



Rural

Electrification Authority

STRATEGIC PLAN 2016/2017 – 2020/2021





STRATEGIC PLAN 2016/2017 – 2020/2021



VISION

Energy Solutions for Better Lives

MISSION

We Provide Energy Solutions to All

CORE VALUES

- » Customer Drive
- » Integrity
- » Professional Excellence
- » Team Work
- » Transparency and Accountability
- » Environmental Consciousness

VALUE STATEMENT

REA for Better Lives

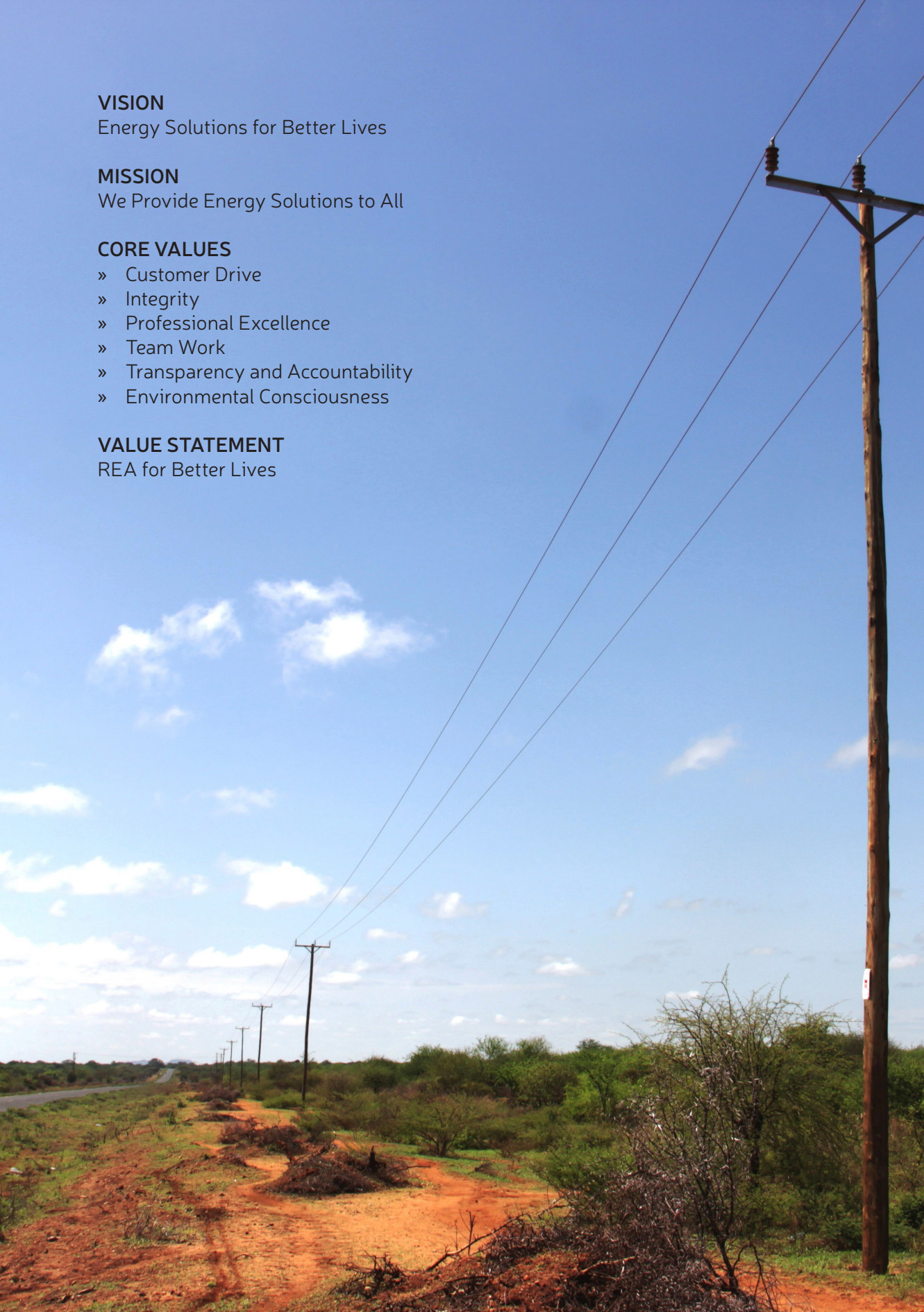




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FOREWORD



I take great pleasure in presenting to you this Strategic Plan that covers the Period 2016/17-2020/21. This is the second Strategic Plan to be prepared by the Rural Electrification Authority (REA) since it was established in 2006. The plan comes at a time when Kenya's Constitution, which was promulgated on 27th August 2010, introduced a new process of development that involves sharing of functions between the national and county Governments.

This Strategic Plan provides a road map towards achievement of the Rural Electrification Authority's objectives over the next five years. The plan is a product of extensive consultation and comprehensive feedback from our internal and external stakeholders who have provided valuable ideas and information which will contribute to the achievement of the mandate bestowed on this organization by the Government. In addition, the plan not only establishes the strategic framework for implementation of the rural electrification programme but also provides a monitoring and evaluation tool for performance to achieve universal access to electricity for all Kenyans in the rural areas. This plan will therefore facilitate accelerated provision of electricity in the country which is a key component of achieving social economic development. It will therefore contribute to the aim of the Vision 2030 of transforming Kenya into a newly-industrialized, middle-income country providing a high quality of life to all its citizens in a clean and secure environment. The focus of the plan is bettering the lives of Kenyans.

I take this opportunity to appreciate the continued support of the Government through the Ministry of Energy and Petroleum, our development partners and Kenyans at large for their contribution towards the achievement of our mandate of lighting up Rural Kenya.

Prof. Simon Gicharu, CBS
Chairman of the Board of Directors





PREFACE



Implementation of REA's first Strategic Plan (2008/09-2012/13) factored the 1st medium term Government development strategy of realizing Vision 2030 and has been instrumental in driving REA's vision and achievement of its mandate. REA's goal during this period was to connect the three main public facilities i.e. secondary schools, trading centres and health facilities and achieve a connectivity target of 22% in the rural areas by June 2013. This target was surpassed and by December 2012 connectivity was estimated at 26%.

During the subsequent financial years (2013/14, 2014/15 and 2015/16), REA's focus was on electrification of primary schools to support the Government's Digital Literacy Programme. This has been a noble undertaking which besides supporting learning in primary schools has resulted in electricity getting even closer to Kenyans in the rural areas.

The target under this plan period (2016/17-2020/21) is to electrify all the remaining public facilities and households within their vicinity by June 2018 and thereafter concentrate on the remaining households in the grid areas as well as those far away from the network. This will facilitate achievement of the Government target of universal access by 2020. The strategic objectives to be achieved under this plan are to develop and promote renewable energy sources, increase electricity connectivity, establish strategic partnerships with stakeholders, strengthen institutional capacity development and to achieve financial sustainability.

Mr. Ng'ang'a Munyu
Chief Executive Officer





EXECUTIVE SUMMARY

This Strategic Plan covers the period 2016/17-2020/21 and will provide the roadmap for the Authority in achievement of its goals and objectives over the period. The focus of the plan is to electrify all the remaining public facilities by June 2018 and thereafter concentrate on the connection of households to facilitate achievement of the Government target of universal Access by 2020.

Chapter one of the Plan is an overview of the achievements of the first strategic plan 2008/09-2012/13 which focused on electrification of the three main public facilities (trading centres, health facilities and secondary schools) and the successful electrification of public primary schools over the subsequent three financial years (2013/14, 2014/15 and 2015/16). This was in support of the Government's Digital Literacy Programme. The public primary schools electrification programme has not only supported learning in schools but has also resulted in electricity extension closer to the Kenyan population in the rural areas. The programme has also tremendously increased the number of public facilities electrified in the country since the inception of the rural electrification programme in 1973.

Chapter two enumerates the Rural Electrification Agenda based on vision 2030 and institutional analysis of REA in the implementation of this Strategic Plan. Since REA started its operations, Kshs. 94,868 million has been spent in financing rural electrification with 83% from internal sources, and 17% from Development Partners. This process has been fully supported by the Ministry of Energy and Petroleum by providing strategic direction and interdependency of related institutions in the Sector. The Board of Directors has provided governance and policy direction for all functional areas to drive the key pillars of this Strategic Plan through an optimal organisation structure and supported by six Regional offices. The greatest investment of the Authority has been in human resource development in key areas like renewable energy which will impact positively in the implementation of this Strategic Plan.

Chapter three looks at the current status of electrification, stakeholder analysis and reviews the key Strengths, Weaknesses, Opportunities and Threats faced by the Authority. By June 2016, it was estimated that there were about 88,570 public facilities in the country out of which 60,247 were electrified (68%) and 28,323 were un-electrified (32%). The un-electrified public facilities which forms the target of this strategic plan will be electrified through the grid extension and renewable energy options such as installation of solar PV systems in the off grid areas. The Plan recognises the contribution of key stakeholders like the county governments, government ministries, key parastatals, development partners, customers, contractors, suppliers and media among others in the successful implementation of the key pillars. The Authority will continue to optimise on the strengths and opportunities and prepare mitigation measures against the identified threats and weaknesses in order to achieve its objectives.

Chapter Four highlights the Strategic focus of REA in achieving universal access both in grid and off grid areas. To achieve the overall development objective, the Strategic Plan has formulated a mission and vision of the Authority which resonate on improvement of quality of life of the citizens through provision of energy solutions. The Mission of REA is "We provide Energy solutions to All" while the vision statement is outlined as "Energy solutions





for better lives” which is anticipated by Vision 2030. The realization of this vision will be through implementation of five key strategic objectives outlined in the Plan which includes; developing and promoting renewable energy sources, increasing electricity connectivity, establishment of strategic partnerships with stakeholders, strengthening institutional capacity development and achievement of financial sustainability. The Plan also provides various strategies to be implemented under each of the strategic objectives and have been outlined in the implementation matrix.

Chapter five highlights the resources required for the implementation of the Strategic Plan over the five year period, sources of funding, strategies for mobilization of the funds and associated risks. In order to effectively implement all the activities identified for the achievement of the strategic objective, a total of Kshs. 208 billion is required. The Authority expects to mobilize these funds mainly from the exchequer and the balance from development partners. Over the period, the Authority will also seek additional sources of financing to ensure the sustainability of this strategic plan. Some of these additional sources include county governments, public private partnerships, communities, investments and customers. All these initiatives will further be supported by The Energy Bill 2015 that proposes change of the name of the Authority from Rural Electrification Authority to Rural Electrification and Renewable Energy Corporation (REREC). A comprehensive risk analysis under each of the five strategic objectives will be undertaken considering factors ranging from human, financial, technical, political, natural, operational and reputational considerations.

