverage	77%	100%	110%	115%	120%
NRW	56%	53%	50%	47%	≤40%
Customer Receivables	KSh 190m	KSh 180m	KSh 170m	KSh 160m	≤KSh 140m
Customer Satisfaction Index	60%	65%	70%	75%	≥80%
Strategic Plan Implementation Rate	80%	85%	90%	90%	≥95%
External Resources Mobilized	KSh 25m	KSh 100m	KSh 150m	KSh 200m	≥KSh 250m

CHAPTER FIVE

IMPLEMENTATION AND COORDINATION FRAMEWORK

5. Framework

This chapter outlines the implementation and coordination framework for the KWASCO Strategic Plan 2025–2030. It provides the institutional arrangements, governance structures, implementation mechanisms, resource requirements, and coordination processes necessary for successful execution of the Strategic Plan.

The implementation framework is designed to ensure that the strategic priorities, objectives, and interventions identified in this Strategic Plan are effectively translated into annual work plans, departmental operational plans, budgets, performance contracts, and measurable organizational results. The framework also establishes clear roles and responsibilities for the Board of Directors, Management, employees, County Governments, regulators, development partners, and other stakeholders in supporting the implementation process.

Successful implementation of this Strategic Plan will require strong leadership, effective coordination, prudent resource management, stakeholder collaboration, robust monitoring systems, and continuous learning to ensure that the Company achieves its Vision, Mission, and strategic objectives.

5.1. Organizational Structure

The organizational structure provides the institutional framework through which the Company coordinates its operations, allocates responsibilities, and delivers water and sanitation services efficiently and effectively. An appropriate organizational structure promotes accountability, effective communication, sound decision-making, operational efficiency, and achievement of strategic objectives.

To effectively implement this Strategic Plan, KWASCO shall maintain an organizational structure that is aligned with its strategic priorities, operational requirements, regulatory obligations, and emerging sector needs. The structure shall clearly define reporting relationships, functional responsibilities, and decision-making authority across all levels of the organization.

Recognizing the dynamic nature of the water sector, the organizational structure shall be reviewed periodically to ensure that it remains responsive to changes in the operating environment, technological advancements, business growth, and customer expectations. Any adjustments to the structure shall be implemented progressively, considering operational priorities, financial capacity, and human resource requirements.

The approved organizational structure is presented in **Annex I** of this Strategic Plan.

5.2. Governance Structure

Effective corporate governance is fundamental to the successful implementation of this Strategic Plan. The governance framework shall promote accountability, transparency, integrity, ethical leadership, prudent financial management, risk management, and compliance with applicable laws, regulations, and corporate governance principles.

The governance structure of KWASCO comprises the Board of Directors and Management, each with distinct but complementary roles in providing strategic leadership, oversight, policy direction, and operational management.

5.2.1. Board of Directors

The Board of Directors is responsible for providing strategic leadership and oversight for the Company. In accordance with the Water Act, 2016, the Companies Act, 2015, Mwongozo Code of Governance for State Corporations, and other applicable legal and regulatory frameworks, the Board shall:

- Provide strategic direction and policy guidance.
- Approve the Strategic Plan, annual budgets, and corporate work plans.
- Monitor organizational performance and achievement of strategic objectives.
- Ensure effective corporate governance and accountability.
- Oversee financial management, risk management, and internal control systems.
- Ensure compliance with applicable legal and regulatory requirements.
- Promote stakeholder confidence through transparency and accountability.

The Board shall discharge its oversight responsibilities through its Committees, including:

- Finance, Audit and Risk Committee;
- Human Resource and Administration Committee;
- Technical and Operations Committee; and
- Strategy, Governance and Business Development Committee (where applicable).

The Board shall receive quarterly and annual reports on the implementation of the Strategic Plan.

5.2.2. Management and Staff

The Management Team, under the leadership of the Managing Director, shall be responsible for the day-to-day management of the Company and the implementation of the Strategic Plan. Management shall ensure that the Company's policies, strategies, programmes, and projects are effectively executed in accordance with the approved Strategic Plan, annual work plans, budgets, and applicable legal and regulatory requirements.

The Managing Director shall provide overall executive leadership and shall be responsible for coordinating the implementation of strategic initiatives, ensuring prudent utilization of resources, promoting organizational performance, and fostering a culture of accountability, innovation, and continuous improvement.

The Senior Management Team shall provide strategic and technical leadership within their respective functional areas. They shall coordinate the implementation of departmental plans, monitor performance against agreed targets, prepare periodic implementation reports, and recommend corrective actions where necessary. The Management Team shall meet regularly to review progress, address implementation challenges, and ensure alignment with the Company's strategic priorities.

Successful implementation of the Strategic Plan will require collaboration across all departments. Strategic objectives shall be cascaded into departmental operational plans, annual work plans, performance contracts, and individual staff performance targets. Quarterly performance reviews shall be undertaken to assess progress, identify implementation challenges, and inform continuous improvement and decision-making.

The Company shall also strengthen institutional capacity through staff development, succession planning, performance management, knowledge management, and the adoption of modern technologies to improve operational efficiency and service delivery.

The key functional departments responsible for implementing this Strategic Plan include:

- Commercial Services Department;
- Technical Services Department;
- Finance and Accounts Department;
- Human Resource and Administration Department;
- Supply Chain Management Department;
- Information Communication and Technology (ICT) Department;
- Internal Audit and Risk Management Department; and
- Corporate Strategy, Monitoring and Evaluation Department

Each departmental head shall be responsible for implementing the relevant strategic interventions, achieving agreed performance targets, managing departmental resources efficiently, and submitting periodic performance reports to Management for consolidation and reporting to the Board of Directors.

5.3. Staff Establishment

Human resources are the Company's most valuable asset and are critical to the successful implementation of the Strategic Plan 2025–2030. To effectively deliver its mandate and achieve the strategic objectives outlined in this Plan, KWASCO shall strengthen its human resource capacity through strategic workforce planning, recruitment, staff development, succession planning, and performance management.

The Company shall ensure that staffing levels and competencies are aligned with its organizational structure, operational requirements, and emerging business needs. Recruitment shall be undertaken competitively and in accordance with applicable legal, regulatory, and human resource policy frameworks to attract, develop, and retain qualified, competent, and motivated personnel.

During the implementation period, the Company shall continue to invest in capacity building through training, professional development, coaching, mentoring, and leadership development programmes to enhance employee competencies, improve productivity, and support career progression.

KWASCO shall further strengthen its Human Resource Management Framework by reviewing and implementing appropriate human resource policies, procedures, systems, and practices that promote merit-based recruitment, employee engagement, diversity and inclusion, occupational health and safety, staff welfare, and ethical conduct.

To promote accountability and a high-performance culture, the Company shall institutionalize a performance management system that links the Strategic Plan to departmental work plans, annual performance contracts, and individual staff performance appraisals. Performance shall be monitored regularly, and outstanding performance recognized through appropriate reward and recognition mechanisms, while identified performance gaps shall be addressed through coaching, training, and continuous improvement initiatives.

The Company shall periodically review its staff establishment to ensure that it remains responsive to organizational growth, technological advancements, service delivery demands, and the evolving needs of the water and sanitation sector.

5.4. Financial Requirements and Sources of Funds

5.4.1. Financial Requirements

Implementation of the KWASCO Strategic Plan 2025–2030 will require adequate financial resources to support the delivery of strategic programmes, projects, and operational activities over the five-year planning period. The estimated financial requirements have been derived from the strategic objectives, proposed interventions, capital investment priorities, institutional strengthening initiatives, and operational requirements identified in this Strategic Plan.

The financial resources shall be allocated through annual budgets and Medium-Term Expenditure Framework (MTEF) planning and shall be reviewed periodically to reflect emerging priorities, implementation progress, and changes in the operating environment.

