

2023-2025



**Mulonga**

Water Supply and Sanitation Co. Ltd

# STRATEGIC BUSINESS PLAN

Mulonga Water Supply &  
Sanitation Company

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2023-2025



# Mulonga Water Supply & Sanitation Company Limited at a Glance:

MWSC was incorporated in 1999 and commenced operations in July, 2000

## 561,000

People served as at 2022

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## 115 million

Litres of drinking water produced per day, whose waste-water is treated to meet effluent standards before being discharged into streams and rivers.

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**Various water and sanitation assets operated and maintained to produce these services, including:.**

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## 8

Water treatment plants which produce potable water in the three serviced towns

## 94%

Water treatment plants which produce potable water in the three serviced towns

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## 15

Sewage / waste-water treatment facilities

## 89%

Estimated Water Supply Coverage

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# VISION AND MISSION

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## Vision

“To be the most admired water supply and sanitation services Provider in Africa.”

## Mission

“To provide our valued Customers with safe and reliable water supply and sanitation services in an environmentally sustainable manner while meeting the needs of all our stakeholders”.





## Foreword



**Nachilala Nkombo**  
Board Chairperson

Since October 2007, MWSC has been the sole provider of potable reticulated water supply and sanitation services for the urban and peri-urban areas of Chililabombwe, Chingola and Mufulira on the Copperbelt Province.

In 2019, our mandate was extended to cover the entire District boundaries and now includes the provision of water supply and sanitation services to rural areas across the three service Districts. The extended mandate was formulated in response to the 2030 Agenda for Sustainable Development Goals (SDGs), especially Goal 6 that aims to “ensure availability and sustainable management of water and sanitation for all” and the Eighth National Development Plan (2022-2026) – “Accelerating Development Efforts towards Vision 2030 without leaving anyone behind”

In response to our new mandate the Company name was changed from “Mulonga Water and Sewerage Company Limited” to “Mulonga Water Supply and Sanitation Company Limited”.

Due to the deteriorating condition of our ageing infrastructure, the Company has been experiencing operational difficulties in ensuring the delivery of high-quality services to the people of Chililabombwe, Chingola and Mufulira. The additional responsibility, under our new mandate, makes our operations even more challenging. However, to lessen our operational challenges, I am pleased to note that the infrastructure works, under the Zambia Water and Sanitation Project (ZWSP), have already commenced. Several Contractors have been mobilized, working on the design and ultimate repair, rehabilitation, and replacement of some of our old and dilapidated infrastructure. This will ensure that we remain on track to “To provide our valued Customers with safe and reliable water supply and sanitation services in an environmentally sustainable manner while meeting the needs of all our Stakeholders”.

Through our Strategy, we are committed to reorganize how we manage our people, our assets, and our overheads, so that we can increase our revenues and improve our operational efficiency and effectiveness, whilst driving down our overall costs.

It is my considered view that, with appropriate levels of commitment and support from our Government, Cooperating Partners, key Stakeholders and our valued Employees and Customers, this Strategy will significantly improve the quality of our service delivery and will significantly contribute to our National Development. I therefore urge everybody, involved in the implementation of this Strategy, to fully dedicate themselves to this important assignment. The Board remain committed to ensuring its successful implementation as we strive to demonstrate that at MWSC, we are indeed moving ‘towards purified excellence’.

I Thank You All

# Acknowledgement



**Eng. Ndilakulampa  
Hamalambo, FEIZ  
Managing Director**

Over the past 9 years, MWSC has demonstrated unwavering commitment to running business affairs by following a documented strategic plan.

Having implemented three strategic plans in a row with varying degrees of success, this fourth Strategic Plan builds upon the planning, execution, monitoring and evaluation processes previously developed and further strengthens the end-to-end process for MWSC's strategic planning.

I wish to acknowledge all the Employees who worked to actualize some of the activities of the previous plans and those who were tasked with the responsibility of reviewing the performance for the 2018-2021 strategic period and provide the data that was used to chart a new course for the Company.

I also wish to show appreciation to some of our key stakeholders, for their direct and indirect input into this work, including NWASCO, MWDS, ZEMA the Chingola, Chililabombwe and Mufulira Municipal Councils who are also our Shareholders.

Special acknowledgement goes to our other cooperating Partners, who have participated in the development of this Strategy and have been instrumental in providing financial resources and expert support to ensure the effective implementation of previous strategic plans and the initial development of this current plan.

Considering the dynamics and changes that have taken place in the water sector in the past decade, MWSC has carefully developed its 2023–2025 Strategic Plan, setting out its continuing journey to becoming “The most admired water supply and sanitation services Provider in Africa”.

The commitment of the Board of Directors for MWSC, Management and the Employees' unwavering commitment will continue to be the central component of the success of this plan. With our flag-ship project – the ZWSP, nearing completion, am positive that with dedicated focus from Management and Staff and the support of Government and our key Stakeholders, we will move MWSC to a more sustainable and Customer centric status.

It is my sincere hope that we will continue on this course, as we strive to achieve our vision “To be the most admired water supply and sanitation services Provider in Africa”.

I Thank You All



# Executive Summary

**M**WSC went through a plethora of challenges in its quest to ensure continuity of service delivery and adherence to the 2018-2021 strategic business cycles as a consequence of the unanticipated global economic challenges brought about by lockdowns in various parts of the world to curb the spread of COVID-19 and the rapid depreciation of the local currency among others eventualities. Some of the inescapable consequences resulting from those prevailing circumstances were a drop in the collection efficiency, rise in operations and maintenance (O&M) costs and a rapidly growing Customer debt position resulting from Customers' unwillingness to pay for the service.

Regardless of the above challenges, MWSC made positive strides that were directed towards the attainment of the 2018-2021 strategic plan. Some of the notable achievements recorded in the three-year strategic planning cycle were;

- i. A 19% increase in the annual billing from a baseline of K144 million to K173 million as at the close of the 2019-2020 financial year.
- ii. Growth in customer base from 55,345 to 59,876 water connections and 53,826 to 54,852 sewer connections.
- iii. Improved sanitation coverage from a baseline of 81% to 83%.
- iv. Commencement of the establishment of the contact centre as a platform to enhance effective Customer engagement and complaint resolution
- v. Signing of the design and build (large works) contract under the ZWSP which, once executed, will greatly improve service delivery in the three towns of Chin-gola, Chililabombwe and Mufulira.
- vi. Upgrading of ICT equipment and enhancing of processes to allow MWSC transmit bills electronically and enable customers to make online payments using various

platforms.

This Strategic Plan covering the years 2023-2025, and centred on the core mission "To provide our valued Customers with safe, reliable water supply and sanitation services in an environmentally sustainable manner while meeting the needs of all our stakeholders" is a build up from the previous planning cycles. It focusses on leveraging available opportunities and resources to deliver water and sanitation services which will meet Customer and Stakeholder expectations.

The Company's focus for the next three (3) years will be centred on the following seven (7) strategic goals:

- **Strategic Goal 1:** Meeting of Customer and Stakeholder needs
- **Strategic Goal 2:** Human Resource Optimisation
- **Strategic Goal 3:** Expansion and Optimisation of Company Assets
- **Strategic Goal 4:** Growth of Business and expansion to Rural areas and OSS.
- **Strategic Goal 5:** Effective Business planning monitoring and governance
- **Strategic Goal 6:** Reduction of NRW
- **Strategic Goal 7:** Environment, Health and Safety protection.

Each of these strategic goals has been aligned to specific objectives and key performance indicators (KPIs) which will further be broken down into annual tactics and activities with specific KPIs in subsequent annual plans.

To enhance accountability towards achievement of these Company goals, they will be owned by specific Directorates headed by an executive Director who will lead the development of the sub strategies for reaching

the set goals as well as the annual plans that will add to the successful attainment of the SBP goals.

When successfully executed, this SBP is expected to bring about increased resource utilization, growth in billing, collections, improved water and sanitation service coverage, water quality compliance to NAWASA set SLGs/SLAs and effluent compliance to ZEMA standards. It will also bring about effective Stakeholders engagement and satisfaction over the next three years and set the foundation for the future growth of the Company.

Generally, MWSC will endeavor to maintain a positive growth trajectory by harnessing opportunities in un-serviced urban and rural settlements.

Monitoring and evaluation of this plan will be done on a quarterly basis with reports submitted to the Board of Directors. This will be in addition to the annual reviews that will also be done for the three successive years to ascertain adherence to the plan.

The Company will introduce a more holistic Continuous Improvement / Business Excellence program that will focus on processes, procedures, team problem solving and using new management tools and techniques, with associated capacity building. This would ensure that Management and Staff understand what they will be managing, why, when, where as well as how to manage.