Chapter six details the tools that will be used in tracking the implementation of this Strategic Plan 2016/17-2020/21. The implementation will be monitored as provided by the guidelines of the National Integrated Monitoring and Evaluation System (NIMES). In addition, a balanced scorecard approach will be used to monitor all the initiatives to achieve the priority areas of the five strategic pillars of the plan and the implementation matrix. The system will be monitored at four levels through; monthly, quarterly, half- yearly and annual progress reports.





LIST OF ACRONYMS

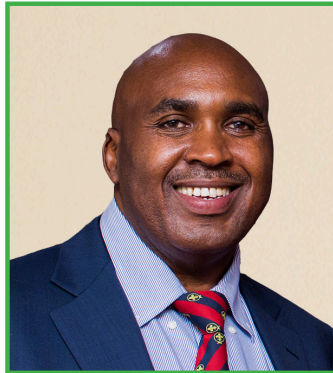
CEO	Chief Executive Officer
CSP	Concentrated Solar Power
CSR	Corporate Social Responsibility
E.A.P.L	East African Power and Lighting Company
ERSW&EC	Economic Recovery Strategy for Wealth and Employment Creation
HR&A	Human Resource and Administration
ICT	Information Communication and Technology
ISO	International Standards Organization
K.P.L.C.	Kenya Power & Lighting Company
ME&R	Monitoring, Evaluation and Reporting
MOEP	Ministry of Energy and Petroleum
NIMES	National Integrated Monitoring and Evaluation System
PPP	Public Private Partnership
PV	Photovoltaic
QMR	Quality Management Representative
REA	Rural Electrification Authority
REREC	Rural Electrification and Renewable Energy Corporation
REMP	Rural Electrification MasterPlan
REP	Rural Electrification Programme
SAP	Systems & Application Program
SLA	Service Level Agreement
SME	Small & Medium Enterprises
SP	Strategic Plan
SWOT	Strengths, Weaknesses, Opportunities and Threats



BOARD OF DIRECTORS



Dr. Eng. Joseph Njoroge, MBS
PS Energy



Prof. Simon Gicharu, CBS
Chairman Board of Directors



Dr. Kamau Thugge
PS - Treasury



Mr. Ng'ang'a Munyu
Chief Executive Officer



Mr. Mutuma Nkanata
Board Member



Mrs. Josephine Muritu
Board Member



Eng. Elisha Akech
Board Member



Mr. Jonas M. V. Kuko
Board Member



Eng. Justus A. Otwani
Board Member



Prof. Robert Gateru
Board Member



Mrs. Florence J. Sergon
Board Member



Prof. Bernard Kipsang Rop
Board Member



Mr. Francis Ongaki
Alternate to PS Energy



Mr. David Oleshege
Alternate to PS Finance



Dr. Rose Mkalama
Authority Secretary



CHAPTER ONE

BACKGROUND

1.0 INTRODUCTION

The Government established the Rural Electrification Programme (REP) in 1973 for purposes of subsidizing electricity supply in the rural areas. This was upon realization that electricity is an important input to the socio-economic development of the country and hence there was need to increase access to all parts of the country as a means of spurring economic and social development.

During the same year (1973) the Government entered into an agreement with the then East African Power and Lighting Company (EAPL), now the Kenya Power & Lighting Company (KPLC). Under the agreement KPLC was appointed as a contractor for planning, implementation, operation and maintenance of rural electrification projects under the programme. The Government through the Ministry of Energy took responsibility for sourcing of funds and coordinating implementation of the programme.

By 2002, the programme had achieved little coverage despite having been in place for more than thirty (30 years) as only about 4% of the rural population in Kenya had electricity supply in their homes. Due to the low connectivity, the Government through the Economic Recovery Strategy of 2003 and Sessional Paper No.4 of 2004 on Energy undertook to create a special purpose agency to enhance rural electrification in the country. Rural Electrification Authority (REA) was eventually created in 2006 through the Energy Act of 2006 and became operational in 2007.

1.1 Mandate of REA

The Mandate of the Authority is to accelerate rural electrification in the country.

1.2 Functions

The functions of the Authority as outlined in Section 67 of the Energy Act No. 12 of 2006 are as follows:

- » Management of the rural electrification programme fund;
- » Development and updating of the rural electrification programme master plan;
- » Implementing and sourcing of funds for the rural electrification programme;
- » Promotion of use of renewable energy sources including but not limited to small hydros, wind, solar, biomass, geothermal, hybrid systems and oil fired components taking into account specific needs of certain areas including the potential for using electricity for irrigation and in support of off-farm income generating activities;
- » Management of the delineation, tendering and award of contracts for licenses and permits for rural electrification.

In compliance with the provision of the Constitution of Kenya 2010, the Ministry of Energy and Petroleum has prepared a new Energy Policy and Bill which proposes to enhance the mandate of REA in the promotion and development of renewable energy. This strategic plan





captures the aspiration of Economic Recovery Strategy for Wealth and Employment Creation (ERSW&EC) and Sessional Paper No.4, 2004 on Energy which not only envisage the Authority as the lead agency in the development and promotion of renewable energy technologies but also custodian for information and guidance to investors on renewable energy in the country. Some of the activities proposed to be implemented under this strategic plan include:

- i) Development of a national renewable energy master plan. This is to outline the vast renewable energy resources in the country for ease of implementation;
- ii) Development and promotion of renewable energy generation systems through renewable energy (solar and wind) mini-grids;
- iii) Promotion of partnerships in the implementation of renewable energy technologies;
- iv) Creation of awareness in carbon trading in the country
- v) Promotion of the development of appropriate renewable energy technologies;
- vi) Support the establishment of renewable energy technology demonstration centres in the country
- vii) Promotion of environmental conservation in the implementation of renewable energy projects
- viii) Adapt & adopt technology on utilization of municipal waste for energy generation

The previous budgetary provision of renewable energy was less than 1% but with the proposed activities, this is expected to increase to at least 50% of the total budget.

1.3 Overview Of The First Strategic Plan (2008/09-2012/13)

REA prepared its first Strategic Plan in 2008/09 for the period 2008/09-2012/13. The focus of the plan was to electrify the three main public facilities i.e. market centres, health facilities and secondary schools. Implementation of REA's first Strategic Plan (2008 -2012) that factored the 1st medium term Government development strategy of realizing Vision 2030 was instrumental in driving REA's vision and achievement of its mandate. REA's vision and mission were:

Vision: "To be the leading provider of quality and affordable electricity to all in the rural areas"

Mission: "To efficiently provide high quality and affordable electricity service in all rural areas and to achieve high standards of customer service through advancing community participation to ensure long term sustainability and social-economic development."

In summary, the following was achieved during that period:

a. Electrification of Public Facilities

i. Inter-connected Areas

The main goal of the Authority in the first strategic plan period was to electrify the main public facilities (trading centres, secondary schools and health facilities). During this period, a total of 13,985 of the three public facilities were electrified increasing the total number from 5,011 by June 2008 to 18,996 by June 2013, representing about 75% as per table 1.1.



**Table 1.1: Status of Electrification of three main public facilities as at June 2013**

Type of Facility	Total Number of facilities	Electrified by June 2008/09	Electrified Between 2008/09 & 2012/13	Electrified Facilities		Un- Electrified Facilities	
				No.	%	No.	%
Trading Centres	13,059	2,533	6,695	9,228	71	3,831	29
Secondary Schools	7,986	1,668	4,862	6,530	82	1,456	18
Health Facilities	4,255	810	2,428	3,238	76	1,017	24
TOTAL	25,300	5,011	13,985	18,996	75	6,304	25

To facilitate the electrification process, REA prepared a rural electrification masterplan in 2009. The master plan continues to be the main point of reference in selection of projects for implementation of rural electrification in the country. REA strategically works with stakeholders in prioritizing projects to ensure ownership by local communities, ease of acquisition of way-leaves and reduction of vandalism.

ii. Off-grid areas

REA has made great achievement in the provision of electricity to institutions and communities living outside the national grid network. One of the main challenges in this area has been the harsh terrain and sparse settlements requiring provision of localized solutions.

• Off-grid Diesel Stations

Fifteen (15) isolated diesel generators were initiated through affirmative action by the Authority in various towns in the north and coastal parts of the country. Out of these twelve (12) have been completed and three (3) are in progress. These are as shown in table 1.2.

Table 1.2: Implemented Isolated Diesel Stations

No.	Town	County	Constituency	Status
1	Eldas	Wajir	Eldas	Completed
2	Takaba	Mandera	Mandera West	Completed
3	Laisamis	Marsabit	Laisamis	Completed
4	North Horr	Marsabit	North Horr	Completed
5	Rhamu	Mandera	Mandera North	Completed
6	Lokichogio	Turkana	Turkana West	Completed
7	Lokitaung	Turkana	Turkana North	Completed
8	Lokori	Turkana	Turkana East	Completed
9	Faza Island	Lamu	Lamu East	Completed
10	Huluhgho	Garissa	Ijara	Completed
11	Kiunga	Lamu	Lamu East	Completed
12	Dadaab	Garissa	Dadaab	Completed
13	Banissa	Mandera	Banissa	In progress
14	Maikona	Marsabit	Maikona	In progress
15	Lokiriama	Turkana	Loima	In progress

- **Solar PV systems**

A total of 64 institutions (schools and health facilities) were installed with solar systems in Marsabit, Samburu, Isiolo, Wajir, Mandera, Garissa and Lamu counties during the plan period.

b. Promotion and Development of Renewable Energy

During the plan period, REA implemented six (6) pilot projects in wind, biogas and mini hydros shown in the table 1.3. The two mini-hydros are community based projects where REA provided financial and technical support to enhance their operations.

Table 1.3: Renewable Energy Pilot projects

No.	Project	County	Technology/Resource
1	North Horr Boys Secondary School	Marsabit	Wind
2	St. Patterson Memorial Secondary School	Kajiado	Wind
3	Mangu High School	Kiambu	Biogas
4	Moi Girls Isinya Secondary School	Kajiado	Biogas
5	Mutunguru Community Micro Hydropower Project	Meru	Mini - Hydro
6	Thiba Community Micro Hydropower Project	Kirinyaga	Mini- Hydro

In addition, the Authority has been promoting renewable energy technologies during the agricultural shows/trade fairs and other forums.

c. Hybrid Systems

Hybridizing of four diesel power stations with solar was undertaken in Takaba, Eldas, Rhamu and Laisamis (Table 1.2) to make them more sustainable by reducing the operational costs.

1.4 Overview of the Period 2013/14 - 2015/16

i. Public primary schools electrification

During the last three (3) financial years, the focus was on electrification of public primary schools in support of the Government digital learning programme. By end of June 2016, a total of 22,786 public primary schools out of 23,401 identified throughout the country had been connected through the grid and solar PV (for those far away from the grid) while electrification works were in progress for the remaining 615 public primary schools.

ii. Off-grid Diesel Stations Status as at June 2016

Table 1.4 below gives the status of off-grid diesel stations initiated over the period.