The estimated financial requirements by strategic objective are summarized in Table 5.1.

Table 11: Estimated Financial Requirements by Strategic Theme, 2025-2030

Strategic Theme	FY 2025/26 (KSh M)	FY 2026/27 (KSh M)	FY 2027/28 (KSh M)	FY 2028/29 (KSh M)	FY 2029/30 (KSh M)	Total (KSh M)
Theme 1: Enhanced Services Coverage	45.90	99.35	423.60	414.65	726.20	1,709.70
Theme 2: Institutional Capacity Strengthening	20.35	24.10	27.55	27.70	30.75	130.45
Theme 3: Financial Sustainability	131.85	288.95	274.075	272.55	291.70	1,259.125
Theme 4: Customer Service, Corporate Culture and Brand Improvement	3.40	4.25	4.15	4.55	4.85	21.20
Theme 5: Corporate Planning, Monitoring, Evaluation and Resource Mobilization	0.00*	0.00*	0.00*	0.00*	0.00*	0.00*
GRAND TOTAL	201.50	416.65	729.375	719.45	1,053.50	3,120.475

Table 12: Estimated Financial Requirements by Strategic Objective (2025-2030)

Strategic Objective	FY 2025/26 (KSh M)	FY 2026/27 (KSh M)	FY 2027/28 (KSh M)	FY 2028/29 (KSh M)	FY 2029/30 (KSh M)	Total (KSh M)
Strategic Objective 1: Expand access to safe and reliable water services and increase water production, storage and distribution capacity	28.300	57.950	63.600	66.850	79.000	295.700
Strategic Objective 2: Expand sanitation services and promote environmental sustainability and climate resilience	17.600	41.400	360.000	347.800	647.200	1,414.000
Strategic Objective 3: Improve financial sustainability and commercial performance through enhanced revenue generation, prudent financial management and resource mobilization	131.850	288.950	274.075	272.550	291.700	1,259.125
Strategic Objective 4: Strengthen institutional capacity, corporate governance and organizational effectiveness	20.350	24.100	27.550	27.700	30.750	130.450
Strategic Objective 5: Improve customer satisfaction through innovation, digital transformation and quality service delivery	3.400	4.250	4.150	4.550	4.850	21.200
Grand Total	201.500	416.650	729.375	719.450	1,053.500	3,120.475

5.4.2. Expected Sources of Funds

The successful implementation of the Strategic Plan will depend on adequate and sustainable financing from both internal and external sources. The Company will continue to strengthen internally generated

revenue while pursuing additional funding from the County Government, National Government, development partners, commercial financing, and strategic partnerships.

The projected sources of funding over the implementation period are presented in Table 13.

Table 13: Expected Sources of Funds (2025-2030)

KSh million

Sources of Funds	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	5-Year Total
Revenue Sources						
Water Billing	163.013	129.962	267.340	296.018	326.896	1,183.229
Sewer Billing	92.680	50.726	78.510	78.778	78.912	379.606
Billing for Other Services	11.487	8.730	9.341	13.347	14.281	57.186
Subtotal: Revenue	267.179	189.418	355.191	388.143	420.089	1,620.021
Other Sources						
Debt Collection / Legacy Receivables	59.400	62.000	65.000	68.000	70.000	324.400
County Government Support	50.000	50.000	50.000	50.000	50.000	250.000
Development Partners / Grants	-	-	-	-	-	-
Subtotal: Other Sources	109.400	112.000	115.000	118.000	120.000	574.400
TOTAL EXPECTED SOURCES OF FUNDS	376.579	301.418	470.191	506.143	540.089	2,194.421

The projected resource envelope shall be reviewed annually to reflect actual revenue performance, approved budgets, new financing opportunities, and changes in the operating environment.

5.4.3. Financial Resource Gap Analysis

Although the Company expects to mobilize significant financial resources during the implementation period, the projected financial requirements are likely to exceed available resources. This financing gap underscores the need for enhanced revenue generation, prudent financial management, innovative financing mechanisms, and strategic partnerships to support implementation of the Strategic Plan.

The projected financing gap is presented in Table 14.

Table 14: Financial Resource Gap Analysis

Financial Year	Estimated Financial Requirements (Kshs)	Expected Resource Allocations (Kshs)	Resource Gap / (Surplus) (Kshs)
FY 2025/26	201.500	376.579	(175.079)
FY 2026/27	416.650	301.418	115.232
FY 2027/28	729.375	470.191	259.184
FY 2028/29	719.450	506.143	213.307
FY 2029/30	1,053.500	540.089	513.411
TOTAL	3,120.475	2,194.421	926.054

5.4.4. Financial Resource Mobilization Strategies

The successful implementation of the KWASCO Strategic Plan 2025–2030 will require the Company to mobilize adequate financial, technical, and institutional resources to support the implementation of strategic programmes and projects. While internally generated revenue will remain the primary source of funding for operations, the Company will actively pursue additional financing from government, development partners, financial institutions, and the private sector to bridge the projected financing gap. To achieve sustainable financing, KWASCO shall implement the following resource mobilization strategies:

(i). County Government of Kisii

As the sole shareholder of the Company, the County Government of Kisii will continue to play a critical role in supporting the implementation of the Strategic Plan through the provision of financial resources, equity investments, counterpart funding, and policy support. The Company will work closely with the County Government to prioritize strategic water and sanitation infrastructure projects within the County Integrated Development Plan (CIDP), the Annual Development Plan (ADP), and the County Budget.

(ii). National Government and Water Sector Institutions

KWASCO shall collaborate with the National Government and key water sector institutions, including the Ministry responsible for Water, the Water Services Regulatory Board (WASREB), the Water Sector Trust Fund (WaterFund), the Water Resources Authority (WRA), and other government agencies to access grants, conditional funding, technical assistance, and national development programmes aimed at improving water and sanitation service delivery.

(iii). Development Partners

The Company shall strengthen partnerships with bilateral and multilateral development partners, international financial institutions, and non-governmental organizations to mobilize financial and technical resources for strategic investments in water supply, sanitation, climate resilience, digital transformation, and institutional capacity development. Priority shall be given to developing bankable project proposals that meet donor funding requirements.

(iv). Internally Generated Revenue

Internally generated revenue shall remain the primary source of financing for the Company's recurrent operations and part of its capital investment programme. The Company shall enhance revenue generation by expanding the customer base, improving billing efficiency, strengthening revenue collection, reducing Non-Revenue Water (NRW), implementing cost-reflective tariffs approved by WASREB, and diversifying revenue streams through value-added services.

(v). Public-Private Partnerships (PPPs)

The Company shall leverage the provisions of the Public Private Partnerships Act, 2021 to attract private sector investment in the development, financing, rehabilitation, operation, and maintenance of water and sanitation infrastructure. Public-private partnerships will be pursued where they provide value for money, improve service delivery, facilitate technology transfer, and enhance operational efficiency.

(vi). Commercial Financing

Where appropriate and subject to Board approval and applicable legal requirements, the Company shall access commercial financing from financial institutions to finance strategic capital investments with sustainable financial returns. Borrowing decisions shall be guided by prudent debt management principles and the Company's repayment capacity.

(vii). Climate Finance and Green Investment

Recognizing the increasing impacts of climate change on water resources, KWASCO shall pursue climate financing opportunities from national and international climate funds to support water resource conservation, catchment protection, renewable energy initiatives, disaster risk reduction, and climate-resilient infrastructure development.

(viii). Strategic Partnerships and Corporate Social Responsibility (CSR)

The Company shall establish strategic partnerships with research institutions, academic organizations, private sector entities, community organizations, and corporate institutions to support innovation, environmental conservation, customer education, and community development initiatives. These partnerships will complement the Company's efforts in achieving sustainable water and sanitation service delivery.