# Table of Contents

Mulonga at a Glance.....	iii
Vision and Mission .....	iv
Foreword.....	v
Acknowledgement .....	vi
Executive Summary .....	vii
List of figures.....	xi
List of Tables.....	xi
Abbreviations and Acronyms .....	xii
<b>1 INTRODUCTION.....</b>	<b>1</b>
1.1 Purpose and Background .....	1
1.2 Assumptions .....	1
<b>2. GENERAL COMPANY DESCRIPTION.....</b>	<b>2</b>
2.1 Functions.....	2
2.2 Vision, Mission and Values .....	2
2.3 Governance & Management.....	3
2.3.1 Board of Directors.....	3
2.3.2 Strategic Management Level.....	3
2.3.3 Tactical or Operational Level.....	3
2.4 Main Policies of the Mulonga.....	4
<b>3. CURRENT SITUATION ANALYSIS – POSITION AUDIT.....</b>	<b>5</b>
3.1 Where We Are Coming From.....	5
3.2 Review of the MWSC 2018 – 2021 Strategic Business plan .....	5
3.2.1 Key Performance Highlights.....	5
3.2.2 Performance of Capital Development Projects 2018– 2022.....	6
3.3 Current Status.....	6
3.4 Factors contributing to performance decline .....	7
3.4.1 Liquidity .....	7
3.4.2 Service Delivery issues.....	7
3.4.3 Staff Productivity .....	9

3.4.4 Customer Satisfaction .....	9
3.5 Assessment of MWSC's situational analysis .....	10
3.6. SCOR Analysis .....	10
<b>4. STRATEGIC GOALS, OBJECTIVES AND IMPLEMENTATION PLAN .....</b>	<b>12</b>
4.1 Strategic Goals and Objectives .....	13
4.2 Strategy and Implementation Plan .....	13
4.2.1 Strategy Phases and Implementation timelines .....	13
4.2.2 Implementation Approach.....	14
4.2.3 Strategy Implementation Factors .....	15
<b>5. RISK MANAGEMENT .....</b>	<b>17</b>
5.1. Corporate Risk Matrix, limiting factors and assumptions .....	17
5.2. Integrated Risk Management Framework .....	19
5.3. Identified Strategic Risks and mitigation measures .....	19
<b>6. MONITORING AND EVALUATION .....</b>	<b>22</b>
6.1 Purpose and importance .....	22
6.2 Our M&E methodology.....	22
6.2.1 The processes .....	22
6.2.2 M&E Logical framework .....	22
6.3 Recommendations for M&E Implementation.....	23
<b>7. CONCLUDING REMARKS .....</b>	<b>25</b>
<b>8. Appendices.....</b>	<b>26</b>



## List of figures

<b>Figure 1:</b> The abridged organogram effective January, 2021.....	3
<b>Figure 2:</b> MWSC's performance on the 2018-2021 SBP specific performance areas.....	5
<b>Figure 3:</b> Non-Revenue Water (NRW) % Trend since 2018 to 2021 .....	8
<b>Figure 4:</b> MWSC's Water quality trend from 2018 to 2021 .....	8
<b>Figure 5:</b> MWSC's decline in hours of supply from 2018 to 2021 .....	9
<b>Figure 6:</b> MWSC's trend of the staff efficiency from 2018 to 2021.....	9
<b>Figure 7:</b> MWSC Strategic Business Turnaround Planning and implementation Phases.....	13
<b>Figure 8:</b> Cascading of SBP into annual plans and Quarterly plans.....	14
<b>Figure 9:</b> Graphical presentation how Annual Plans build into SBP goals.....	15
<b>Figure 10:</b> MWSC Corporate Risk appetite matrix.....	17
<b>Figure 11:</b> Integrated Risk Management Governance Structure.....	19
<b>Figure 12:</b> M&E and Link of chain of inputs, outputs, outcomes and impacts with planning. ....	22

## List of Tables

<b>Table 1:</b> ZWSP disbursements and utilisation since inception to September, 2022 .....	6
<b>Table 2:</b> Key parameter status as at December 2021, baseline for 2023-2025 SBP .....	7
<b>Table 3:</b> MWSC's SCOR matrix as at September, 2022 .....	10
<b>Table 4:</b> Shows summarized key objectives arising from the cascaded objectives from the KPAs.....	13
<b>Table 5:</b> MWSC Key risks rating and responsibilities .....	18
<b>Table 6:</b> Results based Logical framework for the Output targets Indicators.....	24

## Abbreviations and Acronyms

<b>AFD</b>	Alliance de Fraincaise Development
<b>AHC-MMS</b>	Asset Holding Company – Mining Municipal Services
<b>CAPEX</b>	Capital Expenditure
<b>CM</b>	Communications Manager
<b>DF</b>	Director Finance
<b>DHRA</b>	Director Human Resources & Administration
<b>DID</b>	Director Infrastructure Development
<b>DT</b>	Director Technical
<b>EIB</b>	European Investment Bank
<b>EIZ</b>	Engineering Institution of Zambia
<b>ELT</b>	Executive Leadership Team
<b>HIA</b>	Head Internal Audit
<b>HSP</b>	Head Strategic Planning
<b>KPI</b>	Key Performance Indicator
<b>MD</b>	Managing Director
<b>MWSC</b>	Mulonga Water Supply and Sanitation Company
<b>MWDS</b>	Ministry of Water Development and Sanitation
<b>NAPSA</b>	National Pensions Scheme Authority
<b>NRW</b>	Non-Revenue Water
<b>O &amp; M</b>	Operation and Maintenance
<b>SBP</b>	Strategic Business Plan
<b>SCOR</b>	Strengths, Challenges, Opportunities & Risk
<b>SOB</b>	Strategic Objective
<b>SFA</b>	Strategic Focus Area
<b>SMMM</b>	Strategic Management Maturity Model
<b>SOPs</b>	Standard Operating Procedures
<b>ZABS</b>	Zambia Bureau of Standards
<b>ZEMA</b>	Zambia Environmental Management Agency
<b>ZWSP</b>	Zambia Water and Sanitation Project



# 1. Introduction

## 1.0 Purpose and Background

The purpose of this strategic business plan (SBP) is to provide a comprehensive overview of the Company's strategy to meet its obligations to the Customers and Stakeholder in the years 2023 to 2025 in line with sector policies. The plan outlines the following;

- i. The current situation of the Company
- ii. Where the Company wants to be at the end of the planning period and,
- iii. In broad terms, how the Company proposes to implement the plan.

The Plan will be an essential management tool, which will guide MWSC Management's decisions and actions and include a careful consideration of the development of the business with respect to the financial and infrastructural improvements.

The plan is anchored on the Zambian Government policies as articulated in the Government's Vision 2030 and Eight National Development Plan (2022-2026), Zambia Water Investment Programme, and international strategic frameworks that include Sustainable Development Goals – 2030 Agenda for sustainable development.

## 1.2 Assumptions

The key assumptions on which this plan is based on include but not limited to the following;

- i. Existing Plant capacities will be enhanced to meet the current water demand.
- ii. ZWSP Funds will be disbursed in full to complete the project.
- iii. The ZWSP will be done according to plan and schedule and be completed before the close of the SBP implementation period.
- iv. Revenue collection efficiency of above 95% will be attained.
- v. The Company will be able to attract and retain specialized personnel for key positions.
- vi. Stability of the mining sector as a key stakeholder to Mulonga's business environment.

## 2. General Company Description

Mulonga Water Supply and Sanitation Company Limited (MWSC), incorporated in 1999 and operationalized in 2000, is a public water Utility owned by the municipalities of Mufulira, Chingola and Chililabombwe in equal shares. Its mandate, defined in the Water Supply and Sanitation (WSS) Act No. 28 of 1997 (as amended by Act 10 of 2005), is to provide water supply and sanitation services in the three municipalities on a sound commercial and financially viable basis.

The Company serves an estimated population of about 560,000 across the three towns of Chililabombwe, Chingola and Mufulira. It has estimated 94% water service coverage and about 89% sanitation coverage. To service this population, the Company produces about 115 million litres of water per day.

### 2.1 Functions

The three-year Business Strategic plan endeavours to make MWSC accountable, efficient and better in the pursuit of the following key functions/mandate:

- i. To provide safe and reliable water supply and sanitation services in the three service Districts
- ii. To provide exceptional value to all Stakeholders.
- iii. To operate in an environmentally sustainable manner.
- iv. To disseminate information to Customers on water supply and sanitation issues

### 2.2. Vision, Mission and Values

**Vision** “To be the most admired water supply and sanitation services provider in Africa.”

**Mission:** “To provide our valued Customers with safe and reliable water supply and sanitation services in an environmentally sustainable manner while meeting the needs of all our stakeholders”.

**Our Core Values:** Abbreviated as **i-WATER**, which stand for the follow:

i	Innovation	We value Employees who are creative, energetic, proactive and intelligent in both their thoughts and actions.
W	Wisdom	We will always pay attention to the needs of our Customers and offer reasonable solutions with the available resources.
A	Accountability	We shall take ownership for the responsibility entrusted to us.
T	Teamwork	We shall thrive on cooperation with our stakeholders in the delivery of water supply and sanitation services.
E	Excellence	Our Employees will continually find ways to improve the services that our Customers value.
R	Reliability	We will clearly communicate our service levels to our customers and perform them in a predictable and reliable way

## 2.3 Governance & Management

### 2.3.1 Board of Directors

MWSC is governed by a Board of Directors drawn from various sectors and with a broad professional spectrum. The Board of Directors is nominated by the Shareholders (the local Authorities) and appointed by the Minister of Water Development and Sanitation. The Board of Directors in turn, appoints the Managing Director and the other Executive Directors who run the business of the Company.