Table 1.4: Off-grid Diesel Stations Status as at June 2016

No.	Town	County	Constituency	Status
1	Kamorliban	Mandera	Lafey	In progress
2	Kotulo	Wajir	Tarbaj	In progress
3	Kholondile	Wajir	Wajir North	In progress
4	Kakuma	Turkana	Turkana West	In progress

iii. Lighting up informal settlements

REA in partnership with other stakeholders was involved in upgrading of the informal settlements in Nairobi. The Authority's role in the programme has been to install high mast



flood lights. During 2014/15 financial year, the Authority installed 21 High Mast Flood Lights in Kibera (Nairobi) at a cost of Kshs.93 million while in 2015/16 four similar projects with a total of 83 High Mast Floodlights were implemented in Mathare, Korogocho and Ngomongo, Mukuru kwa Njenga (Nairobi) and Kiandutu (Thika) at a cost of about Ksh.357 million.

1.5 Corporate Social Responsibility (CSR)

Since 2008, the Authority embraced good corporate citizenship as a key component of its operations and has undertaken various CSR activities in different parts of the country. These include tree planting in Tana and Mau catchment areas, donation of education materials to public schools and sponsorship of road races aimed at improving lives in the rural areas such as Chemususu dam and Mwea Classic Marathons.

1.6 Challenges

The following challenges were encountered during the implementation of the Authority's first strategic plan

- Inadequate funding over the years leading to reduction of the planned scope;
- Sparse population in the rural areas thereby increasing reticulation costs ;
- Harsh terrain and poor road network in some of the rural areas making it difficult to access the planned projects for implementation;
- Vandalism of electricity infrastructure hence increasing the cost of implementation of the projects; and
- Delay in wayleaves acquisition affecting implementation of some of the projects.

1.7 Lessons Learnt

Key lessons learnt over the period 2008-2015 include:

- Substantial Government funding and political support is crucial to the success of rural electrification;
- Support from development partners is necessary to supplement local funding;
- Community participation and ownership is essential for implementation and sustainability of rural electrification projects. In as much as rural electrification is viewed as a government driven agenda, involvement of the community in provision of wayleaves, utilizing and protecting the infrastructure is important;
- An enabling policy and regulatory framework is vital in achieving rural electrification objectives in line with changing political and social economic landscape to address various concerns like land use, bills payment, separation of roles and responsibilities;
- There has been a significant shift towards production of clean and green renewable energy Solar, wind and biodiesel are some of the green energy sources being promoted globally;
- Partnership with stakeholders is important in enhancing rural electrification;
- Increasing demand for rural electrification requires an innovative approach.

1.8 Rationale for Development of the Strategic Plan

Strategic management has supported organizations including government agencies in prioritizing areas of growth and development. The need to review REA's strategic plan is informed by expiry of the previous plan as discussed earlier, the Constitution of Kenya 2010 and the new Energy Bill.

The Constitution of Kenya which was promulgated in 2010 provided among other things, a



two level government system (national and county governments) and sharing of functions, which hitherto were the responsibility of the national government. Under the Fourth Schedule of the Constitution, County Governments are responsible for planning and development of electricity reticulation in respective counties while the national government is responsible for energy policy relating to electricity reticulation. Rural electrification work is therefore a shared function between the two levels of Government. This presents an opportunity for REA to partner with counties to enhance socio-economic development. Section 6 (3) of the County Government Act 2012 provides that, a national state organ can co-operate with a county government in delivery of services by the national state organ in the respective county. REA will continue to align itself with the new constitution and develop a cooperation framework for working with the counties.

As indicated earlier, in order to comply with the provision of the Constitution, the Ministry of Energy and Petroleum has prepared a new energy policy and bill which has enhanced the mandate of REA in the promotion and development of renewable energy.

1.9 The Strategic Planning Process

This strategic plan was developed through a participatory and all-inclusive process led by REA's Board of Directors and Management. It involved a series of workshops and consultative meetings with stakeholders to ensure that all critical issues were articulated towards achievement of the Vision and Mission.





CHAPTER TWO

RURAL ELECTRIFICATION DEVELOPMENT AGENDA AND INSTITUTIONAL ANALYSIS

2.0 INTRODUCTION

The overall objective of the Rural Electrification Development Agenda is to spur economic and social development through provision of electricity to the rural areas. Institutional analysis in this section considers the funding of rural electrification, operational framework and human resource development within the period.

2.1 Vision 2030 and the Rural Electrification Development Agenda

Vision 2030 aims at transforming Kenya into a newly-industrialized, middle-income country providing a high quality of life to all its citizens in a clean and secure environment built on economic, social and political pillars. This long term national planning strategy is anchored on the three main pillars and Energy has been identified as one of the infrastructural enablers of the three pillars. Further to the Vision, an Energy Sector Policy Framework (Sessional Paper No.4 of 2004 on Energy) is in place and is geared towards provision of cost effective, affordable and adequate quality energy services to the domestic economy on a sustainable basis.

In line with this policy objective, the Vision and Mission of the Ministry of Energy and Petroleum, which is responsible for energy policy formulation is stipulated as follows:

Vision:

“Affordable Quality Energy for all Kenyans”

Mission:

“To facilitate provision of clean, sustainable, affordable, reliable, competitive and secure energy services at least cost while protecting the environment.”

REA's first Strategic Plan was based on the aspirations of the Vision 2030 which targeted to electrify all major trading centres, secondary schools and primary schools, community water supply works and health facilities in the country by 2012/13.

REA will continue to use Vision 2030 and the new Energy Policy formulated by the Ministry of Energy and Petroleum as the basis for future rural electrification work.

2.2 Funding of Rural Electrification

From 1973 to 2015/16, a total of about Ksh.94,868 million has been spent in financing rural electrification projects as shown in table 2.1. The table shows that about 83% of this funding has come from internal sources while 17% is from development partners such as World Bank, France, Spain, Finland, etc.



Table 2.1: Financing of Rural Electrification

Period	Internal Sources (Kshs. Million)	Development Partners	Total (Kshs. Million)
		(Kshs. Million)	
1973 - 2002/03	4,271	2,994	7,265
2003/04 -15/16	74,236	13,367	87,603
Total	78,507	16,361	94,868
%	83%	17%	100%

Since REA commenced operations a total of Ksh. 70,435 Million has been raised from various sources as indicated in table 2.2 below. The main source of funds has been the exchequer and the 5% REP levy with a combined contribution of nearly 80% as shown in table 2.2 below:

Table 2.2 REA's Funding (2008/09 - 2015/16)

	SOURCE	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	TOTAL	%
i.	Exchequer	4,010	3,566	1,842	2,531	4,466	7,960	7,950	7,497	39,822	57
ii.	5% REP Levy	1,236	1,440	1,580	1,782	1,742	1,830	1,922	2,114	13,646	19
iii.	Petroleum Development Levy (PDL)	361	361	360	679	474	687	687	687	4,296	6
iv.	Kipevu Oil Storage Facility (KOSF)	100	100	100	120	167	134	134	134	989	1
v.	Development Partners	870	700	401	591	2,210	1,590	1,038	3,171	10,571	15
vi.	Royalties	26	0	0	544	519	0	20	2	1,111	2
	TOTAL	6,603	6,167	4,283	6,247	9,578	12,201	11,751	13,605	70,435	100

In addition, REA has developed a participatory innovative approach in financing community projects through a cost sharing arrangement with the Constituency Development Fund (CDF), county governments and other stakeholders. While REA has faced a challenge of limited funding, sourcing of additional funds will be critical for the next couple of years to supplement traditional sources, as well as the increased mandate on renewable energy. To this end, REA will partner with the private sector and other stakeholders under the public private partnership framework for implementation of projects.

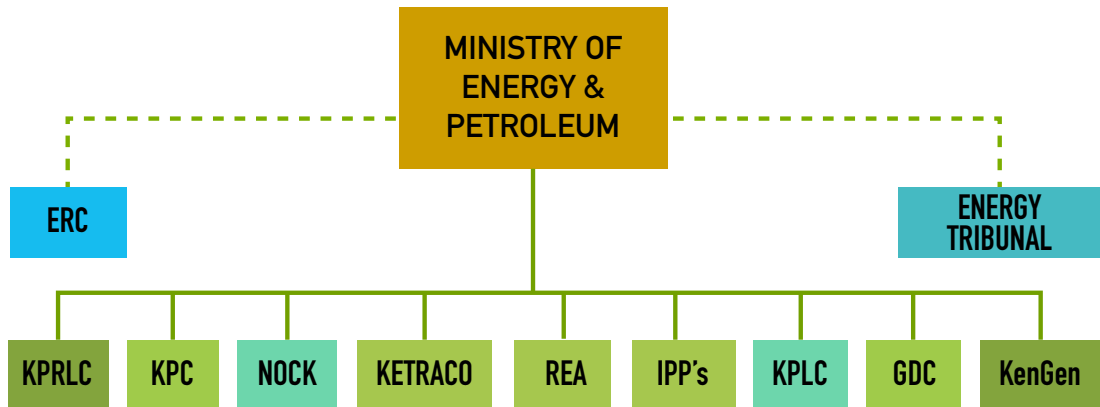
2.3 Operational Framework

The Ministry of Energy and Petroleum (MOEP) is responsible for policy formulation to create an enabling environment for efficient operation and growth of the sector. It sets the strategic direction and provides a long term vision for all institutions in the sector.

Institutions under the Ministry include; REA, Energy Regulatory Commission (ERC), Energy Tribunal, Kenya Electricity Generating Company (Kengen), Geothermal Development Company (GDC), Kenya Nuclear Energy Board (KNEB), Kenya Electricity Transmission Company (KETRACO), Kenya Power and Lighting Company (KPLC), Kenya Petroleum Refineries Limited (KPRIL), Kenya Pipeline Company Limited (KPC) and National Oil Corporation of Kenya (NOCK) and Independent Power Producers (IPPs). The institutional

structure of the energy sector is as shown below:

Energy Sector Institutional Structure

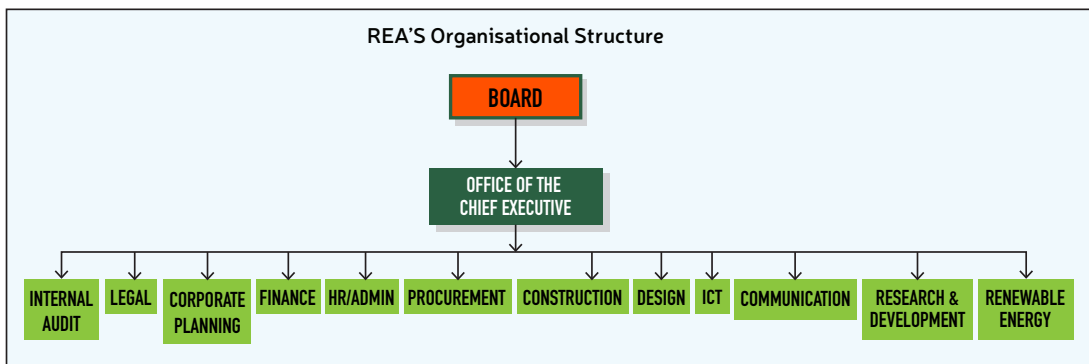


REA Organizational Structure

The Board of Directors of the Authority provides strategic policy direction for the operations of the Authority. The Management is in charge of day to day operations of the Authority and has developed various policies and guidelines in all its functional areas.