5.4.5. Sources of Funds

The implementation of the Strategic Plan will be financed through a combination of internally generated resources and external financing. The Company shall strengthen its resource mobilization efforts to ensure sustainable financing of strategic programmes and infrastructure investments.

The principal sources of funding shall include:

- Revenue generated from water and sanitation services.
- County Government shareholder support.
- National Government grants and sector programmes.
- Development Partner grants and concessional financing.
- Water Sector Trust Fund and other sector financing mechanisms.
- Public-Private Partnerships (PPPs).
- Commercial loans and approved credit facilities.
- Climate financing and green investment funds.
- Corporate partnerships, grants and donations.
- Any other lawful source approved by the Board of Directors.

Table 15: Sources of Funds

Source of Funds	Expected Utilization
Internally Generated Revenue	Operations, maintenance and capital investment
County Government Funding	Water and sanitation infrastructure development
National Government Programmes	Strategic water sector projects
Development Partners	Capital projects, technical assistance and capacity building
Water Sector Trust Fund	Water supply and sanitation expansion projects
Commercial Financing	Capital infrastructure investments
Public-Private Partnerships	Infrastructure development and service improvements
Climate Finance	Climate resilience and environmental sustainability initiatives
Grants and Donations	Priority strategic interventions

5.5. Strategic Plan Implementation Framework

Implementation of this Strategic Plan shall be integrated into the Company's planning, budgeting, and performance management systems.

Implementation shall be undertaken through:

- Annual Corporate Work Plans;
- Departmental Operational Plans;
- Annual Procurement Plans;
- Annual Budgets;
- Performance Contracts;
- Individual Performance Appraisal System;
- Project Implementation Plans; and
- Monitoring, Evaluation and Reporting Framework.

Each department shall prepare annual implementation plans aligned with the strategic objectives and key performance indicators contained in this Strategic Plan.

5.6. Roles and Responsibilities

Successful implementation of the Strategic Plan requires coordinated participation by all stakeholders.

Table 16: Roles and Responsibilities

Institution/Stakeholder	Roles and Responsibilities
Board of Directors	Provide strategic direction, oversight, policy guidance, and monitor implementation of the Strategic Plan.
Managing Director	Provide overall leadership and coordinate implementation of the Strategic Plan.
Management Team	Develop departmental work plans, implement strategic initiatives, monitor performance, and report progress.

Employees	Implement departmental activities and achieve agreed performance targets.
County Governments	Provide shareholder oversight, policy support, and facilitate infrastructure development.
WASREB	Provide regulatory oversight, licensing, and performance monitoring.
National Government Agencies	Provide policy guidance, technical support, and sector coordination.
Development Partners	Provide financial and technical assistance for strategic programmes and projects.
Financial Institutions	Provide financing facilities for capital investments and infrastructure development.
Communities and Customers	Support implementation through timely payment for services, stakeholder participation, and protection of water infrastructure.

5.7. Resource Requirements

Implementation of this Strategic Plan will require adequate financial, human, technological, and physical resources.

The key resource requirements include:

- Financial resources;
- Skilled human resources;
- Water supply and sanitation infrastructure;
- Information and Communication Technology (ICT);
- Motor vehicles, plant and equipment;
- Office infrastructure;
- Monitoring and Evaluation systems; and
- Institutional capacity development programmes.

Resource requirements shall be reviewed annually through the budgeting process to ensure alignment with implementation priorities.

5.8. Resource Mobilization Framework

The successful implementation of this Strategic Plan will depend on sustainable resource mobilization from both internal and external sources.

The Company shall pursue the following financing mechanisms:

- Revenue generated from water and sanitation services;
- County Government development funding;
- National Government programmes;
- Development Partner support;
- Climate finance initiatives;
- Public-Private Partnerships (PPPs);
- Commercial financing;
- Grants and donor funding; and
- Corporate strategic partnerships.

The Company shall develop and implement a comprehensive Resource Mobilization Strategy to support the financing of priority investments identified in this Strategic Plan.

5.9. Coordination Mechanism

Implementation of the Strategic Plan shall be coordinated through established governance and management structures.

Coordination mechanisms shall include:

- Board Meetings;
- Board Committee Meetings;
- Management Meetings;
- Departmental Review Meetings;
- Annual Planning Workshops;
- Quarterly Performance Review Meetings;
- Stakeholder Forums;
- Project Steering Committees; and
- Annual Performance Evaluation Sessions.

These mechanisms shall facilitate collaboration, accountability, timely decision-making, effective communication, and continuous organizational learning.

5.10. Risk Management

The Company recognizes that implementation of this Strategic Plan may be affected by strategic, financial, operational, legal, technological, environmental, and reputational risks.

To enhance organizational resilience, the Company shall:

- Strengthen Enterprise Risk Management (ERM);
- Maintain and regularly update the Corporate Risk Register;
- Conduct periodic risk assessments;
- Strengthen internal control systems;
- Promote business continuity planning;
- Enhance cybersecurity and information security; and
- Integrate risk management into strategic planning and decision-making.

5.11. Critical Success Factors

Successful implementation of this Strategic Plan will depend on the following critical success factors:

- Strong corporate leadership and governance.
- Adequate financial and human resources.
- Effective stakeholder collaboration and partnerships.
- Sound financial management and prudent resource utilization.
- Continuous staff capacity development.
- Adoption of modern technology and digital transformation.
- Effective communication and change management.
- Strong monitoring, evaluation, accountability, and learning systems.
- Compliance with legal, regulatory, and corporate governance requirements.
- Commitment by all employees to the Company's Vision, Mission, Core Values, and Strategic Objectives.

CHAPTER SIX

MONITORING, EVALUATION AND LEARNING

6. Introduction

Effective monitoring, evaluation and learning (MEL) is essential for ensuring the successful implementation of the KWASCO Strategic Plan 2025–2030. The framework provides a systematic approach for tracking implementation progress, measuring results against approved targets, identifying challenges and risks, and taking timely corrective action.

The Monitoring, Evaluation and Learning framework will link the Company's strategic objectives, strategies, activities, performance indicators, annual targets and financial resources. It will provide Management and the Board with reliable and timely information for decision-making and accountability.

Monitoring and evaluation will be undertaken at strategic, programme, departmental and individual levels and will be integrated into the Company's annual work planning, budgeting and performance management processes.

6.1. Monitoring Framework

Monitoring will involve the continuous collection, analysis and reporting of information on the implementation of the Strategic Plan. Performance will be assessed against approved Key Performance Indicators (KPIs), annual targets, budgets and implementation milestones.

The monitoring framework will provide for:

- Clear performance indicators and annual targets for each strategic objective.
- Assignment of responsibility for implementation and reporting.
- Periodic collection and verification of performance data.
- Quarterly performance monitoring and reporting.
- Annual assessment of strategic plan implementation.
- Monitoring of financial and physical implementation.
- Identification of implementation bottlenecks and corrective measures.
- Documentation and dissemination of lessons learned.

6.1.1. Board Level

The Board of Directors shall provide overall strategic oversight of the implementation of the Strategic Plan. Through its relevant Board Committees, the Board shall:

- Approve the Strategic Plan and annual implementation priorities.
- Review quarterly and annual performance reports.
- Monitor achievement of strategic objectives and key performance indicators.
- Review financial and physical implementation of strategic programmes and projects.
- Provide guidance and direction on emerging strategic issues.
- Ensure that appropriate corrective measures are undertaken where performance deviates from approved targets.

- Undertake an annual review of the Strategic Plan implementation status.

The Board shall use the monitoring reports to assess whether the Company remains on course towards achieving its 2030 strategic outcomes.