### 2.3.2 Strategic Management Level

The Managing Director is assisted by four Directors (i.e. Director Technical, Director Finance, Director Human Resources and Administration, Director Infrastructure Development) in the day-to-day operation of the Company. Effective January 2021, MWSC new and approved organizational structure is shown below:

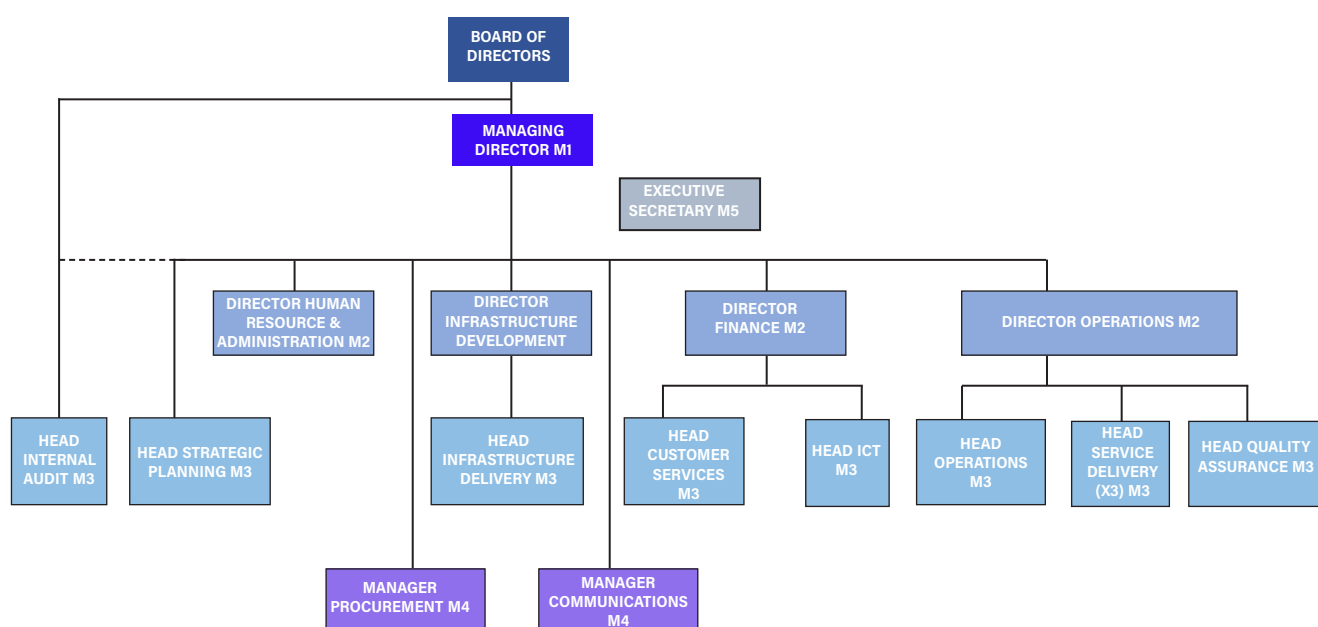


Figure 1: Organisation Structure

### 2.3.3 Tactical or Operational Level

At tactical or operational level, the Company is divided into three Divisions (i.e. Mufulira, Chingola and Chililabombwe) with each one being headed by a Head Service Delivery.

Capital expenditure coordination, procurement, quality assurance services, resource mobilization, liaison with statutory and regulatory Bodies and public relations and other central functions are handled by the Company's Head Office Directorates.



## 2.4 Main Policies of the MWSC

The main policies of the company that shall continue to be pursued during the implementation of the strategic plan are depicted in the listing below.

NAME OF POLICY	PURPOSE
Staff Retention Policy	To provide a framework that will enhance retention of employees in MWSC.
Training and Development Policy	To ensure that all employees have the appropriate knowledge, skills and attitudes to effectively perform their current and future duties, thereby contributing to the achievement of organizational objectives.
Recruitment Policy	To provide for the fair and consistent recruitment, selection, support and retention of high quality staff who are able to contribute to the achievement of MWSC's strategic goals.
Ethics and Leadership Code	To ensure that there is no conflict of interest between an employee's private interests and the Company's primary interest in providing service to the public efficiently, with impartiality and integrity.
Disciplinary Code and Grievance Procedure	To ensure that there is sound industrial relations and productivity at the individual, team and organizational levels. The policy is aimed at ensuring satisfactory employee behavior, conduct, fairness and natural justice in the handling of all disciplinary matters.
Performance Management Policy & Procedure	To promote and improve employee productivity in order to meet both individual and MWSC goals and objectives, anchored on the four major pillars of PMS which are Performance Planning, Coaching and Mentoring, Performance Review and Rewarding.
Asset Management Policy	To establish a framework that guides the planning, acquisition, recognition, operation, maintenance, replacement and disposal of all assets of the Company

## 3.0 Current Situation Analysis

### Position Audit

This chapter provides highlights with respect to the review of where the company is coming from, including the current issues that remain challenges for Mulonga.

### 3.1 Where We Are Coming From

The Company has been steadily growing since its inception as a corporate entity and expanded massively following the takeover of assets of the former AHC Mining Municipal Services Limited (AHC-MMS) which were previously held in trust and operated by Nkana Water and Sewerage Company. Effective 1<sup>st</sup> October 2007, the Company has been operating water and sewerage infrastructure in their entirety in the three towns of Chingola, Chililabombwe and Mufulira.

In understanding where the company is coming from, the review of experiences, progress and lessons learnt from the implementation of the 2018- 2021 strategic plan contributes significantly to the development of the 2020-2025 Strategic Business Plan.

### 3.2 Review of the MWSC 2018 – 2021 Strategic Business plan

The 2018-2021 Strategic Business Plan was implemented in line with the main theme ‘mindset shift of all MWSC Employees towards becoming customer centric through enhanced end to end processes that results in improved service delivery to customers in the three towns of Mufulira, Chingola and Chililabombwe’. The overall theme was supported by six (6) Strategic Priority Areas (SPAs) namely;

- SPA 1 - Customer and Stakeholder Delight,
- SPA 2 - Financial Viability and Sustainability,
- SPA 3 - Operational Excellence and Infrastructure Development,
- SPA 4 - Smart Solutions and Innovations,
- SPA 5 - Internal Organizational Reforms and Restructuring,
- SPA 6 - Governance and Risk Management

#### 3.2.1 Key Performance Highlights

The table below shows Key Performance highlights outlining organizational performance during the 2018-2021 planning period in line with the six (6) Strategic Priority Areas.

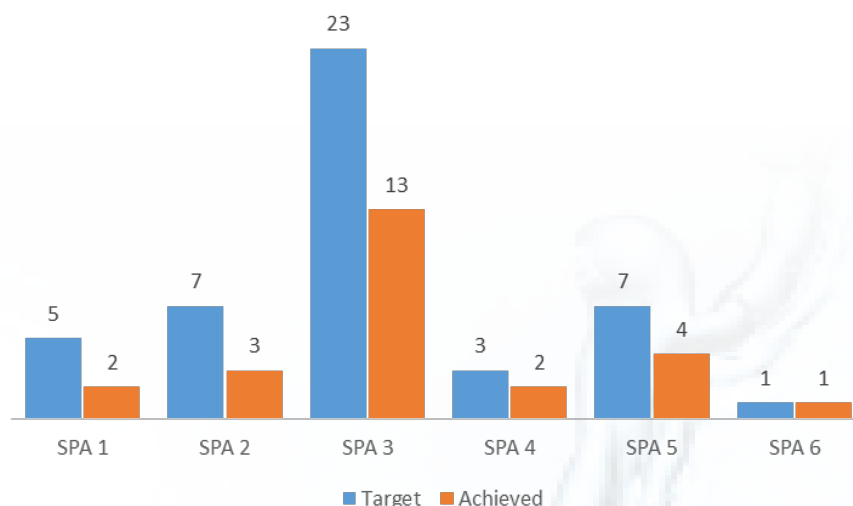


Figure 2: MWSC's performance on the 2018-2021 SBP specific performance areas

The figure above shows the performance of the Company on the targets set out in the six (6) SPAs in strategic business plan for 2018-2021. MWSC met 54% of the set targets across all the SPAs. SPA-5, SPA-3 and SPA-6 had the highest targets achieved while SPA-1 and SPA-2 had lower targets achieved. **Appendix 1** shows the planned and achieved targets under the respective SPAs for the previous SBP.

### 3.2.2 Performance of Capital Development Projects 2018– 2022

#### (i). Zambia Water and Sanitation Project (ZWSP)

The Zambia Water and Sanitation Project is a flagship project for MWSC launched in December 2013 with a total investment of € 156.0 million funded by the Government of the Republic of Zambia through loans from the European Investment Bank (EIB), Agency for French Development (AFD) and grant from the European Union. There are four key business components of this project: Reduction of the non-revenue water, extension of water and sanitation services to peri-urban areas, rehabilitation and expansion of Infrastructure and, Capacity Building (Business Improvement).

The table and chart below shows summaries of the cumulative commitments as at September 2022.

Table 1: ZWSP disbursements and utilisation since inception to September, 2022

Disbursements from Inception to Sept, 2022	Interest Received (Cumulative to date Net of payments Funds	Actual payments (Cumulative from Inception)	Committed from Inception, (exchange gains /losses built in)
€78,657,866.00	€578,042.92	€41,365,773.23	€121,620,542.98

The expected end date for this project is 31<sup>st</sup> December 2023, which covers one third of the entire 2023-2025 (3 years) SBP implementation period with a revised duration of 9.5 years from inception date.