In order to improve service delivery in rural areas the Authority has established 6 regional offices (Mombasa Road, Nyeri, Kisumu, Eldoret, Nakuru and Mariakani) that work with the county governments while the national office provides policy guidelines, standards and resources for implementation of rural electrification. These regional offices are the link between the national office and the respective counties in undertaking rural electrification activities including preparation of county masterplans, budgeting, project implementation and monitoring.

The organizational structure of the Authority and functions of the various organs are as follows:



Board of Directors

- Provides governance, leadership and strategic direction for the operations of the Authority
- Determine the Authority's vision and mission to guide and set the pace for its current operations and future development
- Determine the values to be promoted throughout the Authority
- Determine and review Authority's goals
- Determines the Authority's policies

Chief Executive Officer

- In charge of day to day management of the Authority
- To lead, in conjunction with the Board, the development of Authority's strategy
- To ensure the expenditures of the Authority are within the authorized annual budget
- To act as a liaison between management and the Board
- To communicate effectively with employees, Government Authorities other stakeholders and the public
- To sit on committees of the Board

The functions of the various departments and sections are as follows:

Communications

- Designing and implementing communications strategies and programs
- Preparation and implementation of service delivery charter
- Promotion of corporate image and conducting Authority's public relations
- Preparation of content and managing the Authorities website
- Implementing corporate social responsibility programs

Human Resources/Administration

- Recruitment of staff
- Capacity development
- Management of staff records and staff exit.
- Management of compensation and staff welfare
- Management of general administrative services.

Corporate Planning

- Preparation of the National Rural Electrification Master Plan
- Coordination of implementation of the Corporate Strategic Plan
- Preparation of annual project implementation plans
- Coordination of preparation of annual performance contracts
- Provision of timely performance data and information
- Monitoring the overall performance of the Authority

Legal

- Provision of advisory legal services to the management and the Board and overseeing corporate compliance
- Draft and review contracts, agreements and other legal instruments
- Secretary to the Board and Board Committees
- Development and implementation of the Governance structure
- Custodian of Company seal and other important Authority Documents



Procurement and Supplies

- Provision of procurement advisory services to the management.
- Preparation of procurement plans
- Procurement of goods and services
- Storage of materials and stock control
- Preparation of the procurement procedures manual

Information Communication Technology

- Development and management of ICT system.
- Capacity building on ICT
- Provision of technical network and application support to other departments.
- Design and implement integrated management information systems
- Design and implement disaster recovery system

Internal Audit

- Evaluate the risk exposures relating to REA governance, operations and information systems
- Review and appraise the adequacy and effectiveness of internal control systems
- Secretary to the Board Audit Committee
- Appraise the relevance, reliability and integrity of management, financial and operating data/reports, risk management and control processes
- Conduct special assignments and investigations on behalf of the Audit Committee

Design

- Carry out preliminary cost estimates for projects to be implemented
- Carry out survey for projects being implemented
- Acquire wayleaves consents
- Undertake crop damage assessment/compensation
- Prepare technical design reports

Finance

- Budgeting & budget control
- Treasury management
- Asset management
- Compilation of statutory financial report
- Preparation of final accounts

Construction

- Verification of Bill of Quantities
- Supervision of construction works
- Commissioning of completed projects
- Preparation of contractors payment documents
- Preparation of construction and customer connections standards.

Renewable Energy

- Preparation and implementation of renewable energy masterplan.
- Promotion and development of renewable energy sources





- Promotion of partnership in implementation of renewable energy technologies
- Promotion of environmental management.
- Promotion of carbon trading.

Research and Development

- Development and review of operational standards.
- Promoting partnerships with relevant institutions in research and development.
- Conducting research, development and dissemination of technologies in collaboration with relevant institutions including adoption of best practices.

Security

- Formulate interpret and implement security policies and other procedures appertaining to security
- Safeguarding the Authority assets against theft, pilferage, damage, misuse or sabotage.
- To undertake security investigations
- Implement and enforce all security measures in the authority and to bring law and order within the workplace.
- Liaising with external law enforcement agencies to ensure effective execution of the security function.

Quality Management System

- Coordinating implementation of quality management system
- Conducting quarterly quality internal audits
- Coordination of surveillances audits
- Liaison with certifying body for ISO certification

2.4 Human Resource Management and Development

REA has recognized that human resource is an important asset for success in its operations. In this respect, REA has over the years ensured that staff development is implemented through capacity building. This has been through infusion of new skills and other integrated programmes aimed at improving service delivery. This has been done since the commencement of operations of the Authority in 2008/09 financial year with the initial staff capacity of 79 staff across various departments.

The staff capacity has since grown to its current level of 291 spread within the headquarters at Kawi house and six (6) regional offices. To implement this strategic plan and achieve the enhanced mandate of the Authority especially in promotion and development of renewable energy sources in the country, a job evaluation exercise will be undertaken to determine the optimum staffing levels required in all areas of operations.



CHAPTER THREE

SITUATIONAL ANALYSIS

3.0 INTRODUCTION

The situational analysis covers status of electrification, stakeholder analysis, and SWOT analysis.

3.1 Current Status of Electrification

It's estimated that by June 2016 there were about 88,570 public facilities in the country out of which 60,247 were electrified (68%) and 28,323 were un-electrified (32%). This strategic plan targets to electrify the remaining public facilities and households within their vicinity by June 2018 and then focus on households.

Table 3.1 Status of electrification as of June 2016

No	Facility	GRID		OFF GRID		Total Electrified	Total Non Electrified	Grand Total
		Electrified	Non Electrified	Electrified	Non Electrified			
1	Administrative Offices	2,044	1,352	80	461	2,124	1,813	3,937
2	Churches & Mosques	8,064	9,096	260	1,041	8,324	10,137	18,461
3	Coffee Factories/Processing Plants	422	185	10	46	432	231	663
4	Health Centres/Dispensary	4,545	1,248	313	425	4,858	1,673	6,531
5	Mkt /Trading centres & Beaches	9,082	5,549	202	629	9,286	6,178	15,474
6	Police Posts	505	266	32	136	537	402	939
7	Public Primary schools	20,349	713	2,299	40	22,648	753	23,401
8	Secondary Schools /Poly/ Institutions of Higher Learning	8,057	1,555	201	205	8,259	1,760	10,019
9	Tea buying centres	1,719	1,041	1	20	1,720	1,061	2,781
10	Water Project/Boreholes	1,974	3,531	88	784	2,062	4,315	6,377
	TOTAL	56,761	24,536	3,486	3,787	60,247	28,323	88,570
	Level of Electrification					68%	32%	100%

As indicated in table 3.1, the total unelectrified public facilities in the Off-grid areas is 3,787 out of which 629 are trading centres which the Authority intends to electrify through establishment of about 450 renewable energy mini-grids. The balance of the trading centres and other public facilities will be electrified through interconnection of the existing diesel mini grids and the national grid. Households within the vicinity of the mini grids will also be connected. Within the grid network, the 24,536 unconnected public facilities will be electrified through extension of the grid.

Based on the projection of the 2009 population census, it is estimated that there are about 9.3 million households out of which about 4.2 million are connected to electricity. It's expected that all the remaining households within the grid and off-grids areas will be connected during the plan period. Connection of the households far away from the national grid and mini-grids will be through renewable energy technologies.



3.2 Stakeholders Analysis

In its operations, REA interacts with various stakeholders including the county government, leaders in various categories, government ministries, corporate institutions as well as other partners both local and international. Below is an analysis of our stakeholders:

No.	Stakeholder	Role of Stakeholder	Stakeholder Expectation From REA	REA Expectation From Stakeholder
1.	Board of Directors	Provide leadership and strategic direction	Achievement of targets	Strategic leadership
2.	Customers	Receipt of services	Provision of effective, reliable and affordable electricity	Timely payment of bills
			Clear connection guidelines	Ownership of infrastructure Optimal utilization of electricity
3.	Parliament (National Assembly & Senate)	Legislation and budget allocation	Effective utilization of allocated funds	Appropriation of adequate funds to REP
				Passing relevant legislation to support REP
4.	Ministry of Energy and Petroleum (MOEP)	Provide policy direction and enabling environment for REA's operations	Provision of electricity to all customers in rural areas	Provision of an enabling energy policy framework
			Development and updating of REMP	Timely disbursement of funds
			Timely submission of budget	Timely submission of budgets to Treasury
			Timely implementation of projects	Source for additional funds
5.	KPLC	5% REP levy collection, operation and maintenance of power lines done by REA	Compliance with appropriate standards	Timely remittance of 5% levy
			Compliance with service level agreement (SLA)	Compliance with service level agreement (SLA)
6.	KENGEN/IPPS	Power generation	Cooperation in planning for future electricity demand	Continued generation of adequate electricity



No.	Stakeholder	Role of Stakeholder	Stakeholder Expectation From REA	REA Expectation From Stakeholder
7.	ERC	Regulates energy sector operations	Compliance with appropriate regulations in the energy sector	Cooperation in formulation of regulations and award of licenses and permits for rural electrification
8.	The National Treasury	Disbursement of funds, negotiations and signing of funding agreements	Timely submission of budgets	Timely disbursement of funds
			Efficient utilization of allocated funds	Source for additional funds
9.	Other Govt. Ministries / Departments	Provide and receive services to and from REA	Partnership in implementation of projects	Partnership in implementation of projects
10.	Development Partners	Financial and technical Support	Effective implementation of rural electrification projects	Enhanced financial and technical support
11.	County Governments	Co-financing of projects, identification of projects, provide and receive services to and from REA	Provision of technical support in project implementation	Cooperation with REA
			Capacity building	Participation in planning and implementation of projects
			Development of rural electrification standards and specifications	Financial contribution in rural electrification
			Facilitation in policy formulation and guidelines	
			Financial support	
Development of County REMPs				