6.1.2. Management Level

The Managing Director, supported by the Management Team, shall be responsible for coordinating and overseeing the implementation and monitoring of the Strategic Plan.

Management shall:

- a. Translate strategic objectives into annual departmental work plans and budgets;
- b. Establish clear performance indicators, baselines and annual targets;
- c. Assign responsibility for each strategic intervention to the relevant department or officer;
- d. Monitor implementation progress on a quarterly basis;
- e. Review departmental performance against approved targets;
- f. Monitor budget utilization against planned activities;
- g. Identify implementation challenges and recommend corrective measures;
- h. Prepare quarterly and annual strategic performance reports for consideration by the Board; and
- i. Ensure that lessons arising from implementation are incorporated into subsequent work plans and strategies.

6.1.3. Departmental and Individual Level

The implementation of the Strategic Plan shall be cascaded from the corporate level to departments, sections and individual employees.

Departmental work plans shall be derived from the Strategic Plan and shall contain clearly defined activities, indicators, targets, timelines, responsible officers and required resources. Individual performance targets shall, where applicable, be aligned with departmental work plans and the Company's performance management system.

This approach will establish a clear line of sight between:

Strategic Objectives → Departmental Work Plans → Individual Performance → Results

6.2. Key Performance Indicators

KWASCO shall use Key Performance Indicators (KPIs) to measure progress towards the achievement of the Strategic Plan. Indicators shall be **Specific, Measurable, Achievable, Relevant and Time-bound (SMART)** and shall have clearly established baselines and annual targets.

The principal performance indicators shall cover areas including:

- Water coverage;
- Sanitation and sewerage coverage;
- Water production and supply;

- Hours of supply;
- Drinking water quality;
- Non-Revenue Water;
- Metering ratio;
- Revenue collection efficiency;
- Operating cost coverage;
- Customer satisfaction;
- Staff productivity;
- Financial sustainability;
- Institutional and governance performance;
- Project implementation; and
- Environmental and climate resilience.

The detailed indicators, baselines, annual targets, means of verification and responsible departments shall be provided in the Strategic Plan Implementation and Performance Matrix.

6.3. Evaluation Framework

Evaluation will provide a systematic assessment of the relevance, efficiency, effectiveness, sustainability and impact of the Strategic Plan. KWASCO shall undertake three principal levels of evaluation during the five-year planning period.

6.3.1. Annual Evaluation

An annual evaluation shall be undertaken at the end of each financial year to assess progress against the approved annual targets and work plans.

The evaluation shall assess:

- Achievement of annual strategic targets;
- Physical implementation of programmes and projects;
- Financial performance and budget utilization;
- Performance against KPIs;
- Implementation challenges and risks;
- Effectiveness of corrective measures; and
- Lessons learned during the year.

The findings shall inform the preparation of the subsequent annual work plan and budget.

6.3.2. Mid-Term Evaluation

A comprehensive Mid-Term Evaluation shall be undertaken approximately halfway through the implementation period, preferably during FY 2027/28.

The Mid-Term Evaluation shall assess the overall implementation of the Strategic Plan and determine whether the Company is on course to achieve its 2030 targets.

The review shall examine:

- Progress towards strategic objectives and outcomes;
- Achievement of KPI targets;
- Effectiveness of strategic interventions;
- Adequacy and utilization of financial resources;
- Institutional and organizational capacity;
- Changes in the internal and external environment;
- Emerging risks and opportunities; and
- The continued relevance of the strategic priorities.

Where necessary, the findings shall inform adjustments to strategies, targets, implementation approaches and resource allocation, subject to the appropriate approval processes.

6.3.3. End-Term Evaluation

An End-Term Evaluation shall be undertaken at the conclusion of the Strategic Plan in FY 2029/30. The evaluation shall establish the extent to which KWASCO has achieved the strategic objectives, targets and intended outcomes of the Strategic Plan 2025–2030.

The evaluation shall assess:

- Achievement of strategic objectives and outcomes;
- Performance against baseline and 2030 targets;
- Effectiveness and efficiency of resource utilization;
- Sustainability of interventions and investments;
- Institutional and financial performance;
- Impact on water and sanitation service delivery;
- Lessons learned and good practices; and
- Factors that facilitated or constrained implementation.

The findings of the End-Term Evaluation shall provide an important basis for the development of the Company's subsequent Strategic Plan.

6.4. Learning and Knowledge Management

KWASCO shall institutionalize learning as an integral component of strategic management. Lessons generated through monitoring, evaluations, stakeholder feedback, project implementation, performance reviews and benchmarking shall be documented and used to improve decision-making and future interventions.

The Company shall:

- Document lessons learned and good practices.
- Share performance information across departments.

- Undertake benchmarking with other Water Service Providers.
- Use customer feedback to improve service delivery.
- Promote knowledge sharing and staff learning.
- Incorporate lessons from annual and mid-term reviews into subsequent work plans.
- Maintain appropriate records and databases to support evidence-based decision-making.

This approach will ensure that monitoring and evaluation is not merely a reporting exercise but a management and learning tool for continuous improvement.

6.5. Reporting Framework

Strategic Plan implementation reporting shall follow a structured reporting cycle.

Reporting Level	Frequency	Responsible	Key Output
Department/Section	Monthly	Heads of Departments	Departmental performance report
Management	Quarterly	Management Team	Quarterly Strategic Performance Report
Board Committees	Quarterly	Management/Committee Secretariat	Committee performance report
Board	Quarterly/Annually	Managing Director	Board strategic performance report
Mid-Term	FY 2027/28	Management/Independent Evaluator	Mid-Term Evaluation Report
End-Term	FY 2029/30	Management/Independent Evaluator	End-Term Evaluation Report

6.6. Strategic Plan Performance Matrix

The implementation of the **KWASCO Strategic Plan 2025–2030** shall be monitored through a Strategic Plan Performance Matrix linking each Strategic Objective to measurable Key Performance Indicators (KPIs), 2025/26 baseline values, annual performance targets and the ultimate targets to be achieved by 2030. The matrix provides the principal framework for tracking implementation progress, assessing performance, guiding resource allocation, supporting management reporting and facilitating effective Board oversight.

The Performance Matrix incorporates key sector performance indicators, including the applicable **WASREB** performance indicators, together with additional indicators aligned to KWASCO's strategic priorities and institutional requirements.

Performance against the indicators shall be monitored on a quarterly basis, reviewed annually and reported to Management and the Board. Where necessary, corrective measures shall be undertaken to address deviations from planned targets.

The matrix shall be reviewed periodically, particularly during the annual planning and budgeting process, to take account of changes in the operating environment, regulatory requirements, resource availability, emerging risks and implementation performance. Any substantive revision of strategic targets shall be appropriately documented and approved through the Company's established governance framework.