#### (ii). Other Capital Projects – Internally Funded

MWSC implemented other critical works using internally generated funds. The Projects focused on water pumps and networks replacements in areas where the situation became critical and could not wait for future major rehabilitations.

In the years 2018 to 2021 the total spent on these internally funded projects was K 8.4 million.

### 3.3 Current Status

The Company has been facing a lot of challenges in the last four (4) years arising predominantly from the increased cost of operations which now out strip the revenue. The Company's cost coverage has reduced from 98% in 2019 to 82% in 2021. The Company's aging infrastructure has also led to an increasing quantity of NRW which has moved from 38% to 48% in 2021. Commercially, the biggest challenge facing MWSC in the recent years has been the low collection efficiency which dropped from 89% in 2019 to 84% in 2021 resulting in liquidity challenges thereby causing



operational bottlenecks.

The aged infrastructure has also led to frequent service outages due to either electro-mechanical equipment breakdowns or main transmission lines bursts. This situation has not only lowered the service provision reliability but has also reduced the average hours of supply hence affecting the billed revenues and customer satisfaction.

Below is the overall performance of MWSC in the nine key performance indicators as per 2021 NWASCO Sector Report:

Table 2: Key parameter status as at December 2021, baseline for 2023-2025 SBP

NWASCO Sector Performance (KPIs)	Actual	Benchmark
NRW	48%	25%
Water Quality Compliance	94%	95%
Metering Ratio	83%	100%
Water Service Coverage	94%	95%
Sanitation Coverage	82%	85%
Hours of Supply	15	18
Staff Efficiency	0.59	0.40
Collection Efficiency	84%	90%
O+M Cost Coverage by Collections	71%	100%

### 3.4 Factors contributing to performance decline

#### 3.4.1 Liquidity

The financial position as at 30<sup>th</sup> September 2022, showed that the total current liabilities were at K 194.9million compared to total current assets of K 184.5 million. For the year ended 31<sup>st</sup> December, 2021, MWSC reported an operating loss of K 19.9 million (unaudited). The Company has been failing to implement its annual strategies due to liquidity challenges. The revenues collected by the business were not sufficient to cover the ever-increasing operating expenses.

#### 3.4.2 Service Delivery issues

##### (i). High Non-Revenue Water (NRW)

The level of Non-Revenue Water (NRW) has remained high due to the aged infrastructure, illegal water use, meter tampering, faulty and aged meters and other related water theft activities. Consequently, the business lost an estimated 48% of the water produced in 2021. This deprived the business of potential revenue estimated at an annual loss of K 40.1 million (taking an ideal NRW of 25%). Figure 2 shows the

NRW trend since 2018.

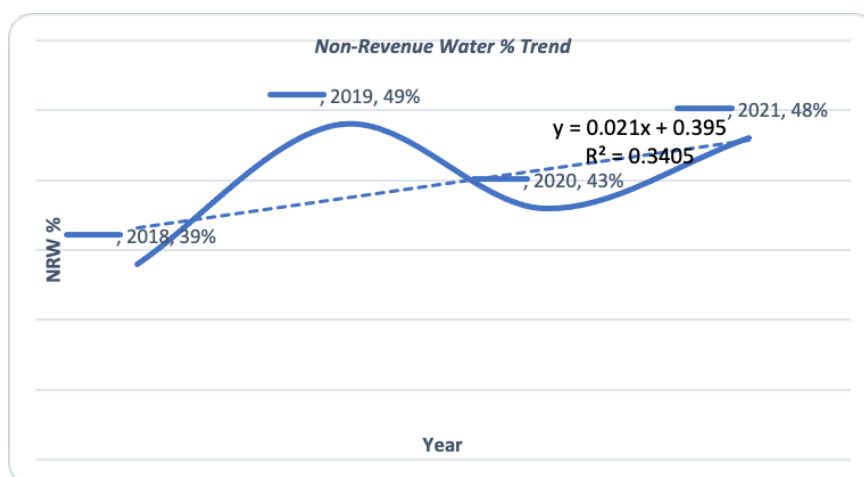


Figure 3: Non-Revenue Water (NRW) % Trend since 2018 to 2021

## (ii). Water Quality

MWSC's water quality has not been stable due to aged infrastructure and activities of the Mines in the riparian areas of the Company's water sources. In all the three towns in which MWSC operates, the Company faces big challenges in terms of the raw water quality especially the raw water received from underground mining activities from the mining Firms. As a result, the cost associated with treating the raw water increased. The water quality is presented in Figure 3:

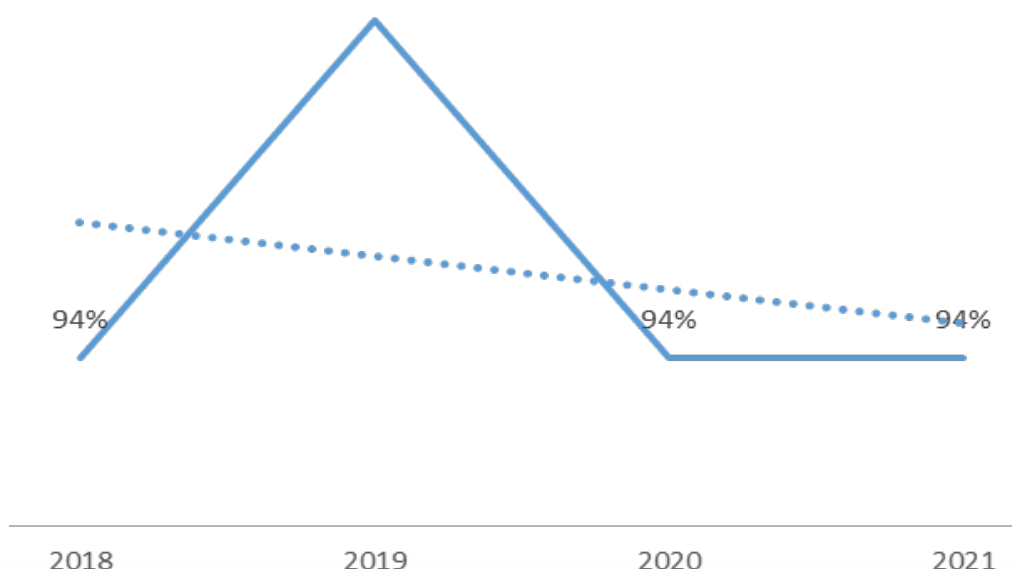


Figure 4: MWSC's Water quality trend since 2018 to 2021

## (iii). Hours of Supply

The hours of water supply have been trending downwards from 17 hours per day in 2018 to around 15 hours/day in 2021. The unreliability of raw water especially in Chingolaat KCM WTP, low equipment availability due to old equipment and shut downs due to frequently bursting trunk mains have been causes of the Company's failure to go above 17 hours of water supply per day since 2018. Figure 4 shows the decline in hours of supply from 2018 to 2021.

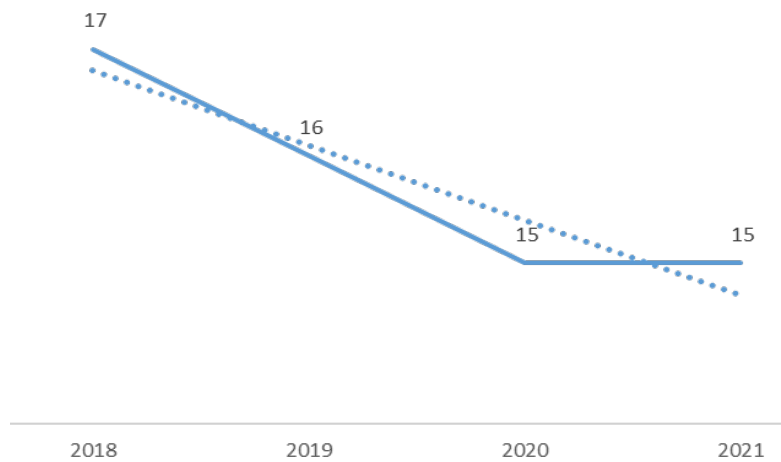


Figure 5: MWSC's decline in hours of supply

This failure to meet the SLG on supply hours, which is one of the critical license conditions, had a negative impact on the business's ability to generate additional revenues as less water was sold.

### 3.4.3 Staff Productivity

#### (i). Staff Efficiency

The staff efficiency ratio, which is a measure of the labor cost against revenues and collections, has not been improving in the last four years. This has been due to the rising labor costs against dropping billing and collections for the Company.