No.	Stakeholder	Role of Stakeholder	Stakeholder Expectation From REA	REA Expectation From Stakeholder
12.	Surveyors/ Contractors	Survey and construction of projects	Timely provision of materials	Quality workmanship
			Timely resolving of complaints	Timely implementation of projects
			Timely processing of payments	Compliance with contract terms
			Possession of specialized equipment	Possession of specialized equipment
			Equitable allocation of contracts	
			Timely supervision and commissioning of projects	
13.	Suppliers	Delivery of materials and services	Timely processing of contracts/payments	Timely supply of quality materials
			Fair allocation of contracts	Timely provision of proper documentation
14.	Public	Provision of wayleaves, security of power infrastructure, recipients of REA services	Clear connection policy guidelines	Support and participation in implementation of rural electrification projects
			Effective management of resources	Partnership in financing rural electrification projects
			Corporate Social Responsibilities (CSR) activities	Proper utilization of the CSR benefits
			Consultation in project implementation	
15.	Media	Communicates information on progress of the rural electrification programme to the public	Regular update on the status of the electrification	Fair presentation of reports and information

No.	Stakeholder	Role of Stakeholder	Stakeholder Expectation From REA	REA Expectation From Stakeholder
16.	REA Staff	Implementation of REA mandate Provide services to customers	Fair remuneration	Adherence to REA's core values; (professional excellence, customer drive, teamwork, respect for people, passion and environmental conscientiousness)
			Provision of conducive work environment	Innovativeness
			Provision of adequate resources	High integrity and commitment
			Adequate capacity building and career progression	Diligent services

3.3 SWOT Analysis

SWOT provides an appraisal of REA's strengths, weaknesses, opportunities and threats in its efforts to enhance rural electrification and development and promotion of renewable energy. The analysis reflects strengths that REA would like to sustain, weaknesses that should be addressed, opportunities and threats that REA should exploit and mitigate, respectively during the implementation of the plan. Strengths and weaknesses relate to internal factors while Opportunities and Threats relate to external factors.

Internal Factors

	Strengths	Strategic Implication	Strategic Response
1	Good working relationship between MOEP and REA	Increased support	More projects implemented
2	Consistent funding from the Government	Financing of projects is guaranteed	Timely implementation of projects
3	Good working relationship between the Board, Management and Staff	Agreed targets met in each year	Improved performance of the Authority
4	Qualified and competent staff	Less supervision required	Quality service delivered
5	Existence of clear performance contract targets	High achievement of the agreed targets	Improved performance of the Authority
6	No external debts: This means that all available funds will be dedicated to financing of new extensions as opposed to paying old debts	More projects implemented.	Increased electrification level in the country



	Strengths	Strategic Implication	Strategic Response
7	Existence of the rural electrification levy (5% levy)	Assurance of a minimum level of funding for the programme	Continuous rural electrification
8	REA 2008:9001 ISO certification has enhanced effective internal systems and structures	High quality of services provided	High Customer satisfaction
9	Existence of updated data on electrification status of public facilities	Timely determination of the scope	Timely completion rate of projects
10	Existence of Service Level Agreement with KPLC	Easier coordination in implementation of projects	Increased connections

	Weaknesses	Strategic Implication	Strategic Response
1	Inadequate manpower and institutional capacity	Scope of work that can be done is reduced	Recruitment of adequate and skilled manpower
2	Inadequate funding	Not all planned projects are implemented	Diversification of sources of revenue
3	Inadequate research capacity	Reduced innovations	Capacity building in research and development
4	Inadequate working tools and equipment for operational staff	Overstretching of the available equipment and tools	Increased Investment in required tools and equipment
5	Inadequate resources for training	Reduced capacity building of staff	Increased training funds
6	Over reliance on Government funding	Reduced funding in case of budget shortfall	Diversification of sources of funding

External Factors

	Opportunities	Strategic Implication	Strategic Response
1	Government support through annual allocation of funds	Financing of projects is guaranteed	More projects are implemented
2	Political goodwill	Support in projects implementation	More projects are implemented
3	Sparse population in rural areas	Not attractive to the national utility	Increased demand of rural electrification
4	Community interest in provision of electricity hence increasing demand for rural electrification	Community support in project implementation	Reduced cost of projects implementation
5	Growing economy	Higher disposable incomes for citizens	Demand for electricity



	Opportunities	Strategic Implication	Strategic Response
6	Goodwill from development partners	Increased support	More projects implemented
7	Emergence of smart technologies in the market	Increased efficiency and security of infrastructure	Reliable service provision
8	Advancing technologies in renewable and green energy	Sustainable energy sources	High quality energy generated
9	Vision 2030	Provides specific targets over the period	Increased demand of rural electrification
10	Increased consumption of energy will lead to increased revenues	Increased revenue	Increased funding for rural electrification
11	Changing demographic demands – a younger generation is expected to have a higher uptake of electricity.	Increased demand for electricity	Increased demand for connection
12	Improving literacy level is expected to lead to demand for cleaner energy and increased appreciation of electricity.	Increased demand for electricity	High support in rural electrification work
13	Increased exploitation of geothermal	Improve power supply	Cheaper power available
14	Introduction of county governments expected to result to increased demand for electricity in the rural areas.	Increased demand for Rural Electrification Authority services	More work available for the Authority
16	Environmental regulations will improve awareness and enhance sources of energy.	More generation of energy from cleaner sources	Sustainable energy available in the economy
17	Energy Bill	Enhanced mandate of the Authority	Increased relevance of the Authority in National Development
18	Opportunities are available to convert environmental waste to clean energy.	New conversion technology learnt	Diversification of energy generation sources
19	Existence of a PPP legal framework.	Engagement of private sector made easier for implementation of the projects	More projects implemented
20	Goodwill from stakeholders	Increased support	More projects implemented
21	Potential for development of renewable energy.	More generation of energy from cleaner sources	Sustainable energy available in the economy
22	Recognition of electricity as an enabler in realizing Vision 2030:	Increased funding available	More projects implemented
23	An enabling legal framework	Increased support from stakeholders	More projects implemented

	Opportunities	Strategic Implication	Strategic Response
24	Existence of adequate skilled service contractors in the market	Wide range of selection of contractors for implementation of projects	More projects implemented
25	Availability of devolved funds in the counties	Increased funding available	More projects implemented
26	Demand for rural electrification in the region	Increased scope	Increased relevance of the authority in cross border electrification
27	Need for technical and institutional capacity at the county level	Increased demand for REA services at county level	Enhanced collaboration with counties
28	Favourable weather for renewable energy development	Enhanced opportunity for electricity generation from green energy	Proportion of green energy increased in the energy mix
29	Regional stability provides opportunity for transfer of technology, import and export of electricity as well as cross border electrification.	Increased opportunity for partnerships	Enhanced collaboration with other rural electrification agencies in the region.
30	Increase in global warming has increased pressure for green energy.	More green energy being implemented	Shift of policy on energy generation sources
31	Discovery of natural resources e.g. oil, coal and titanium is expected to lead to increased demand for electricity by both individuals and companies	Increased demand for electricity at resource areas to benefit the local community	More projects implemented

	Threats	Strategic Implication	Strategic Response
1	Competition from other players in the sector	Opportunities for collaboration increased	Increased connectivity level
2	Funding of budgetary requirements – effects on Exchequer funding fluctuation of budgetary support due to competing needs.	Reduced funds available from exchequer for rural electrification	Diversification of revenue sources for projects implementation
3	Insecurity – negative effects including terrorism, arising from internal and cross border political instability.	Delay in implementation of projects in the affected areas	Slow rate of electrification in areas affected by insecurity
4	Constitution –has devolved the reticulation function to the county governments	Some aspects of rural electrification that could have been done by the authority are now under the responsibility of the county governments	Opportunity for collaboration with county governments enhanced.

	Threats	Strategic Implication	Strategic Response
5	Increased political consciousness	Higher demand for rural electrification services	Enhanced partnerships with the public in rural electrification
6	Lack of a framework on community participation in rural electrification	Unstructured engagement with the community in projects implementation	Limited participation of the community in projects implementation
7	Increased legal awareness might result to increased litigation.	Delays in projects implementation	Increased support
8	Fluctuations on exchange rates and prices.	Reduced materials procured in case of increase in exchange rate and vice versa	Reduced number of projects implemented in case of price increase and vice versa
9	Resource scarcity – manpower and capital scarcity continues to adversely affect the energy sector.	Reduced availability of skilled manpower	Establishment of partnerships with institutions of higher learning for targeted training
10	Delay in wayleaves acquisition: Some landowners are reluctant to grant wayleaves.	Delay in implementation of projects	Enhanced participation and involvement of the communities in rural electrification
11	Vandalism of power line assets.	Increase in cost of projects	Involvement of the communities in rural electrification to enhance ownership of projects

The Authority will take advantage of the strengths and opportunities and prepare mitigation measures against the threats and weaknesses in order to achieve its objectives.



CHAPTER FOUR STRATEGIC FOCUS

4.0 INTRODUCTION

After review of the prevailing environment and with regard to the emerging opportunities, challenges identified, and the need to achieve universal access both in grid and off grid areas, the Authority has formulated key strategic objectives, vision and mission to drive the process.

4.1 Vision, Mission, Value Statement and Core Values

The Vision, Mission, Value Statement and Core Values are the guiding principles that will inspire employees and provide direction towards our objectives. The Vision is a pre-requisite for effective strategic leadership. The Mission is the overriding factor that gives our identity and unique purpose. The Value Statement is a symbol of focus while the Core Values enable good decision making through a common guiding philosophy.

Vision

“Energy Solutions for Better Lives”

Mission

“We Provide Energy Solutions to All”

Value Statement

REA for Better Lives

Core Values

- i. **Customer Drive:** REA shall perform its duties with total commitment, respect for people and deliver timely and quality services.
- ii. **Integrity:** REA shall carry out its duties with integrity.
- iii. **Professional Excellence:** REA shall uphold professionalism and excellence in performance of its functions.
- iv. **Team Work:** REA shall embrace teamwork in the execution of its mandate.
- v. **Transparency and Accountability:** REA shall be transparent and accountable in execution of the mandate of the Authority.
- vi. **Environmental Consciousness:** REA shall be conscious about environmental sustainability in its operations.