Table 17: Strategic Plan Performance Matrix, 2025-2030

Strategic Objective	Key Performance Indicator	Baseline 2025/26	2026/27 Target	2027/28 Target	2028/29 Target	2029/30 Target	2030 Target	Responsibility
SO1: Expand access to safe and reliable water services and increase water production, storage and distribution capacity	Water Coverage (%)	55.29%	58%	61%	64%	67%	70%	Technical/Commercial
	Active Water Connections (No.)	12,302	13,500	14,800	16,200	17,600	19,000	Commercial
	Water Production (m ³ /day)	8,250	9,000	10,000	11,000	12,000	13,000	Technical
	Hours of Supply (hours/day)	22	22	22	23	23	24	Technical
	Metering Ratio (%)	100%	100%	100%	100%	100%	100%	Commercial
SO2: Expand sanitation services and promote environmental sustainability and climate resilience	Sewerage Coverage (%)	15%	17%	19%	21%	23%	25%	Technical
	Sanitation Coverage (%)	95%	96%	97%	98%	99%	100%	Technical
	Drinking Water Quality Compliance (%)	99%	≥99%	≥99%	≥99%	≥99%	≥99%	Technical/Laboratory
	Wastewater Treatment Compliance (%)	95%	96%	97%	98%	99%	100%	Technical
	Catchment/	6	7	8	9	10	≥10	Technical

	Water Resource Protection Initiatives (No.)							
	Climate-Resilient Interventions Implemented (No.)	1	2	3	4	5	≥5	Technical
S03: Improve financial sustainability and commercial performance through enhanced revenue generation, prudent financial management and resource mobilization	Revenue Collection Efficiency (%)	95%	≥95%	≥95%	≥95%	≥95%	≥95%	Finance/ Commercial
	Personnel Expenditure as % of O&M Costs	39.1%	≤37%	≤35%	≤33%	≤31%	≤30%	Finance/HR
	O&M Cost Coverage (%)	77%	100%	110%	115%	120%	≥120%	Finance
	Non-Revenue Water (%)	56%	53%	50%	47%	44%	≤40%	Technical/ Commercial
	Customer Receivables (KSh million)	190	180	170	160	150	≤140	Finance/ Commercial
	Annual Operating Revenue (KSh million)	271	300	330	360	390	≥420	Finance
	External Resources Mobilized (KSh million)	25	100	150	200	250	≥300	Finance
S04: Strengthen institutional capacity, corporate governance and organizational effectiveness	Institutional Capacity/Performance Score (%)	75%	78%	80%	83%	85%	≥90%	Management/ HR
	Staff Productivity (Staff/1,000 Connections)	7	≤7	≤6.5	≤6	≤5.5	≤5	HR/ Commercial
	Staff Trained Against Identified Needs (%)	40%	60%	70%	80%	90%	100%	HR

	Strategic Plan Implementation Rate (%)	80%	85%	90%	90%	95%	≥95%	Management/M&E
	Compliance with Legal and Regulatory Requirements (%)	85%	90%	92%	94%	95%	≥95%	Management/Internal Audit
	Key Business Processes Automated (%)	50%	60%	70%	80%	90%	≥95%	ICT
SO5: Improve customer satisfaction through innovation, digital transformation and quality service delivery	Customer Satisfaction Index (%)	60%	65%	70%	75%	78%	≥80%	Commercial
	Customer Complaints Resolved within Prescribed Period (%)	65%	75%	80%	85%	90%	≥95%	Commercial
	Customers Using Digital Payment Channels (%)	90%	92%	94%	95%	96%	≥97%	Commercial/ICT
	Customer Complaint Resolution Time (Hours)	72	≤60	≤48	≤36	≤24	≤24	Commercial
	Digital Customer Services Available (No.)	1	2	3	4	5	≥5	ICT/Commercial

ANNEX I: IMPLEMENTATION MATRIX

Strategic Theme 1: Enhanced Services Coverage

Strategic Objective 1.1: Increase water service coverage and reliability through expansion, rehabilitation and optimization of water supply infrastructure.

Strategy / Key Activity	Expected Output	Indicator	5- Year Target	2025/ 26	2026/ 27	2027/ 28	2028/ 29	2029/ 30	Budget 2025/26 (KSh M)	Budget 2026/27 (KSh M)	Budget 2027/28 (KSh M)	Budget 2028/29 (KSh M)	Budget 2029/30 (KSh M)	Lead	Support
Rehabilitate and optimize Kegati Treatment Works	Increased production capacity	m ³ / day produced	27,000	15,000	18,000	21,000	24,000	27,000	150	250	300	250	200	TM	PM
Upgrade Nyakomisaro Treatment Works	Increased treatment capacity	m ³ /day	1,200	700	850	1,000	1,100	1,200	30	50	60	40	20	TM	PM
Improve Ogembo Water Supply Scheme	Increased production	m ³ /day	600	200	300	400	500	600	20	40	50	40	20	TM	PM
Improve Tabaka Water Supply Scheme	Increased production	m ³ /day	600	50	100	200	400	600	15	25	35	40	30	TM	PM
Rehabilitate/extend rising mains	Improved bulk water transmission	Km rehabilitated/ constructed	20 km	3	4	4	4	5	20	35	40	40	45	TM	PM

Expand distribution network	Increased network coverage	Km of pipeline	150 km	20	25	30	35	40	40	50	60	65	70	TM	PM
Increase last-mile connections	New active connections	No. of connections	10,000	1,500	1,750	2,000	2,250	2,500	12	15	18	20	22	CM	TM
Improve metering	Increased metering ratio	% metered connections	100%	95%	97%	98%	99%	100%	15	18	20	20	20	CM	TM
Establish/expand DMAs	Improved network management	No. of DMAs	15	3	3	3	3	3	12	15	15	15	15	TM	CM
Rehabilitate storage facilities	Improved storage capacity	m ³ storage capacity	+10,000	1,500	2,000	2,000	2,000	2,500	25	35	40	40	45	TM	PM
Protect water sources and catchments	Sustainable raw-water availability	No. of interventions	15	3	3	3	3	3	5	7	8	8	10	TM	CM

Baseline infrastructure incorporated: Kegati, Nyakomisaro, Ogembo and Tabaka schemes; approximately 200 km of Kisii water distribution mains; existing storage tanks and rising mains. The supplied scheme information shows, for example, Kegati's design capacity at 27,000 m³/day and current production at about 13,500 m³/day, while Ogembo is designed for 600 m³/day but produces about 160 m³/day.

Strategic Objective 1.2: Reduce Non-Revenue Water and improve operational efficiency.

Strategy / Key Activity		Expected Output	Indicator	5-Year Target	2025 / 26	2026/ 27	2027/ 28	2028/ 29	2029 /30	Budget 2025/26 (KSh M)	Budget 2026/27 (KSh M)	Budget 2027/28 (KSh M)	Budget 2028/29 (KSh M)	Budget 2029/30 (KSh M)	Lead	Support
Implement NRW reduction programme	NRW	Reduced physical and commercial losses	NRW %	40%	54%	51%	48%	44%	40%	25	35	40	45	50	TM	CM
Conduct leak detection and repair	leak and	Reduced water losses	No. of interventions	500	75	100	100	110	115	8	10	12	14	15	TM	CM
Install/recalibrate bulk meters		Accurate production measurement	No. of bulk meters	30	6	6	6	6	6	5	6	7	7	8	TM	FM
Implement smart metering	smart	Improved consumption monitoring	Smart meters installed	3,000	300	500	600	700	900	8	12	15	18	20	CM	ICT

The baseline NRW figure is 56%, with production of approximately 2.969 million m³ annually and billed volume of approximately 1.279 million m³.

Strategic Theme 1: Sanitation Services

Strategic Objective 1.3: Expand and improve sanitation and wastewater services.

Strategy / Key Activity	Expected Output	Indicator	5-Year Target	2025/26	2026/27	2027/28	2028/29	2029/30	Budget 2025/26 (KSh M)	Budget 2026/27 (KSh M)	Budget 2027/28 (KSh M)	Budget 2028/29 (KSh M)	Budget 2029/30 (KSh M)	Lead	Support
Rehabilitate Suneka WWTP	Improved wastewater treatment	% functionality	100%	70%	80%	90%	95%	100%	30	40	50	40	30	TM	PM
Increase wastewater treatment	Increased treatment utilization	m ³ /day treated	4,000	2,000	2,400	2,800	3,400	4,000	15	20	25	30	35	TM	PM
Expand sewer network	Increased sewer coverage	Km sewer constructed	100 km	15	20	20	20	25	20	30	35	40	45	TM	PM
Increase sewer connections	Increased sewer access	Active sewer connections	5,000	500	750	1,000	1,250	1,500	5	8	10	12	15	CM	TM
Improve wastewater quality monitoring	Compliance with standards	Quality-control reports	300	60	60	60	60	60	1	1	1.5	1.5	2	TM	CMT
Promote sanitation and hygiene	Improved public health	Sensitization programmes	25	5	5	5	5	5	1	1	1	1	1	TM	CM

The wastewater baseline is 247,597 people served, 15% coverage, 4,000 m³/day design capacity, 1,800 m³/day current treatment, and 45% utilization. The Suneka system comprises a sewer network and wastewater treatment plant serving the Kisii urban area.