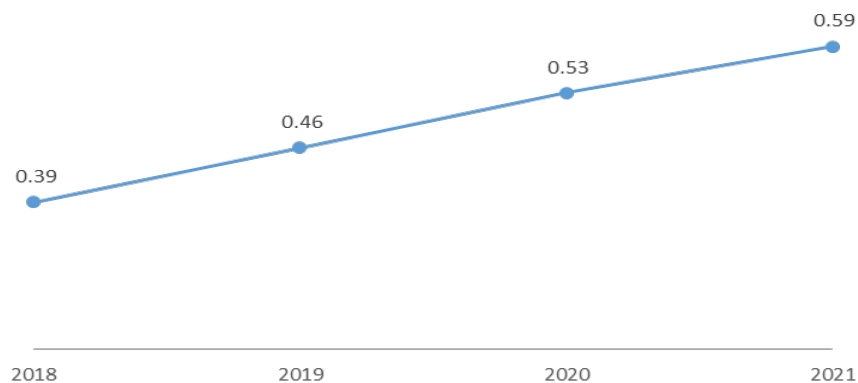


Figure 6: MWSC Staff efficiency ratio from 2018 to 2021

#### (ii). Staff Competences

The Company has employees who are generally qualified for their positions. However, the Company is grappling with competence issues among its staff as can be seen from low productivity levels which have ultimately affected service delivery among other reasons.

### 3.4.4 Customer Satisfaction

The Customer service satisfaction levels have been very low for the Company. The survey that was done in 2020 indicated that Customer satisfaction levels stood at 48% mainly due to the challenges with the water quality in terms of color, low supply hours and contentions with bills issued to customers. The Company performed



below its Service Level Guarantees (SLGs) in the years 2018 to 2021 which was also reflected in the low customer satisfaction levels.

### 3.5 Assessment of MWSC's situational analysis

On the Strategic Management Maturity Model (SMMM), MWSC stood at level 3 as at 31<sup>st</sup> March, 2020 – Appendix 2.

This offers a quick assessment of where MWSC stood in terms of strategic management. The Company's SMMM status will be the baseline for the 2023 – 2025 SBP.

### 3.6 SCOR Analysis

The SCOR consists of an evaluation of the MWSC's Strengths, Challenges, Opportunities and Risks, and responses to challenges and opportunities. In doing this, the objective is to achieve a strategic fit between the Organization's internal skills, capabilities and resources with the external opportunities so as to minimize the challenges and risks.

The major strengths, challenges, opportunities and risks are summarized in Table 3 below:

*Table 3: MWSC's SCOR matrix as at September, 2022*

Strengths	Challenges
<ul style="list-style-type: none"> <li>» Qualified and young workforce</li> <li>» Wide population coverage for water and sanitation</li> <li>» Availability of basic water and sanitation infrastructure</li> <li>» Secured finance for investment in infrastructure (ZWSP)</li> <li>» Systems and processes in place</li> <li>» Established communication platforms</li> <li>» Financial model in place</li> <li>» Employee performance measurement tool in place</li> </ul>	<ul style="list-style-type: none"> <li>» Inability to cover operational, maintenance and CAPEX costs</li> <li>» Dilapidated water and sanitation infrastructure</li> <li>» Increasing debt profile</li> <li>» High NRW</li> <li>» Uncoordinated development by local authorities</li> <li>» Vandalism of water and sanitation infrastructure</li> <li>» Huge cost of implementing the harmonization and rationalization report</li> </ul>
Opportunities	Risks
<ul style="list-style-type: none"> <li>» Monopoly of the reticulated water and sanitation service provision.</li> <li>» Expanding towns (increasing demand for water and sanitation services)</li> <li>» Support from Government, development partners and key stakeholders.</li> <li>» Availability of advanced technology options and business solutions.</li> <li>» Availability of various investment financing options</li> </ul>	<ul style="list-style-type: none"> <li>» Lack of control over ground raw water sources (KCM &amp; Mopani water sources).</li> <li>» Water theft and vandalism of water and sanitation assets</li> <li>» Inadequate funding to drive MWSC strategic business plan</li> <li>» Climate change</li> <li>» Delays in project implementation</li> <li>» ZWSP fails to realize the key benefits for the Company leaving it with huge liabilities.</li> </ul>







## 4. Strategic Goals, Objectives and Implementation Plan

The SBP goals and objectives over the planned three (3) years, 2023-2025 are aligned with the situational analysis and are presented below;

### 4.1 Strategic Goals and Objectives

This SBP is anchored on seven (7) goals presented below;

**Strategic Goal 1:** Meeting of Customer and Stakeholder needs

**Strategic Goal 2:** Human Resource Optimisation

**Strategic Goal 3:** Expansion and Optimisation of Company Assets

**Strategic Goal 4:** Growth of Business

**Strategic Goal 5:** Enhanced Business planning monitoring and governance

**Strategic Goal 6 :** Reduction of Non-Revenue water (NRW)

**Strategic Goal 7 :** Environment, Health and Safety protection

The above strategic goals cascade into key performance areas (KPA's) which then give rise to objectives for the planning period – Appendix 3 All the sub objectives feed into the ultimate overall objectives of improving the Company's financial position, operational efficiency, stakeholder satisfaction and improvement of staff productivity by the end of the planning period. The following are the Summarised Objectives;

- 1) To increase annual billed revenue from K165 million to K 219 million.
- 2) To increase collection efficiency from 89% to 95%.
- 3) To achieve an annual debt service ratio of 1.2
- 4) To increasing sanitation service coverage from 83% to 85%.
- 5) To increase the active customer base from 59,355 to 62,568
- 6) To increase water service coverage from 97% to 99%
- 7) To improve the customer and stakeholder satisfaction index from 48% to 80%
- 8) To improve the number of complaints responded to within SLG from 60% to 90%
- 9) To improve water supply hours from 15hrs to 22 hrs per day.
- 10) To improve Effluent Quality Compliance from 68% to 75%.
- 11) To increase Water Quality Compliance from 97% to 98.5%
- 12) To increase the metering ratio from 83% to 100%
- 13) To reduce NRW from 43% to 25%
- 14) To achieve and sustain a 125% O & M cost coverage by collections
- 15) Improve annual staff efficiency average from 0.6 to 0.5

Table 4 shows the relationship of the summarized objectives and the goals as presented above.



Table 4: Summarised key objectives arising from the cascaded objectives from the KPAs

No.	Summarized Cascaded Objectives	GOALS							Objective Targets		
		Customer & Stakeholders are Satisfied	Human Capital is Optimised	Assets and Processes are Optimised	Non-Revenue Water	Grow the Business	Environment, Health and Safety is protected	Business Planning, Monitoring & Governance	2020 (Baseline)	2025	Measure
1	Increase annual billed revenue					√			K 160m	K 219m	Million
2	Increase collection efficiency	√				√			89%	95%	%
3	Improve annual Debt Service Coverage	√				√			-	1.2	Ratio
4	Increasing Sanitation Service Coverage								83%	86%	%
5	Increase the Customer Active Base	√		√		√			60,345	64,345	Number
6	Increase Water Service Coverage	√				√			97%	99%	%
7	Improve the customer and stakeholder satisfaction index	√							48%	80%	%
8	Improve the number of complaints responded to within SLG	√						√	60%	90%	%
9	Improve Water Supply Hours	√		√		√			15	22	Hrs.
10	Improve Effluent Quality Compliance	√					√		68%	75%	%
11	Increase Water Quality Compliance	√					√		97%	98.5%	%
12	Increase the metering ratio	√			√	√			83%	100%	%
13	Replace 240 km of Bulk and Distribution pipe			√	√				80	80	Km
14	Reduce NRW	√		√	√	√			43%	25%	%
15	Achieve and sustain O & M cost coverage by collections	√				√		√	78%	125%	%
16	Improve annual staff efficiency average from 0.6 to 0.5		√			√		√	0.6	0.5	Ratio

## 4.2 Strategy and Implementation Plan

MWSC Strategy to deliver the SBP is informed by the acknowledgement of the context of declining performance. This necessitated the need to start with turnaround for the current year 2022 as Phase-1 and consider the next Phases to address stabilisation of the business operations after which the focus will be on sustaining performance and growth.

### 4.2.1 Strategy Phases and Implementation timelines

The 2023to 2025 Strategic plan will be implemented in a phased manner building on the 2022 Turn Around Plan (TAP) as a transition period (2022) and the SBP years (2023 to 2025) anchoring on the success/activities of the 2022 TAP.

- Phase 1:** This is the recovery phase meant to arrest the downward decline of the Company and setting it up for future success.
- Phase 2:** Phase 1 will also be the initiation (development) year for the SBP Phase 2 (SBP year 1) will seek to set in (stabilise) the gains made in phase 1 by setting the platforms that will help the Company be sustainable in the long run.
- Phase 3:** (SBP year 2) will then aim to sustain the performance patterns set in phase 2 and
- Phase 4:** (SBP year 3) will seek sustain the growth of the business.

Figure 7 outlines the timelines of the above Phases, their goals and main objectives



Figure 7: MWSC Strategic Business Turnaround Planning and implementation Phases

Of the four phases in Figure 7, Phase 1 has commenced in the form of the 2022 Turn Around Plan (TAP) developed to deliver on the 2022 objectives and targets that form the basis of this

SBP's Key Performance Areas (KPAs). Apart from being phased, the implementation plan will be based on key objectives for the planning period (three years) that will birth annual objectives that will in turn give rise to annual plans that will contain key tasks/activities that will be carried out for each year in order to fulfil the SBP objectives.



Figure 8: Cascading of SBP into annual plans and Quarterly plans

### 4.2.2 Implementation Approach

The SBP will be implemented by being reduced to annual plans (AP) with very specific annual objectives and activities with targets for each year:

- Each annual plan will be developed after a review of the previous year's performance with respect to the targets set for that particular year.
- The annual activities will then be broken down to quarterly activities with specific targets that will be reviewed every quarter.
- The subsequent quarter's activities will then be based on the overall annual plan but also informed by the performance of the preceding quarter.