4.2 Strategic Objectives and Strategies

The following five (5) strategic objectives have been derived from the mandate, vision, mission and situational analysis;

1. To develop and promote renewable energy sources
2. To increase electricity connectivity
3. To establish strategic partnerships with stakeholders
4. To develop and strengthen institutional capacity
5. To achieve financial sustainability

The strategic objectives above will be addressed by implementing various specific strategies as summarized in the table below:

Strategic Objective	Strategies
1. To develop and promote renewable energy sources	<ul style="list-style-type: none"> i) To develop national renewable energy master plan ii) To identify and develop capacity on renewable energy iii) To establish renewable energy mini-grids in off grid areas iv) To implement renewable energy generation systems for grid connection v) To implement stand- alone renewable energy systems for institutions vi) To install solar home systems for households in areas far away from the grid vii) To establish renewable energy technology demonstration centres viii) To promote the manufacture and installation of renewable energy equipment in the country ix) To engage in carbon trading x) To adapt and adopt technology on utilization of municipal waste for energy generation xi) To promote environmental conservation xii) To benchmark renewable energy with best practice xiii) To promote net metering
2. To increase electricity connectivity	<ul style="list-style-type: none"> i) To connect all the public facilities and households within a radius of 600 metres of new transformers by June 2018. ii) To connect remaining households
3. To establish strategic partnerships with stakeholders	<ul style="list-style-type: none"> i) To establish a framework for engagement with stakeholders ii) To enhance partnerships with counties iii) To establish areas of strategic partnerships with private sector, professional bodies, research and learning institutions, development partners, financial institutions and other stakeholders iv) To establish partnership with the communities
4. To strengthen institutional capacity development	<ul style="list-style-type: none"> i) To build Board and staff capacity ii) To attract and retain qualified staff iii) To provide adequate and suitable work environment iv) To develop systems and operational review guidelines v) To enhance effective corporate governance vi) To provide security to staff and assets vii) To increase automation viii) To upgrade business continuity and disaster recovery plan ix) To promote research and development x) To monitor implementation of the strategic plan
5. To achieve financial sustainability	<ul style="list-style-type: none"> i) To create and mobilize additional sources of income ii) To ensure effective collection of the 5% REP levy iii) To improve operational efficiency iv) To enhance follow up on the exchequer and development partners funds

CHAPTER FIVE

RESOURCE MOBILIZATION

5.0 INTRODUCTION

This chapter highlights the resources required for the implementation of the strategic plan over the five year period, sources of funding, strategies for mobilization of the funds and risk analysis.

5.1 Resource Mobilization

REA is a state agency and receives government funds from exchequer allocation. Over the last eight years (2008/09-2015/16) the Authority has received a total of about Ksh.70 billion mainly from the exchequer and development partners.

In order to implement all the activities identified for the achievement of the strategic objectives a total of Ksh. 208 billion is required. It is expected that the traditional sources of funding will continue in the next five years. At the same time, the Authority will explore additional sources to meet the required funding for this strategic plan as detailed in the SP implementation matrix (Annex 1);

Table 5.1: Funding of the Strategic Plan Activities

No.	Strategic Objective	Amount (Ksh. Million)
1.	To develop and promote renewable energy sources	114,796
2.	To increase electricity access and connectivity	90,212
3.	To establish strategic partnerships with stakeholders	1,069
4.	To strengthen institutional capacity development	1,690
5.	To achieve financial sustainability	15
TOTAL FUNDING REQUIREMENT		207,782

This is a huge amount of funds that requires concerted efforts by all parties for it to be realized within the required duration of five years. To meet the anticipated financial demand, REA will adopt the following strategies in resource mobilization for implementation of the strategic plan;

Table 5.2: Sources of funding

Source of Funds	Strategy for Resource Mobilization	Projected Funding (Ksh. Million)
National Government	<ul style="list-style-type: none"> Lobby Treasury, MPs and relevant Parliamentary Committees to allocate more resources to rural electrification projects in various jurisdictions 	85,247
	<ul style="list-style-type: none"> Streamline the 5% REP levy collection and other collections from the Energy Regulatory Commission 	20,000
	Sub-total	105,247

Source of Funds	Strategy for Resource Mobilization	Projected Funding (Ksh. Million)
County Governments	<ul style="list-style-type: none"> Lobby county governments to allocate part of the devolved funds to rural electrification projects in various jurisdictions 	1,500
	Sub-total	1,500
Development Partners	<ul style="list-style-type: none"> Initiate strategic relationships with development partners in support of various initiatives in all areas of operations 	23,700
	Sub-total	23,700
Public Private Partnerships	<ul style="list-style-type: none"> Identify and engage investors in supporting infrastructure development and other income generating activities 	25,000
	Sub-total	25,000
Community	<ul style="list-style-type: none"> Mobilize communities to partner in funding projects 	10
	Sub-total	10
Investments	<ul style="list-style-type: none"> Invest in short-term instruments approved by the Government 	750
	Sub-total	750
Customers	<ul style="list-style-type: none"> Connect customers to increase revenue 	47,845
Other sources	<ul style="list-style-type: none"> Sale of generated power 	3,730
	Grand Total	207,782

5.2 Risk Analysis

This is a process of identifying and assessing factors that could undermine the implementation of the strategic plan under each of the five (5) strategic objectives. These factors include; human, financial, technical, political, natural, operational and reputational factors. The analyses of these threats and mitigation measures are outlined as follows:

Table 5.3: Risk Analysis

Strategic Objective	Risk (what can undermine the achievement)	Rank (High, Medium, Low)	Mitigation Measures	Risk Owner
1 To develop and promote renewable energy sources	Inadequate human capacity and relevant skills	High	<ul style="list-style-type: none"> Carry out a job evaluation Recruitment of staff with relevant skills Training of staff on relevant skills Outsourcing of some of specialized skills 	HR&A/Renewable Energy
	In adequate funds for implementation of the activities	High	<ul style="list-style-type: none"> Lobby the Government for increased allocation Encourage partnerships with stakeholders Strengthen relationship with development partners for increased support 	CEO/Finance/ Renewable Energy
	Advances in technology making some processes irrelevant	Medium	Investment in research and innovation for new technologies	Research & Development/ Renewable Energy
	Adverse weather conditions and natural disasters	Medium	Careful selection of project sites to minimize likelihood of occurrence of some of the adverse effects such as floods	Renewable Energy

2	To increase electricity access and connectivity	In adequate funds for implementation of the activities	High	<ul style="list-style-type: none"> Lobby the Government for increased allocation Diversification of sources of funds Enhance community involvement so as to increase community contribution such as free wayleaves Partner with county governments for allocation of funds for electrification Strengthen relationships with development partners for increased funding Enhance customer connection for increased connection fee 	Finance/Construction/ Corporate Planning
	Delayed exchequer release	High	High	<ul style="list-style-type: none"> Continued engagement with the National Treasury and MOEP 	CEO/ Finance
	Political Interference	High	High	<ul style="list-style-type: none"> Compliance with the relevant laws and regulations Prepare a framework for good corporate governance 	Legal
	Vandalism of power infrastructure	High	High	<ul style="list-style-type: none"> Lobby for legislation that enforces punitive laws on vandalism Strengthen community policing to improve security and ownership of the infrastructure Strengthen security for installed structures 	Construction/Security/ Communication/Legal
	Changes in Government Policy	Medium	Medium	<ul style="list-style-type: none"> Ensure all activities are aligned to the government policy; Ensure there is adequate flexibility in the implementation of the activities 	CEO/Construction
	Adverse weather conditions, natural disasters, or disease	Medium	Medium	<ul style="list-style-type: none"> Sequence project implementation such that most of the work is done during the period with less adverse weather conditions Insure materials and staff Ensure the contractors have insurance covers for materials and their staff Continue to sensitize contractors on safety measures during implementation 	Construction/ Human Resource & Administration /Legal

Strategic Objective	Risk (what can undermine the achievement)	Rank (High, Medium, Low)	Mitigation Measures	Risk Owner
3 To establish strategic partnerships with stakeholders	Lack of a clear framework for engagement with stakeholders Loss of stakeholder's confidence	High Medium	<ul style="list-style-type: none"> • Develop a stakeholder engagement framework • Develop publicity and awareness programmes • Enhance partnership to increase stakeholders participation • Establish good structure for communication and stakeholder's feedback mechanisms • Hold periodical meetings with stakeholders for support and ownership 	CEO/ Communications Communications
4 To strengthen institutional capacity development	Inadequate staff capacity	High	<ul style="list-style-type: none"> • Undertake job evaluation to establish optimal staff capacity • Recruitment and retention of staff • Undertake continuous training of staff • Encourage exchange programmes with related sectors organizations to enhance skills • Partner with training institutions for specialized training on necessary skills 	Human Resource & Administration
5 To achieve financial sustainability	Failure to mobilize adequate funds for sustainability	High	<ul style="list-style-type: none"> • Diversification of sources of funds • Regular engagement with the Treasury and Development partners • Engage services of a financial expert to advise the Authority on financial matters 	CEO/ Finance

CHAPTER SIX

MONITORING, EVALUATION AND REPORTING

6.0 INTRODUCTION

Monitoring, Evaluation and Reporting (ME&R) is a key tool that will be used in tracking implementation of the Strategic Plan 2016/17-2020/21. This will provide the necessary feedback on the status of implementation of policies, projects and programmes to enable informed decision making.

An effective ME&R system is hence critical to the successful implementation of this Plan.

6.1 Monitoring, Evaluation and Reporting Framework

A system that conforms to the guidelines provided by the National Integrated Monitoring and Evaluation System (NIMES) has been designed. The Authority has identified five (5) Strategic Objectives that will be pursued and monitored. In addition, a balanced score card principle (Financial, Business Process, Planning & Growth and Customer Perspectives) will be used to monitor the implementation of all the initiatives put in place to achieve the priority areas in each of the four perspectives.

In determining the Strategic Objectives and targets, REA took cognizance of the following:

- i) National objectives to be achieved by the Authority as outlined in Vision 2030 and other policy papers;
- ii) Core functions of the Authority, and;
- iii) Relevant strategies not implemented from the previous plan.

To ensure effective coordination of the ME&R framework within the Authority, a unit will be set up within the Corporate Planning department. The unit will be responsible for:

- i) Ensuring existence of annual work plans for the Plan implementation and their cascading to individual departments.
- ii) Providing a framework, including standardized templates, for reporting on a quarterly, semi-annual and annual basis.
- iii) Generating, maintaining and reviewing a set of strategic objectives drawn from the ME&R framework of the Plan.
- iv) Carrying out periodic visits to project and programme offices to ensure reported implementation conforms to facts on the ground.
- v) Co-ordinating meetings to review progress and resolve issues that may arise in the implementation.
- vi) Provide relevant reports to ensure that the management is fully updated on the Plan implementation status.

Table 6.1 below shows the key performance indicators that will be monitored at the national and county levels.

Table 6.1: Key Performance Indicators

No.	Key Performance Indicators	Measure	Baseline	Target %/No.	Responsibility
1.	Renewable Energy Sources	No.			
2.	Connections of Public Facilities	No.			
3.	Strategic Partnerships	No.			
4.	Customer Satisfaction	%			
5.	Employee Satisfaction	%			
6.	Financial Sustainability	%			
7.	Institutional Capacity	%			

6.2 Strategy Implementation Methodology

Successful implementation of this strategic plan will be achieved through collaborative efforts among departments and coordination of ME&R activities by the Head of Corporate Planning department. Responsible departments will be accountable for the completion of stated tasks in the Strategic Plan.