Strategic Theme 2: Institutional Capacity Strengthening

Strategic Objective 2.1: Strengthen governance, human resources, ICT and organizational systems.

Strategy / Key Activity	Expected Output	Indicator	5-Year Target	2025 / 26	2026 / 27	2027 / 28	2028 / 29	2029 / 30	Budget 2025/26 (KSh M)	Budget 2026/27 (KSh M)	Budget 2027/28 (KSh M)	Budget 2028/29 (KSh M)	Budget 2029/30 (KSh M)	Lead	Support
Implement Board governance framework	Strong governance	% compliance	100%	100 %	100%	100%	100 %	100 %	2	2	2.5	2.5	3	MD	Board
Review organisational structure	Functional organization	Approved structure	1	1	-	-	-	-	1	-	-	-	-	MD	HR
Develop/review corporate policies	Effective policy framework	No. of policies	20	8	4	3	3	2	3	2	2	2	2	MD	CMT
Implement performance management	Performance-based culture	% staff under performance contracts	100%	70%	80%	90%	100 %	100 %	2	2	2	2	2	HR	MD
Staff training and development	Competent workforce	Training programmes	50	10	10	10	10	10	5	6	7	8	9	HR	CMT
Implement ICT Strategic Plan	Improved ICT governance	ICT plan implemented	100%	30%	50%	70%	85%	100 %	5	8	10	10	10	ICT	MD
Establish integrated FMIS/ERP	Integrated business systems	ERP implementation %	100%	20%	50%	80%	100 %	-	10	20	25	15	-	FM	ICT
Strengthen internal audit	Effective assurance	Audit plan implementation	100%	70%	80%	90%	95%	100 %	3	3	4	4	4	IA	Audit Committee

Strategic Theme 3: Financial Sustainability

Strategic Objective 3.1: Achieve financial sustainability through improved revenue, cost control, debt management and resource mobilization.

Strategy / Key Activity	Expected Output	Indicator	5-Year Target	2025/26	2026/27	2027/28	2028/29	2029/30	Budget 2025/26 (KSh M)	Budget 2026/27 (KSh M)	Budget 2027/28 (KSh M)	Budget 2028/29 (KSh M)	Budget 2029/30 (KSh M)	Lead	Support
Improve revenue collection	Increased collection efficiency	Collection efficiency	95%	85%	87%	90%	93%	95%	2	2	3	3	3	FM	CM
Strengthen billing accuracy	Accurate billing	Billing accuracy	100%	95%	97%	98%	99%	100%	5	5	6	6	6	CM	ICT
Reduce legacy receivables	Reduced debtors	% reduction	70%	15%	15%	15%	15%	10%	5	6	7	7	7	FM	CM
Implement debt management policy	Effective debt management	Policy implemented	1	1	-	-	-	-	1	-	-	-	-	FM	Legal
Strengthen revenue protection	Reduced commercial losses	Revenue protection operations	60	12	12	12	12	12	2	3	3	3	3	CM	TM
Mobilize development funding	Increased external financing	Funds mobilized	KSh 3.0bn	300	500	700	700	800	3	4	5	5	5	MD	FM
Improve O&M cost recovery	Improved financial sustainability	O&M coverage	≥100%	80%	85%	90%	95%	100%	-	-	-	-	-	FM	CMT

Strengthen budgetary control	Improved budget performance	Budget variance	≤10%	≤20%	≤15%	≤12%	≤10%	≤10%	1	1	1	1	1	FM	CMT
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Strategic Theme 4: Customer Service, Corporate Culture and Brand Improvement

Strategic Objective 4.1: Improve customer satisfaction, service quality, communication and corporate image.

Strategy / Key Activity	Expected Output	Indicator	5-Year Target	2025/26	2026/27	2027/28	2028/29	2029/30	Budget 2025/26 (KSh M)	Budget 2026/27 (KSh M)	Budget 2027/28 (KSh M)	Budget 2028/29 (KSh M)	Budget 2029/30 (KSh M)	Lead	Support
Review Customer Service Charter	Improved service standards	Approved charter	1	1	-	-	-	-	1	-	-	-	-	CM	MD
Conduct customer satisfaction surveys	Improved customer satisfaction	Satisfaction index	80%	65%	68%	72%	76%	80%	1	1	1	1	1	CM	CMT
Establish a complaints management system	Faster complaint resolution	% complaints resolved	95%	75%	80%	85%	90%	95%	2	2	2	2	2	CM	ICT
Strengthen digital customer services	Increased online access	% digital transactions	80%	20%	35%	50%	65%	80%	3	5	5	5	5	ICT	CM
Customer education and communication	Informed customers	Campaigns conducted	60	10	12	12	13	13	1	1.5	1.5	2	2	CM	TM
Strengthen corporate brand	Improved visibility	Brand initiatives	25	5	5	5	5	5	2	2	2	2	2	CM	ICT

Promote staff/customer culture	Improved service culture	Culture programmes	25	5	5	5	5	5	1	1	1	1	1	HR	CM
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Strategic Theme 5: Corporate Planning, Monitoring, Evaluation and Resource Mobilization

Strategy / Key Activity	Expected Output	Indicator	5-Year Target	2025/26	2026/27	2027/28	2028/29	2029/30	Budget 2025/26 (KSh M)	Budget 2026/27 (KSh M)	Budget 2027/28 (KSh M)	Budget 2028/29 (KSh M)	Budget 2029/30 (KSh M)	Lead	Support
Develop annual implementation plans	Annual plans aligned to SP	No. of plans	5	1	1	1	1	1	1	1	1	1	1	MD	CMT
Develop departmental work plans	Departmental alignment	No. of work plans	30	6	6	6	6	6	-	-	-	-	-	MD	CMT
Conduct quarterly M&E	Implementation monitored	M&E reports	20	4	4	4	4	4	1	1	1	1	1	MD	M&E
Conduct annual SP review	Corrective action	Annual review reports	5	1	1	1	1	1	1	1	1	1	1	MD	CMT
Conduct mid-term evaluation	Mid-term evaluation	Evaluation report	1	-	-	1	-	-	-	-	5	-	-	Board	MD
Develop investment/funding proposals	Funding pipeline	No. of proposals	25	5	5	5	5	5	2	2	2	2	2	MD	FM
Establish strategic partnerships	Development partnerships	No. of MOUs	10	2	2	2	2	2	1	1	1	1	1	MD	CMT
Prepare next Strategic Plan	Successor plan	Strategic Plan developed	1	-	-	-	-	1	-	-	-	-	5	Board	MD