This cycle, plan-do-check (PDC), will be repeated every year and every quarter for the whole life of this SBP. Every quarter, a summary for the progress made on the annual plans will be presented to the Board of Directors for review.



Figure 9: Graphical presentation how Annual Plans build into SBP goals

The quarterly activities and their KPIs will be forming the core components of the performance management system scores for all staff with direct emphasis on Management staff.

### **4.2.3 Strategy Implementation Factors**

The implementation will also be anchored by the following key factors that will form the cornerstones of the implementation of this SBP;

#### **(i). Organization (Organisation Structure)**

The chain of command to be applied shall be the organization structure subject to change, if need be, in order to answer the needs of this plan. As there shall always be an organisational structure in place, everyone will know who to report/communicate to during the implementation of the plan.

In order for the SBP to be implemented, there will be need for an organisation structure that is set up to help achieve its objectives. The Board of Directors approved a new structure designed to respond to the needs of key stakeholders in stages. The first phase was completed in 2021, and the second phase will be completed during the course of this SBP.

The organizational structure for MWSC is presented in Appendix 3. The organogram shows in summary the report lines and layers of responsibility.

#### **(ii). People (Capacity Building)**

The Company has qualified staff required for successful implementation of the plan. As the 'People' are key to the implementation of the SBP, it includes plans to enhance the capacity of the staff so that the 'People', the workers, are able to not only understand the SBP but implement the tasks and activities that will make the SBP successful.

The strategic plan will, therefore, also be a tool for capacity building and be applied as a means to improve the sustainability and effectiveness of MWSC through its workers. The key aspects to be covered include but not limited to: Board, Staff and Stakeholder development/development (workshops, conferences; trainings): Use the strategic process to develop the energy, passion, skills and knowledge of Board, Staff, and key Stakeholders and create a deeper understanding of the role and function of MWSC's core business.

#### **(iii). Business Systems and Processes**

The business systems that will be used will comprise of Policies, Personnel, equipment and computer facilities to co-ordinate its business activities. Currently, the business systems (Microsoft 365, Promun, Enterprise Resource Planning (ERP)), are largely based on a silos approach as opposed to integration. Hence, in the next 3 years, MWSC intends to continue with the integration and digitalization of its systems in order to improve its data quality, integrity, accessibility and analysis for effective decision making. The ICT systems and others systems and capabilities and structures the Company needs to put in place for decision making and supports for the strategic management pro-

cess during and after the implementation will be enhanced from the current levels.

**(iv). Resources**

Although MWSC's financial challenges will persist in the initial stages of this plan, the larger part of the financial resources needed to resolve the big-ticket items will come from the ZWSP project which is fully funded and has a last disbursement of end of June 2023.

The annual budget of MWSC is primarily funded by the service charges that customers pay. This includes interest payments on previous investments. MWSC will strive to explore ways to enhance service delivery efficiency and has factored this into its projections, but maintenance costs are expected to rise as existing and new infrastructure is refurbished and built. Furthermore, the number of customers is expected to grow, which may assist in keeping costs more stable for all while sustaining services.

The total cost of SBP implementation is estimated to be K 3,114 million over three years (2023 to 2025). An estimated K 557.9 million will come from internally generated funds, while ZMW 2,556.2 million will come from the external sources. Apart from the planned capital expenditure for which resources have been mobilized, the Company will make efforts to mobilize additional resources to finance MWSC's 30-year Investment Rolling Plan during the term of this plan. The estimated shortfall is K 4,432.2 million.

**(v). Stakeholder Management**

MWSC recognizes the importance of effective stakeholder engagement for the successful implementation of the SBP and it has been considered. There is a stakeholder engagement plan that has been developed and will be implemented to fulfil the aspirations of this SBP.



## 5 Risk Management

### 5.1 Corporate Risk Matrix, limiting factors and assumptions

In order to heighten the possibility of success of this plan, the Company will carry out risk management activities to mitigate the potential risks in the implementation of the plan. In managing the risks, the Company will use the corporate risk matrix as shown in figure 9.

Impact Severity		Multiplier					
Fundamental	5		5	10	15	20	25
Major	4		4	8	12	16	20
Moderate	3		3	6	9	12	15
Minor	2		2	4	6	8	10
Insignificant	1		1	2	3	4	5

		Multiplier	1	2	3	4	5
Likelihood			Rare	Unlikely	Possible	Lively	Almost Certain

KEY		
Severe	20 - 25	Unacceptable level of risk exposure which requires immediate corrective action to be taken
Major	12 - 16	Unacceptable level of risk exposure which requires constant active monitoring, and measures to be put in place to reduce exposure
Moderate	5 - 10	Acceptable level of risk exposure subject to regular active monitoring measures
Minor	3 - 4	Acceptable level of risk exposure subject to regular passive monitoring measures
Insignifiant	1 - 2	Acceptable level of risk exposure subject to periodic passive monitoring measures

Figure 10: MWSC Corporate Risk appetite matrix

From the above risk appetite matrix, below is presented the key risks as rated from the appetite matrix above;

Table 5: MWSC Key risks rating and responsibilities

S/N	Risk Category	Risk Description	Owner	Residual Risk			
				Probability	Impact	Total Score	Colour Rating
1	S 01	Lack of control over ground raw water sources (KCM & Mopani water sources).	DT	5	5	25	
2	S 02	Water theft and vandalism of water and sanitation assets	DT & DF	3	5	15	
3	S 03	Ability to deliver projects on time and within budget	DT & DID	3	5	15	
4	S 05	Climate change	Directors	5	1	5	
5	SI 05	Delays in project implementation	DID	4	4	16	
6	S 6	High cost and monopoly of key inputs (Chlorine gas)	DT & DF	5	3	15	
7	S 07	Change in legislation and policy framework in the water sector	Directors	3	4	12	
8	S 08	ZWSP fails to realize the key benefits for the Company leaving it with huge liabilities.	DID	5	5	25	

The following are the limiting factors that can have uncontrolled adverse impacts on the risk management:

- (1) Lack of control over ground raw water sources (KCM & Mopani water sources).
- (2) Water theft and vandalism of water and sanitation assets
- (3) Inadequate funding to drive MWSC strategic business plan
- (4) Climate change impacts
- (5) Delays in project implementation
- (6) High cost and monopoly of key inputs (Chlorine gas)
- (7) Change in legislation and policy framework in the water sector
- (8) ZWSP fails to realize the key benefits for the Company leaving it with huge lia-

bilities.

Hence the following are the key assumptions that inform MWSC's risk management in view of pursuing the sustainability of the SBP:

- (1) The overall business environment in the service towns remains stable and predictable.
- (2) Increased revenue generation and billing efficiency
- (3) Improve debt collection and customer engagement
- (4) Optimised water production and distribution.
- (5) Build capacity in business processes and enhance staff skills/competences.
- (6) Transform the business to become more customer centric

## 5.2 Integrated Risk Management Framework

The risk management approach adopted is the *Integrated Risk Management Framework (IRM) or Enterprise Risk Management System (ERMS)*. This process is aligned to strategy, which ensures a focused and integrated process of risk management in the organization. Our Integrated Risk Management Governance Structure will be as depicted in Figure 10 below.



Figure 11: Integrated Risk Management Governance Structure

## 5.3 Identified Strategic Risks and mitigation measures

MWSC assumes a low tolerance approach to risk. In line with the regular revision of the strategy and as required by governance frameworks, MWSC shall regularly review the internal and external landscape that affect its risk profile with a view to identifying and maintaining a surveillance brief on possible emerging risks.

Table 5 presents the only the high impact identified Strategic Risks include the context and mitigation measures, with an indication of the main strategic goal (SG) number to which they are linked.

Table 5: MWSC's Strategic Risk Identification and management framework

Risk Description	Context and Treatment Approach	Main Strategic Goal Impacted
Quality of Raw Water	<p><b>Context:</b> The quality of raw water sources is compromised due to mining and farming activities leading to high cost in treatment.</p> <p><b>Mitigation/Treatment Approach:</b> Source protection measures through engagement of ZEMA and WARMA for protection of raw water sources.</p>	SG1
Inability to secure funding to meet developmental goals.	<p><b>Context:</b> Inability to secure required project funding. Delayed receipt of funding resulting in projects not being delivered on time.</p> <p><b>Mitigation/Treatment Approach:</b> Enhanced stakeholder engagement to secure funding for developmental projects. On-going optimization of funding mix from tariff, grants and borrowing.</p>	SG4
Discrepancy between Infrastructure investment and strategic business plan to meet service delivery mandate	<p><b>Context:</b> Alignment and prioritization of the infrastructure plan and budget to increase capacity to meet demand, improve service levels and growth.</p> <p><b>Mitigation/Treatment Approach:</b> Critical infrastructure should be annually identified, aligned, prioritized, funded and implemented as part of the organization's capital infrastructure programme</p>	SG1, SG3,
Cost-Effective Tariff	<p><b>Context:</b> Constraints to charge a tariff that will ensure financial viability and protection of operating cash flows against operating risk</p> <p><b>Mitigation/Treatment Approach:</b> Scenario analysis on the impact of operational risk factors on financial viability. On-going optimization of funding mix from tariff, grants and borrowing for capital programme. Enhanced engagement with NWASCO to secure the required tariff review.</p>	SG1,SG4
Asset Safety (Illegal water use and vandalism)	<p><b>Context:</b> Encroachment &amp; impact on assets. Increased asset vandalism /water theft</p> <p><b>Mitigation/Treatment Approach:</b> Safety and security measures to protect staff, assets and public.</p>	SG1, SG3, SG4
Project timing and budget overrun	<p><b>Context:</b> Actual cost and delivery time of projects may significantly differ from approved plans.</p> <p><b>Mitigation/Treatment Approach:</b> Training in leadership and project management (change management); implement the cost control system.</p>	SG3, SG4
Dependency on Key Customers	<p><b>Context:</b> The business depends to a larger extent on a few major customers for revenue collection, such as the mines. In the event that these customers stop doing business with MWSC, this would have serious impact on the company's ability to operate.</p> <p><b>Mitigation/Treatment Approach:</b> Extend Water and Sanitation Services to new/un-serviced areas and improve the average corporate supply hours. Improve on billing efficiency on non-mine customers.</p>	SG1, SG4