The Heads of Department will ensure that strategies are being implemented, performance is being measured, and progress reports are made and discussed in their respective departmental meetings and corrective actions undertaken where necessary.

i) Cascading the Plan to all Staff

The strategic plan must translate to work. The Plan will, therefore, be cascaded downwards to the lowest levels using the Authority's performance management tool. This will help each member of staff to understand and plan for their respective roles.

ii) Departmental and Individual Annual Work Plans

Detailed work plans with clear performance indicators and responsibility for their achievement will be developed taking into consideration the endorsed activities in the Strategic Plan. The Head of Corporate Planning Department will take responsibility to coordinate with other departments in case of joint activities. Key indicators that will inform management decision making will be identified and the frequency of reporting on these indicators determined. This will form the foundation of the ME&R system.

iii) Preparation of the Resources Plan

Each and every activity will have resources earmarked in the Authority's annual budget. Each department should include resource requirement in their Annual Work Plan. Materials requirements will also be worked out every year and procurement will be done as per the procurement provisions.

iv) Data and Information Collection Procedures

Elaborate data and information collection templates and procedures will be developed to measure performance as per the indicators and report to management. The reports will

describe actions taken by the departments toward achieving the specific strategies of the Plan and will include achievements, challenges and emerging issues, costs and recommendations.

v) **Scheduled Meetings**

- a) Monthly Review Meetings at the departmental and corporate level will be scheduled to ensure implementation is on track.
- b) Quarterly Review Meetings at the departmental, corporate and board level will be scheduled to get and give feedback on the pertinent performance indicators.
- c) The overall oversight of the Strategic Plan and its implementation is a critical role of the Board. Therefore progress reporting will be an Agenda Item in quarterly Board Meetings.
- d) A Strategy Implementation Review Meeting will be held annually.

vi) **Linkage of ME&R to Performance Management**

For the implementation of the Plan to be effective, the ME&R will be an integral part of the Authority's performance management system and will be linked to staff appraisal and reward systems. The Authority will monitor and evaluate its activities and performance in the process of reporting on its performance contract on quarterly and annual basis. The tracking of the Strategic plan will be regularized to become part of this process.

6.3 Performance Monitoring

REA will apply tools to monitor performance. The major techniques of monitoring and evaluation that shall be used include; variance analysis, ratio analysis, and compliance with approved budgetary levels.

i) **Variance Analysis**

The Authority will compare the performance targets with the actual results and investigate the identified variance(s). As a consequence of variance analysis and identification of causes, appropriate remedial actions will be taken.

ii) **Ratio Analysis**

Ratio analysis is concerned with efficiency of related objectives. Pertinent ratios will be calculated quarterly, semi-annually and annually and the actual results compared with the target ratios. The differences between target and actual ratios will be identified and analyzed, after which remedial action will be taken.

6.4 Compliance With Budget

Actual results will continually be checked against planned results and variances investigated. If necessary, action plans will be changed so that they are brought in line with the budgeted results or the budget will be amended to take into account new developments that require action.

6.5 Progress Reports

Information sharing and reporting will be critical in the implementation of this Plan. It will also provide a mechanism for monitoring and evaluation. Reports on the implementation status of the Plan will also be made available on quarterly and annual basis by REA management.

Reporting the progress of implementation will be critical in adjusting strategic directions and measuring performance. In undertaking ME&R, data will be collected on the various output and outcome indicators which have been developed and included in this Strategic Plan. The Head of Corporate Planning Department will be required to submit the following progress reports to management as well as to the Board on implementation of the Strategic Plan:

- a) Monthly report to the management
- b) Quarterly report to the management and the Board
- c) Half-yearly report to the management and the Board
- d) Annual report to the management and the Board.

Each of the performance reports will contain the following elements:

- a) Progress of the Plan against set timelines
- b) Performance against the budget for each respective strategy
- c) Causes of any delays in the implementation of actions under respective strategies
- d) Actions or resources required to remedy delays stated if any
- e) Proposed revisions to the strategies

6.6 Performance Review

i) Annual Review

At the end of each financial year, a report will be produced giving details on the implementation of the plan and circulated to the stakeholders.

ii) Mid-Term Review

After two and a half years a comprehensive mid-term review report will be produced giving details on the implementation of the plan and circulated to the stake holders.

iii) End Term Review

The main purpose of the final evaluation for this Strategic Plan, expected to be carried out at the end of June 2021, will be to address the following issues:

- a) **Effectiveness (Impact):** The extent to which the implementation of activities met the stated strategies and objectives
- b) **Sustainability:** Assesses the sustainability of the achievements made
- c) **Challenges:** Document the challenges faced
- d) **Lessons Learnt:** Document lessons learnt
- e) **Terms of Reference (ToRs):** Prepare the ToRs for the next strategic plan.

ANNEX I: STRATEGIC PLAN IMPLEMENTATION MATRIX

Strategic Objective 1: To Develop and Promote Renewable Energy Sources

Strategy	Activities	Key Performance Indicators	Means of Verification	Assumptions	Responsibility	Resources (Ksh. Million)	Implementation Period/Ksh	2016/17	2017/18	2018/19	2019/20	2020/21
To develop a national renewable energy master plan	Determine scope	Scope determined	Proposal	Available capacity is adequate	Renewable Energy	150	Implementation period	X				
	Survey renewable energy resources	Survey undertaken	Report	Consultant identified in time	Renewable Energy		Ksh.M	0.1				
	Prepare master plan	Master plan document	Master plan report	Availability of capacity	Renewable Energy		Implementation period	X	X			
							Ksh.M	0.5	93.5			
To identify and develop human capacity on renewable energy	Determine optimum human capacity required for renewable energy department in REA	Number of staff required determined	Report	Availability of capacity	HR&A	50	Implementation period	X				
	Build internal capacity and provide necessary tools and equipment	Number of trainings undertaken and tools and equipment provided	Report	Skills available in the market	HR&A		Ksh.M	3				
							Implementation period	X				
	Create database on key players and stakeholders	Number of key players determined	report generated for the database	Key layers and stakeholders are identifiable	Renewable Energy		Implementation period	X	X			
							Ksh.M	35				
							Implementation period	X				
							Ksh.M	12				

Strategy	Activities	Key Performance Indicators	Means of Verification	Assumptions	Responsibility	Resources (Ksh. Million)	Implementation Period/Ksh	2016/17	2017/18	2018/19	2019/20	2020/21
To establish renewable energy mini-grids in off grid areas	Identify and prioritize potential sites for mini-grids	Number of sites identified and prioritized	Report	Availability of potential sites	Renewable Energy	5	Implementation period	X	X			
							Ksh.M	2.5	2.5			
	Acquire identified sites/land	Number of sites/ parcels of land acquired	Lease/titles	Availability of land	Procurement	750	Implementation period		X	X	X	X
							Ksh.M		187.5	187.5	187.5	187.5
	Carry out feasibility studies	Number of feasibility studies carried out	feasibility study reports	Adequate capacity available	Renewable Energy	600	Implementation period		X	X		
							Ksh.M		300	300		
	Install 450 mini-grid systems to connect public facilities and households within the vicinity	Number of installed systems	Commission Reports	Availability of funds	Renewable Energy	27,000	Implementation period		X	X	X	X
							Ksh.M		6750	6750	6750	6750
	Develop a monitoring and billing system	Billing System in place	Bills generated	Mini grid exists and is operational	Renewable Energy	50	Implementation period		X			
							Ksh.M		50			

Strategy	Activities	Key Performance Indicators	Means of Verification	Assumptions	Responsibility	Resources (Ksh. Million)	Implementation Period/Ksh	2016/17	2017/18	2018/19	2019/20	2020/21	
To implement renewable energy generation systems for grid connection	Review and disseminate guidelines on investments in renewable energy generation systems	Number of review and dissemination of guidelines undertaken	Reports on review and dissemination of guidelines	Adequate capacity available	Renewable Energy	5	Implementation period Ksh.M		X 2.5	X 2.5			
	Identify sites for large scale grid connected renewable energy systems	Number of sites identified	List of sites	Renewable energy resources exist	Renewable Energy	50	Implementation period Ksh.M		X 10	X 15	X 15	X 10	
	Acquire identified sites/land	Number of sites/parcels of land acquired	Lease/titles	Availability of land	Procurement	105	Implementation period Ksh.M		X 25	X 30	X 30	X 20	
	Carry out feasibility studies for large scale grid connected renewable energy systems	Number of studies carried out	Study report	Capacity available	Renewable Energy	30	Implementation period Ksh.M		X 30				
	Develop large scale solar plants (PV or CSP or combination) grid connected renewable systems	2No. 50 Megawatt solar plants commissioned	Commission reports	Availability of funds	Renewable Energy	30,000	Implementation period Ksh.M		X 7500	X 7500	X 7500	X 7500	X 7500
	Develop large scale solar/wind hybrid grid connected renewable system	1No. 100 Megawatt solar/wind hybrid plant commissioned	Commission reports	Site identified and acquired	Renewable Energy	25,000	Implementation period Ksh.M			X 8000	X 8000	X 8000	X 9000
	Partner with other agencies for development of electricity production through cogeneration	Number of partnership agreements on cogeneration signed	No of Partnerships agreements	Collaboration from co-generators	Renewable Energy	-	Implementation period Ksh.M		X -	X -	X -	X -	X -

Strategy	Activities	Key Performance Indicators	Means of Verification	Assumptions	Responsibility	Resources (Ksh. Million)	Implementation Period/Ksh	2016/17	2017/18	2018/19	2019/20	2020/21	
To implement stand-alone renewable energy systems for institutions	Identify and prioritize institutions for installations for stand-alone systems	Number of Institutions identified and prioritized	List of institutions	Renewable energy sources exist	Renewable Energy	5	Implementation period		X	X			
							Ksh.M	2	3				
	Carry out demand assessment and design of the system	Number of demand assessments and designs carried out	Reports	Internal capacity exist	Renewable Energy	10	Implementation period		X	X			
							Ksh.M	4	6				
	Install and meter solar PVs for institutions	200 No. Solar PVs installed and metered	Commission Reports	-	Renewable Energy	600	Implementation period		X	X	X	X	X
							Ksh.M	150	150	150	150		
	Install and meter wind systems in institutions	20 No. Wind systems installed and metered	Commission Reports	-	Renewable Energy	125	Implementation period		X	X	X	X	X
							Ksh.M	25	35	35	30		
	Develop and promote biogas and biomass systems for institutions	20 No. Biogas and biomass systems in use	Commission Reports	Readiness of the institutions to take up the technology	Renewable Energy	200	Implementation period		X	X	X	X	X
							Ksh.M	50	50	50	50		
Develop a monitoring and evaluation maintenance system for the metered solar, wind, biogas systems and primary schools	Monitoring and evaluation system in place	A report on Monitoring and evaluation	Meters are installed in all institutions	Renewable Energy	125	Implementation period		X	X	X	X	X	
						Ksh.M	10	110	2.5	2.5			
Maintenance of solar PV Systems in 4500 public primary schools	No.of schools maintained	Reports	-	Renewable Energy	1,881	Implementation Period		X	X	X	X	X	
						Ksh.M	188.1	376.2	564.3	752.4			