ANNEX II: COMPANY RISK REGISTER AND MITIGATION PLAN

Strategic Objective	Risk Event	Causes	Likelihood	Impact	Risk Assessment	Consequence	Mitigation Plan	Responsible Owner
Increase water coverage and sanitation services coverage and improve access to reliable water and sanitation services during the Plan period	Funds misappropriation/ misuse of resources	Weak internal controls; inadequate work plans; inadequate segregation of duties; weak compliance with policies and procedures	High	High	High	Financial losses; delayed projects; audit queries; reputational damage; failure to achieve strategic targets	Prepare and approve departmental work plans and budgets; strengthen internal controls; regularly review policies and procedures; undertake internal and external audits; strengthen procurement and payment controls	MD / Finance Manager / Internal Audit
	Political interference and community conflict	Political interests; inadequate stakeholder engagement; communal differences; changes in government policy; insecurity	Medium	High	High	Stalling of projects; unequal resource allocation; legal disputes; project cost escalation; loss of stakeholder confidence	Continuous stakeholder engagement; public participation; community sensitization; liaison with County Government and relevant agencies; establish grievance-handling mechanisms	MD / Board / CMT

	Vandalism and destruction of water and sanitation infrastructure	Lack of community ownership; theft of equipment; demand for scrap metal; political unrest	High	High	High	Loss of assets; interrupted water supply; increased repair costs; reduced revenue; customer dissatisfaction	Community sensitization; security of critical infrastructure; asset tagging; collaboration with security agencies; rapid repair of vandalized facilities; community reporting mechanisms	Technical Manager / Commercial Manager / MD
	Design and construction errors	Inexperienced or unqualified consultants/contractors; inadequate technical due diligence; poor supervision; weak quality assurance	Low	High	High	Compromised infrastructure quality; premature failure; increased rehabilitation costs; project delays	Conduct due diligence on consultants and contractors; enforce technical specifications; strengthen supervision and quality assurance; undertake inspections and commissioning tests	Technical Manager / Procurement
	Legal disputes	Inadequate contracts; insufficient stakeholder consultation; non-compliance with laws	High	High	High	Legal costs; project delays; financial losses; reputational risk	Strengthen contract management; undertake legal review of contracts; maintain proper	MD / Board / Legal Services / CMT

		and regulations; contractual loopholes					documentation; undertake stakeholder consultations; obtain legal advice and representation where necessary	
Strengthen institutional capacity and organizational effectiveness during the Plan period	Inadequate financing	Low revenue collection; limited development partners; inadequate internally generated funds; delayed government/donor funding	High	High	High	Inability to meet operational costs; inability to finance infrastructure projects; accumulation of liabilities; delayed strategic initiatives	Strengthen revenue mobilisation; develop resource mobilisation strategies; engage development partners; prepare bankable investment proposals; conduct investment and stakeholder forums; strengthen financial planning	MD / Finance Manager / CMT
	High turnover of experienced staff	Low staff morale; inadequate working conditions; limited career progression; non-competitive remuneration and benefits	High	High	High	Loss of institutional memory; reduced productivity; increased recruitment and training costs;	Improve working conditions; implement staff welfare programmes; strengthen training and career development;	HR Manager / MD / CMT

						inability to meet strategic objectives	undertake succession planning; review staff establishment and remuneration within approved frameworks	
	Non-implementation of performance management system	Unclear targets; inadequate sensitization; resistance to change; weak monitoring and feedback	High	High	High	Non-attainment of strategic objectives; weak accountability; low productivity	Cascade strategic objectives into departmental and individual targets; establish SMART KPIs; undertake regular performance reviews; strengthen staff sensitization; link performance to recognition and development	HR Manager / CMT
	Non-compliance with corporate governance requirements	Inadequate board induction; conflicts of interest; inadequate board evaluation; weak governance systems	Medium	High	High	Poor quality decisions; governance failures; regulatory sanctions; reputational damage; uncontrolled expenditure	Ensure appointment of competent and qualified directors; undertake board induction and evaluation; maintain conflict-of-interest declarations; review and implement Board Charter and	Board / MD / Company Secretary

							governance policies; ensure compliance with applicable laws and regulations	
	Non-responsive organizational structure	Failure to regularly review structure; misalignment between strategy and structure; unclear roles and reporting lines	Medium	High	High	Poor reporting structures; duplication of roles; weak coordination; delayed decision-making; inability to achieve strategic objectives	Periodically review organizational structure; align structure with the Strategic Plan 2025–2030; clarify roles and responsibilities; strengthen coordination and reporting mechanisms	MD / HR Manager / CMT
Ensure financial sustainability and operational efficiency during the Plan period	High non-revenue water	Aging infrastructure; illegal connections; inaccurate meters; leakages; inadequate monitoring; water theft	High	High	High	Loss of revenue; high production costs; reduced financial sustainability; increased pressure on water resources	Implement NRW reduction strategy; conduct active leak detection; meter all connections; regular meter testing and replacement; control illegal connections; establish district metering areas where feasible; strengthen water balance monitoring	Technical Manager / Commercial Manager / CMT

	Inability to manage operation and maintenance costs	Low revenue; aging infrastructure; high energy costs; inadequate preventive maintenance; rising input costs	High	High	High	Failure to meet service-level obligations; equipment breakdowns; interrupted water supply; increased emergency repair costs	Strengthen preventive maintenance programmes; prioritize critical infrastructure; monitor O&M expenditure; implement energy-efficiency measures; improve revenue collection; establish annual maintenance plans and budgets	Technical Manager / Finance Manager / CMT
	Failure to achieve revenue targets	Weak revenue collection; inaccurate billing; illegal connections; low metering ratio; interrupted water supply; inadequate customer account management	High	High	High	Inability to meet operational expenses; cash-flow constraints; accumulation of liabilities; reduced capacity to invest	Strengthen billing and collection systems; improve meter reading and data quality; segment revenue channels; prepare revenue improvement plans; strengthen debt collection; improve customer account management; ensure reliable water supply	Commercial Manager / Finance Manager / CMT

	Delayed or inadequate tariff review	Delayed regulatory processes; inadequate cost data; stakeholder resistance; weak tariff proposal preparation	Medium	High	High	Inability to recover costs; operating deficits; deterioration of services; reduced financial sustainability	Maintain accurate cost and operational data; prepare timely tariff applications; undertake stakeholder engagement and public participation; comply with WASREB requirements; monitor tariff implementation	MD / Finance Manager / Commercial Manager
	Cash-flow constraints	Low collections; delayed receivables; high operating costs; debt obligations; delayed funding	High	High	High	Delayed payment of salaries and statutory obligations; supplier arrears; disruption of operations; reputational risk	Prepare rolling cash-flow forecasts; strengthen collections; prioritize expenditure; monitor creditors and debtors; negotiate payment arrangements where appropriate; maintain adequate liquidity controls	Finance Manager / MD
Improve customer	Inability to undertake regular customer	Inadequate funding; limited technical	Medium	Medium	Medium	Inability to measure customer	Provide resources for periodic customer	Commercial Manager

satisfaction and quality of service	satisfaction surveys	capacity; inadequate data collection systems				satisfaction; weak understanding of customer needs; poor service improvement decisions	satisfaction surveys; utilize digital feedback platforms; analyse complaints and customer feedback; incorporate findings into service improvement plans	
	Weak digital customer engagement	Inadequate website; limited online services; underutilization of CRM tools; inadequate ICT capacity	Medium	Medium	Medium	Poor tracking of customer feedback; delayed response to customers; weak corporate image	Upgrade and maintain company website; strengthen digital customer service channels; enhance CRM utilization; provide online complaint and feedback mechanisms; strengthen ICT support	ICT Officer / Commercial Manager
	Inconsistent water supply	Inadequate production capacity; aging infrastructure; power interruptions; equipment breakdowns; inadequate maintenance; vandalism	High	High	High	Customer dissatisfaction; reduced consumption; reduced billing and revenue; increased complaints;	Improve preventive and corrective maintenance; increase production capacity; strengthen backup power arrangements; reduce NRW; protect	Technical Manager / CMT