<p><b>Delay in obtaining Title Deeds for the company properties</b></p>	<p><b>Context:</b> MWSC as a business, does not have title deeds for its properties, bringing about the inability to access capital finance; no legal ownership, challenges in asset safety management etc.</p> <p><b>Mitigation/Treatment Approach:</b> Expedite the process for obtaining the title deeds for the company properties.</p>	<p>SG3,SG4</p>
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## 6 Monitoring And Evaluation

### 6.1 Purpose and importance

MWSC acknowledges that it is imperative that Monitoring and Evaluation (M&E) processes are set up with the goal of improving management of the SBP outputs, outcomes and impacts, related to the tasks or activities to be executed in order to achieve the strategic objectives.

- » The monitoring will include the continuous assessment of programmes and/or projects to achieve the strategic objectives, based on early detailed information on the progress or delay of the ongoing assessed activities
- » The evaluation will involve the examination of the relevance, effectiveness, efficiency and impact of activities in the light of specified strategic and sub objectives.

Although M&E is often retrospective, its purpose is essentially forward looking so that the lessons learnt and recommendations are applied to inform the decisions about current and future programmes and/or projects. M&E will help initiate new projects, get support from stakeholders, raise funds from public or private institutions and inform the general public and shareholders on the different SBP tasks or activities MWSC will be executing.

### 6.2 Our M&E methodology

The M&E methodology will entail establishing the processes, i.e., the series of actions or steps, to be following and the logical framework to be employed.

#### 6.2.1 The processes

Our M&E processes will be anchored on the establishment of indicators which will permit to rate the targeted Outputs and outcomes, and assess impacts on the overall performance of the MWSC.

- » **Output indicators:** Since outputs produce what does not exist yet, the Output Indicators will simply be the quantitative targets that have been set for our the Strategic Goals.
- » **Outcome indicators** will be in view of the baselines that MWSC has established for each of the interventions before their implementation commenced and the related targets.
- » **Impact indicators** relate to the rating of the overall performance of the organisation as a whole.

MWSC will undertake the following series of action to achieve the purpose of the M&E:

- » Ongoing daily assessments with help of check- lists on regular and random basis.
- » Weekly Implementation Team (ITs) meetings to produce high level weekly reporting.
- » Monthly meetings of ITs and M&E Specialists to deliver detailed monthly KPIs reports.

- » Quarterly detailed reporting for the Board in results-based framework.
- » Bi-annual and Annual assessments and reporting to the public and shareholders

## 6.2.2 M&E Logical framework

Our M&E Logical framework will be informed by our understanding that Monitoring tracks mainly the ongoing use of inputs (activities) and outputs, in some degree also tracks (intermediate) outcomes, while Evaluation takes place at specific moments, and permits progress over specified longer periods of time. Hence Evaluation tracks changes and focuses more on the outcome and impact level. The Figure 11 below shows the link of the chain of inputs, outputs, outcomes and impacts with the planning cycle.

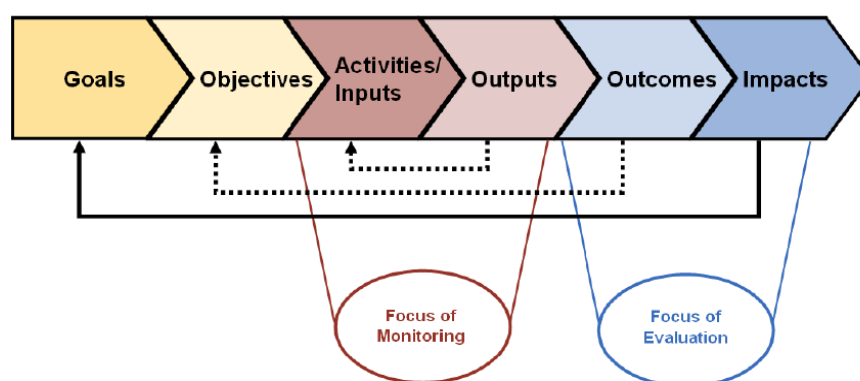


Figure 11: M&E and Link of chain of inputs, outputs, outcomes and impacts with planning.

Whilst the SBP presents the Goals and Objectives have been set, including the overall outputs, outcomes and impacts, the **implementation of the SBP will entail defining the activities and resources inputs, including accountability.**

- v MWSC has developed relevant SBP Indicators for the Outputs (targets) and developed a result (Outputs) based Logical Framework, which includes risk management for the M&E of the Output Indicators for the Company's Strategic Objectives ( table 6).

## 6.3 Recommendations for M&E Implementation

Based on the framework in table 5, MWSC will produce a detailed M&E Framework Document that will ensure that inputs to related tasks/activities in Annual Plans are aligned to the performance indicators to be set for each of them.

M&E processes can be managed by either an independent branch of the implementing organization, by the project managers or implementing team themselves and/or by an external service provider private company.

- » To ensure the credibility and objectivity of the M&E processes, MWSC will consider to engage an external resource to oversee the M&E in collaboration with all our implementing teams to also help in transferring skills.

Table 6: Results based Logical framework for the Output targets Indicators



## Mulonga's Results-Based Logical Framework

Strategic Objective	Variable Indicators	Baseline (2022)	Strategic Targets (2025)	Important Assumptions Risk	Proposed Mitigation Measures
<b>1. Customers &amp; Stakeholders are satisfied (Customer Service)</b>	Increase annual billing	K170m	K225m	Incorrect billing sent to customers	Increased metering and use of meter reading technology
	Improve our customer and stakeholder satisfaction index	48%	98%	Failure to conduct customer survey	Ensure timely conducting of customer surveys each quarter
	Improve Contact Centre Customers experience	0	20	Score -Customers' perceived value of MWSC continues to be low	Customer engagement and sensitization conducted
	Increase the reliability of our water supply by increasing average hours of supply	15hrs.	22Hrs.	Failure to improve water supply hours due low equipment availability	Improve equipment availability and continue with network replacements
	Increase Water Quality Compliance	97%	98.5%	Danger of quality failing due to aged infrastructure that may not be replaced in short term	Accelerate network replacements as well as Apply Water Quality & Safety Plans from treatment, through distribution upto customer points
<b>2. Human Capital is Optimized (Staff Productivity)</b>	Achieve and sustain a Succession Pipeline score of 75% measured through HR Metric	55%	>75%	Lack of qualified and competent internal and external candidates	Link the strategic talent plan to strategic objectives; Invest in intentional development opportunities, skills and experiences for potential candidates for certain critical positions in the company
	Achieve and sustain a Staff Competency rating of 80% measured through Staff Efficiency Ratio	59%	<40%	failure to increase the billing	Increased metering and use of meter reading technology;
<b>3. Assets and Processes are optimized (Service Delivery)</b>	Increasing sanitation service coverage	83%	86%	Delays in connecting new customers to the sewer system	Reduce the time it takes for a customer to be connected to the sewer system and receive sanitation services
	Increase water service coverage	97%	99%	Delay in connectin new custoers to water networks	Reduce the time it takes for a customer to be connected to the water network and receive water;iv. Rehabilitated the treatment plants and equipping the labs
	Increase the reliability of our water supply by increasing average hours of supply	15Hrs.	22Hrs.	Failure to replace aged infrastructure and low equipment availability	Old network replaced; Increased equipment availability and expand Chingola Kafue WTP
	Increase Water Quality Compliance	97%	98.5%	Danger of quality failing due to aged infrastructure that may not be replaced in short term	Accelerate network replacements as well as Apply Water Quality & Safety Plans from treatment, through distribution upto customer points
	Increase metering ratio	83%	100%	and connect new customers & thos on fixed consumption to network	install meters on fixed consumers; connect new customers to our networks
	Reduce Non- Revenue Water	43%	25%	Delays in replacing aged infrastructure	Old network replaced;
<b>4. Grow the Business (Liquidity)</b>	Increase annual billing	K170m	K225m	Incorrect billing sent to customers	Increased metering and use of meter reading technology
	Increase collection efficiency	89%	>100%	revenue collection function; failure to produce the correct billing figures	Dedicated revenue collection function;Increased collections and billing
	Increasing sanitation service coverage	83%	86%	Delays in connecting new customers to the sewer system	Reduce the time it takes for a customer to be connected to the sewer system and receive sanitation services
	Increase our customer base	60,345	64,345	Delays in connecting new customers to the network	Target not less than 300 new connections per division per quarter
	Increase water service coverage	97%	99%	Delay in connectin new custoers to water networks	Reduce the time it takes for a customer to be connected to the water network and receive water;iv. Rehabilitated the treatment plants and equipping the labs
	Increase metering ratio	83%	100%	Delays in procuring new meters and connect new customers & thos on fixed consumption to network	install meters on fixed consumers; connect new customers to our networks
	Reduce Non- Revenue Water	43%	25%	Delays in replacing aged infrastructure	Old network replaced;



## 7.0 Concluding Remarks

This plan is built in a way that will enable the Board, Management and staff to keep the focus on KPIs whose sum total is meant to turn around the Company from its current financially unsustainable state to a financial sustainability and meeting the stakeholder expectations.

Furthermore, the implications of the proposed key improvements on cost and revenue are many. The reduction of the NRW to 25% will result in the increase in the water supply hours and increased billing.

Improvements in the customer satisfaction is expected to raise MWSC's corporate image as well as improving its revenue collections to more than 90% . Furthermore, the improved water quality compliance and metering ratio will result into reduction in customer complaints, improved billing figures as well as increase the customer base.

Finally, the Strategy's proposals on staff productivity improvements will lead to improvements in staff competence rating and give the Company a staff pool that is capable of sustaining the gains that are envisaged in the tenure of this plan

# 8 Appendices

## Appendix 1: Summary of SBP 2018 – 2021 Performance

Strategic Priority Area	Indicators	2018Baseline	2019		2020	
			Planned	Actual	Planned	Actual
Customer and Stakeholder Delight	Customer satisfaction Index	64	75	64	85	48
Financial Viability and sustainability	Annual Billing K' Million	144	165	172.1	175	171
	Collection efficiency (%)	78	87	72	90	88
	Connections (water)	55, 345	58,345	59,867	61, 345	60,176
	Connections (Sewer)	53,826	54376	54,852	54,926	55,731
	O&M Cost Coverage by collections (%)	98	87	72	90	87
Operation Excellence and infrastructure development	NRW (%)	38	35	43	33	48
	Water Quality Compliance (%)	99	98	98	98.5	98
	Metering Ratio (%)	90	80	81	90	80
	Hours of Supply (hrs.)	21	19	16	21	15
	Water Service Coverage (%)	97	97.5	95	98	95
	Sanitation Service Coverage (%)	82	82	85	84	85
Smart solutions and innovations	% of systems integrated for enhanced functionality of end users	0	35	10	80	75
Internal Organizational Reforms and Restructuring	Staff efficiency in relation to billings and collections(ratio)	0.34	0.39	0.44	0.35	0.48
	Structure implemented (No)	0	1	0	1	1
	Staff competency rating	0	30	0	70	0
	Succession Pipeline score (% of successors for key positions and career development plans)	0	30	0	70	34
Governance and Risk Management	Risk maturity rating	2	2	2	2	2
	Rate of audit closure	80	100	71	100	80
	Develop new risk universe and update	0	1	1	1	1

## Appendix 2: MWSC's Strategic Management Maturity Model

S/N	Item	Current Assessment Level	Next Steps
1	Leadership	Level 3 – Structured and Proactive - Leaders model desired behaviors and values but engage with direct reports only	<p><b>1st Year of Strategic Business Plan</b></p> <ul style="list-style-type: none"> <li>» Consolidate Level 3</li> </ul> <p><b>2nd Year of Strategic Business Plan – Move to level 4</b></p> <ul style="list-style-type: none"> <li>» Job evaluation.</li> <li>» Identifying leadership gaps.</li> <li>» Implement training to address leadership gaps.</li> <li>» Implementing management development programs to seal the gaps.</li> <li>» Enhance talent management programs.</li> </ul> <p><b>3rd Year of Strategic Business Plan– Move to Level 5</b></p> <ul style="list-style-type: none"> <li>» Leaders and Employees fully engaged in a continuous dialogue anchored on a team-based culture</li> </ul>
2	Culture and Values	Level 2 – Reactive - Visions and Values published but not lived.	<p><b>1st Year of Strategic Business Plan- Move to Level 3</b></p> <ul style="list-style-type: none"> <li>» Enhancing Communication of the vision and values and induction of Employees – Vision, Mission, Core Values</li> <li>» Supervisory training and management development programs (Training – cross functional training as this will enable building of teams).</li> </ul> <p>Operationalize the Rewards and Recognition Policy</p> <p><b>2nd Year of Strategic Business Plan - Move to Level 4</b></p> <ul style="list-style-type: none"> <li>» In house Employee survey on vision and values.</li> <li>» Mystery callers to check on Employees knowledge of vision and values</li> </ul> <p><b>3rd Year of Strategic Business Plan– Move to Level 5</b></p> <ul style="list-style-type: none"> <li>» Living the values – vision and values fully integrated into organization culture.</li> </ul>

3	Strategic Thinking and Planning	Level 3 –Structured & Proactive – A structured and open planning process involves people throughout the organization every couple of years	<p><b>1st to 3rd Year of Strategic Business Plan – Move to Level 5</b> – Strategy drives critical organizational decisions and maintains a continuous improvement planning process.</p> <ul style="list-style-type: none"> <li>» Continued monitoring of critical success factors by SIT</li> <li>» Continued Quarterly review of the strategic business plan by ELT</li> <li>» Continued monthly review of the strategic business plan by the monitoring and evaluation department.</li> <li>» Linking budget to the strategic business plan</li> <li>» Speed up delivery of business improvement plans</li> <li>» Encourage and reward innovative ideas</li> </ul>
4	Alignment	Level 3 –Structured & Proactive – Employees know their customer and align strategy to those needs	<p><b>1st to 3rd Year of Strategic Business Plan – Move to Level 4</b></p> <ul style="list-style-type: none"> <li>» Thorough communication of strategic business plan</li> <li>» Realignment of the organization structure</li> <li>» Effective employee engagement.</li> <li>» Salary survey to align to the organization structure.</li> <li>» Monthly and quarterly strategic reviews.</li> <li>» Refocusing the budget to strategic business plan.</li> <li>» Align budget to critical success factors</li> </ul> <p><b>After 3rd Year of Strategic Business Plan– Move to level 5</b></p> <p>All structures and systems are aligned with strategy and organizational alignment is continuously improved.</p>
5	Performance Measurement	Level 3 –Structured & Proactive – Strategic performance measures are collected, covering most strategic objectives	<p><b>1st Year of Strategic Business Plan– Move to Level 4</b></p> <ul style="list-style-type: none"> <li>» Focus on the critical success factors of the strategic business plan.</li> <li>» Cascade strategic business objectives to operational levels</li> <li>» Employee engagement survey</li> </ul> <p><b>2nd Year of Strategic Business Plan - Move to Level 5</b></p> <ul style="list-style-type: none"> <li>» Measurements comprehensively used and routinely revised based on continuous improvement.</li> </ul>



6	Performance Management	Level 3 – Structured & Proactive – Measures are assigned owners and performance is managed at the organizational and employee level	<p><b>1st to 3rd Year of Strategic Business Plan – Move to Level 5</b> – Organizational culture measurement and accountability focused, decisions are evidence based.</p> <ul style="list-style-type: none"> <li>» Management training</li> <li>» Implementation of the change management programmes</li> <li>» Strategic champions should ensure that on an annual basis there is continuous improvement. The Strategic Business Plan should be broken down into annual plans to ensure that successes are recorded</li> <li>» Strategic business plan should lead to departmental strategies.</li> <li>» MIA – Should monitor adherence to the agreed processes and data.</li> <li>» HOD – Should enforce the adherence to the agreed processes and data.</li> <li>» Implement the reward system</li> </ul>
7	Process Improvement	Level 3 – Structured & Proactive – All key processes are identified and documented, and strategy guides successful process improvement initiatives and improvements	<p><b>1st Year of Strategic Business Plan – Move to Level 4</b></p> <ul style="list-style-type: none"> <li>» Establish the baseline of system and processes for continuous improvement (Implement TQM)</li> <li>» Tracking of process effectiveness</li> <li>» Continue adding more efficiencies to the systems and processes (Implement TQM)</li> </ul> <p><b>2nd Year of Strategic Business Plan – Move to Level 5</b></p> <ul style="list-style-type: none"> <li>» Employees are empowered and trained and a formal process exists for improving process management</li> </ul>
8	Sustainability	Level 2 – Reactive	<p><b>1st Year of Strategic Business Plan – Move to Level 3</b></p> <ul style="list-style-type: none"> <li>» Reinforcement of activities and enhancement of performance</li> </ul> <p><b>2nd Year of Strategic Business Plan – Move to Level 5</b> – Strategic thinking and management are embedded in the culture of the organization</p> <ul style="list-style-type: none"> <li>» Continuous improvements</li> <li>» Bench marking best practices</li> <li>» Tracking of implementation status</li> <li>» Recognition and reward of winning teams/achievers (those who exceed expectations)</li> <li>» Staff Motivation</li> </ul>



# Mulonga

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