						reputational damage	critical infrastructure; establish rapid-response teams for breakdowns	
	Poor customer communication	Inadequate communication strategy; delayed dissemination of information; limited customer engagement channels	Medium	Medium	Medium	Increased customer complaints; misinformation; poor corporate image; low customer confidence	Develop and implement a customer communication strategy; provide timely service interruption notices; strengthen social media and digital communication; hold stakeholder engagement forums; improve complaint resolution	Commercial Manager / ICT Officer / MD
Strengthen water and sanitation infrastructure and service reliability	Failure or delay in implementation of capital projects	Inadequate financing; procurement delays; inadequate project management; contractor performance challenges; land/access issues	High	High	High	Delayed achievement of strategic targets; cost overruns; loss of donor confidence; inadequate service expansion	Develop realistic project implementation plans; strengthen project management; undertake procurement planning; monitor contractor	Technical Manager / Procurement / MD

							performance; mobilize adequate financing; conduct regular project reviews	
	Failure to meet water quality standards	Inadequate treatment chemicals; poor treatment processes; equipment failure; inadequate laboratory capacity; contamination of sources	Medium	High	High	Public health risk; regulatory non-compliance; reputational damage; possible legal consequences	Strengthen water quality monitoring; ensure adequate treatment chemicals; maintain treatment equipment; conduct regular laboratory testing; comply with applicable water quality standards; maintain emergency response procedures	Technical Manager / Laboratory
	Climate change and water-source risks	Drought; floods; catchment degradation; changing rainfall patterns; increased demand	Medium	High	High	Reduced raw water availability; increased treatment costs; service interruptions; infrastructure damage	Promote source protection; diversify water sources; strengthen water conservation; develop drought and flood response plans; climate-proof infrastructure; collaborate with	Technical Manager / MD / CMT

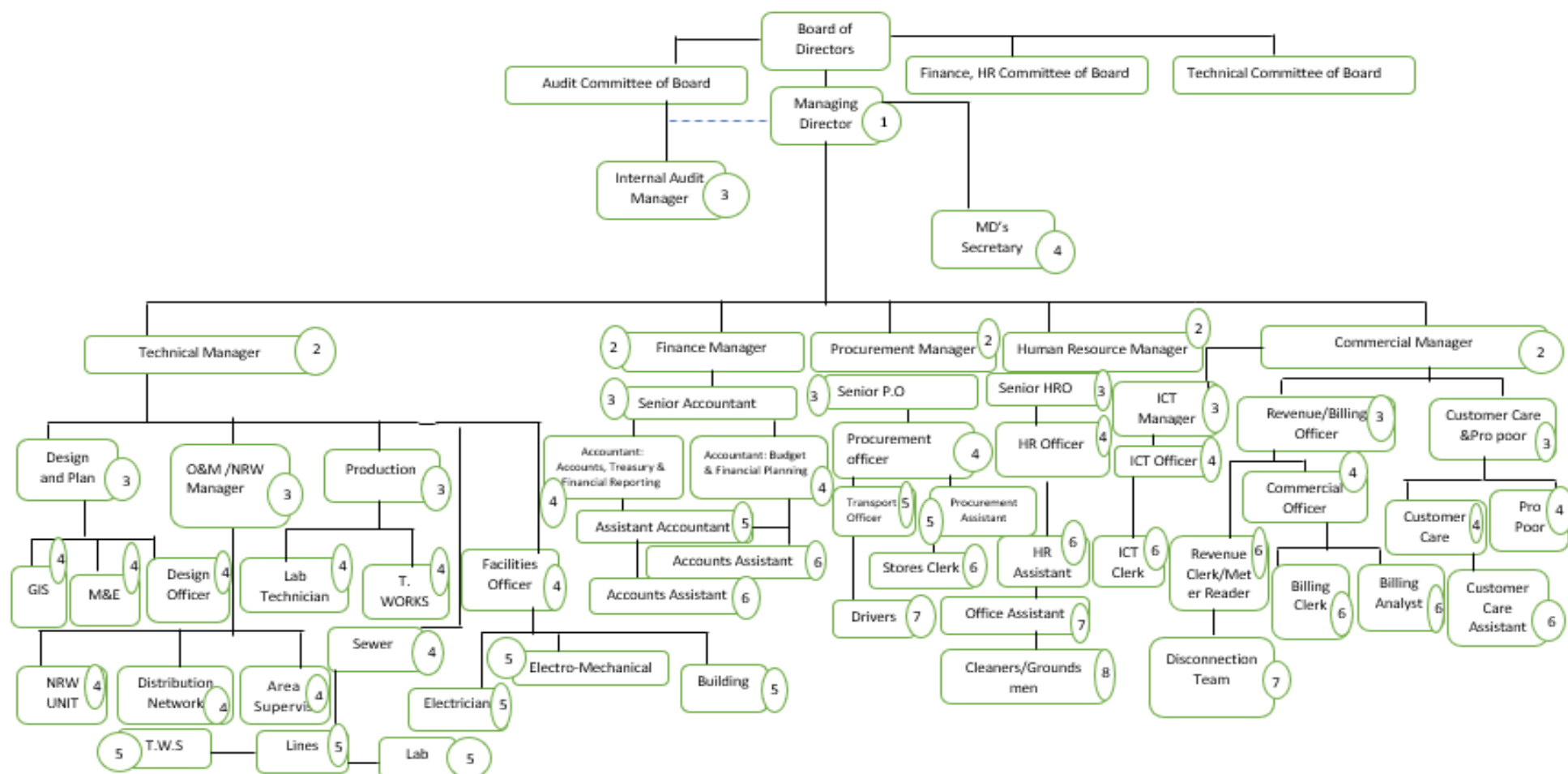
							relevant government agencies	
Strengthen compliance, risk management and corporate resilience	Regulatory non-compliance	Inadequate monitoring of regulatory requirements; weak internal controls; delayed implementation of audit recommendations	Medium	High	High	Regulatory sanctions; financial penalties; reputational damage; reduced stakeholder confidence	Maintain regulatory compliance register; regularly monitor compliance obligations; implement audit recommendations; conduct periodic compliance reviews; strengthen internal audit function	MD / Internal Audit / CMT
	ICT systems failure and cyber threats	Outdated systems; inadequate cybersecurity controls; weak backups; unauthorized access; inadequate ICT governance	Medium	High	High	Loss of data; interruption of billing and financial systems; financial losses; compromised customer information	Implement ICT governance framework; strengthen cybersecurity; maintain regular backups; establish access controls; conduct system updates; develop ICT disaster recovery and business continuity arrangements; conduct staff	ICT Officer / MD / CMT

							awareness programmes	
	Fraud and corruption	Weak controls; collusion; inadequate segregation of duties; unauthorized transactions; weak monitoring	Medium	High	High	Financial losses; legal action; reputational damage; loss of stakeholder confidence	Strengthen internal controls; segregation of duties; whistle-blowing mechanisms; regular internal audits; fraud risk assessments; staff sensitization; enforcement of disciplinary procedures	MD / Internal Audit / Finance Manager

Risk Rating Guide

Rating	Likelihood	Impact	Interpretation
Low	Low	Low	Manage through routine controls and monitoring
Medium	Medium	Medium	Requires active management and periodic review
High	High	High	Requires priority management attention, defined mitigation actions and regular monitoring

ANNEX III: ORGANIZATIONAL STRUCTURE





Registered Office
Kisii Water and Sanitation Public Limited Company
P.O. Box 3880 - 40200
Kisii, Kenya

Corporate Contacts

Telephone: (+254) 0798754178
Email: info@kwasco.co.ke
Website: www.kwasco.co.ke

Registered Office
Kisii Water and Sanitation Public Limited
Company
P.O. Box 3880 - 40200
Kisii, Kenya

Main Office
Bobaracho - Along Kisii-Keroka Rd

Corporate Contacts

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