Strategy	Activities	Key Performance Indicators	Means of Verification	Assumptions	Responsibility	Resources (Ksh. Million)	Implementation Period/Ksh	2016/17	2017/18	2018/19	2019/20	2020/21
To install solar home systems for households in areas far away from the grid	Carry out mapping of the households far from the grid areas	Number of households mapped	Report on household mapping	Capacity exist	Renewable Energy	10	Implementation period	X	X	X		
	Formulate strategy to electrify the households	Strategy formulated	Strategy report	-	Corporate Planning	-	Implementation period		2	5	3	
	Procurement of about 500,000 solar home systems for households in off-grid areas	Number of solar home systems procured	Solar systems equipment	Availability of funds	Renewable Energy	20,250	Implementation period	X	X	X	X	X
	Installation of about 500,000 solar home systems	Number of solar home systems installed	Commission Reports	Capacity to install exist	Renewable Energy	6,750	Implementation period	X	X	X	X	X
To establish renewable energy technology demonstration centres	Acquire land for demonstration centres	Number of parcels of land acquired	Lease/titles	Availability of land	Procurement	20	Implementation period	X	X	X		
	Establish at least 4 energy demonstration centres	Number of energy centres established	Completion certificates	Availability of funds	Renewable Energy	200	Implementation period	X	10	10	X	
	Undertake at least 4 demonstration on renewable energy technologies	Number of demonstrations undertaken	Reports	Availability of funds	Renewable Energy	10	Implementation period	X	X	X	X	X
	Undertake research and innovations on renewable energy technologies	Number of research studies undertaken	Research Reports	Capacity exist	Renewable Energy	10	Implementation period	X	65	65	70	
Establish tree nurseries for fast maturing trees for energy production	Establish tree nurseries for fast maturing trees for energy production	Number of Tree nurseries and on-farm plantations established	Reports	Availability of fast maturing trees	Renewable Energy	47	Implementation period	2.5	2.5	2.5	2.5	2.5
								X	X	X	X	X
							Ksh.M		10	12	12	13

Strategy	Activities	Key Performance Indicators	Means of Verification	Assumptions	Responsibility	Resources (Ksh. Million)	Implementation Period/Ksh	2016/17	2017/18	2018/19	2019/20	2020/21
To promote the manufacture and installation of renewable energy equipment in the country	Develop guidelines for manufacture and installation of renewable energy equipment	Number of guidelines developed	reports	Adequate capacity available	Renewable Energy	50	Implementation period		X	X	X	
	Review and gazette National standards on renewable energy equipment	Number of standards reviewed and gazetted	Report	Experts in different fields of RE available	Renewable Energy		Ksh.M		0.5	0.5	0.5	
	Disseminate the guidelines and standards	Number of Guidelines and Standards disseminated	Guideline and standards	-	Renewable Energy		Implementation period		X	X	X	X
	Build local capacity in collaboration with other agencies for manufacture of renewable energy equipment	Number of trainings undertaken	Reports	Collaboration from other agencies and target groups	Renewable Energy		Ksh.M		2	2	2	2
							Implementation period		X	X	X	X
							Ksh.M		15	10	7	7
To engage in carbon trading	Train staff on carbon trading	Number of staff trained	Certificates	Availability of funds	Renewable Energy	2.0	Implementation period		X	X		
	Identify projects to benefit from Carbon trading	Number of projects identified	List of projects	Availability of projects	Renewable Energy	0.5	Ksh.M		1	1		
	Develop Project documents	Number of Projects documents developed	Project documents	capacity available	Renewable Energy	2	Implementation period		X	X	X	X
							Ksh.M		0.1	0.1	0.2	0.1
							Implementation period		X	X	X	X
							Ksh.M		0.5	0.5	0.5	0.5
	Prepare Follow-up programme	Amounts received from Carbon Credits	Carbon certificates	Capacity available	Renewable Energy	2	Implementation period		X	X	X	X
							Ksh.M		0.5	0.5	0.5	0.5

Strategy	Activities	Key Performance Indicators	Means of Verification	Assumptions	Responsibility	Resources (Ksh. Million)	Implementation Period/Ksh	2016/17	2017/18	2018/19	2019/20	2020/21
To adapt and adopt technology on utilization of municipal waste for energy generation	Develop guidelines on utilization of municipal waste	Guidelines developed	Report	Availability of capacity	Renewable Energy	0.5	Implementation period		X			
	Sensitize the public on the technology	Number of sensitizations done	Sensitization reports	Acceptance by the public	Renewable Energy	-	Implementation period	X	X	X	X	X
	Carry out an Impact Assessment on the technologies adopted	An Impact Assessment undertaken	Report	-	Renewable Energy	15	Implementation period	-	-	X	X	X
	Implement recommendations of the Impact Assessment	Number of recommendations implemented	Reports	Assessment Undertaken	Renewable Energy	-	Implementation period	X	X	X	X	X
To promote environmental conservation	Customize the National Environmental Policy	Customized Environmental Policy	report	Existence of a National Environmental Policy	Renewable Energy	1	Implementation period	X				
	Sensitize stakeholders on Environmental Health and Safety	Number of stakeholders sensitized	Sensitization reports	Availability of capacity	Renewable Energy	5	Implementation period	X	X	X	X	X
	Undertake ESIA for all new relevant projects	Number of ESIA undertaken	ESIA reports	Available capacity	Renewable Energy	450	Implementation period	X	X	X	X	X
							Ksh.M	50	100	100	100	100

Strategy	Activities	Key Performance Indicators	Means of Verification	Assumptions	Responsibility	Resources (Ksh. Million)	Implementation Period/Ksh	2016/17	2017/18	2018/19	2019/20	2020/21
To benchmark renewable energy with best practice	Identify and adopt best practices in renewable energy technologies	Number of best practices identified, customized and adopted	Reports	Existence of best practices available through standards	Renewable Energy	80	Implementation period Ksh.M		X	X	X	X
	Develop capacity on net metering	Number of staff trained	Report	Relevant legislation in place	Renewable Energy	150	Implementation period Ksh.M		X	X	X	
To promote net metering	Sensitize the public on net metering	Number of sensitization done	Reports	Legislation in place	Renewable Energy		Implementation period Ksh.M		X	X	X	X
	Evaluate the impact of sensitization	An Impact Assessment undertaken	Report	Capacity developed	Renewable Energy		Implementation period Ksh.M		5	5	5	5
Total Cost for the Strategic Objective (Ksh. Million)	Implement Recommendations of the evaluation	Number of recommendations implemented	Reports	Evaluation Undertaken	Renewable Energy	-	Implementation period Ksh.M			25	25	20
						114,796		105.5	19,128.2	30,369.3	34,226.5	30,966.5

Strategic Objective 2: To Increase Electricity Connectivity

Strategy	Activities	Key Performance Indicators	Means of Verification	Assumptions	Responsibility	Resources (Ksh. Million)	Implementation Period/Ksh	2016/17	2017/18	2018/19	2019/20	2020/21	
To connect all public facilities and households within 600m radius of a transformer by 2017/18	Update the list of the un-electrified public facilities and households	Updated list of (23,823 by September 2015) un-electrified public facilities and households	Report	There is no significant increase in the number of new public facilities by June 2017	Corporate Planning	10	Implementation period Ksh.M		X				
	Assess Design and Construction capacity, tools and equipment	An assessment done	Report	-	Design & Construction	0.5	Implementation period Ksh.M		X				
	Implement the recommendation of the assessment	Number of recommendations implemented	Report	Assessment done	Human Resources	0.5	Implementation period Ksh.M		X				
	Automate the design process	An automated system in place	Commissioning certificate reports	Availability of software in the market	Design	100	Implementation period Ksh.M	X	X				
	Design approximately 15,882 projects	Number of public projects designs	Design drawings	Design to capture households	Design	1,400	Implementation period Ksh.M	X	X	X			
	Procurement of materials	Number of materials procured	Delivery notes and inspection reports	Availability of suppliers	Procurement	19,600	Implementation period Ksh.M	X	X	X			
	Construction of projects	Number of projects constructed	Commissioning report	Timely delivery of materials	Construction	7,000	Implementation period Ksh.M	X	X	X			
										4,100	2,550		
										799.5	600		
										11,500	8,000		
										350			

Strategy	Activities	Key Performance Indicators	Means of Verification	Assumptions	Responsibility	Resources (Ksh. Million)	Implementation Period/Ksh	2016/17	2017/18	2018/19	2019/20	2020/21
To Connect the remaining households by 2020	Formulate a strategy to connect households	A strategy formulated	Strategy report	-	Corporate Planning	0.2	Implementation period Ksh.M		X			
	Design of projects to connect at least 3million households	Number of designs prepared	Design drawings	Households within existing transformers will be connected by other utilities	Design	3,000	Implementation period Ksh.M			X	X	X
To connect projects to connect at least 3 million Households	Procurement of materials	Number of materials procured	Delivery notes and inspection reports	Availability of funds	Procurement	31,500	Implementation period Ksh.M			X	X	X
	Construction of projects to connect at least 3 million Households	Number of households connected	Customers' accounts	Households are willing to provide way/leaves	Construction	11,250	Implementation period Ksh.M			X	X	X
To connect electricity to 2,000 water systems		No. of water systems connected	Reports	Water points identified	Construction	16,000	Implementation period		X		X	X
							Ksh.M		4,000	4,000	4,000	4,000
Total Cost for the Strategic Objective (Ksh. Million)								460.5	20,501	32,450	21,300	15,500

Strategic Objective 3: To Establish Strategic Partnerships with Stakeholders

Strategy	Activities	Key Performance Indicators	Means of Verification	Assumptions	Responsibility	Resources (Ksh. Million)	Implementation Period/Ksh	2016/17	2017/18	2018/19	2019/20	2020/21	
To establish a framework for engagement with stakeholders	Identify Key stakeholders eg development partners, professional bodies, financial institutions research and learning institutions,	Number of stakeholders identified	Report on the stakeholders identified	-	Corporate planning	-	Implementation period	X	-	-	-	-	
							Ksh..M	-	-	-	-		
	Develop and roll out framework for engagement with stakeholders	Number of frameworks developed	Framework in place	-	Legal	10	Implementation period	X	-	-	-	-	-
							Ksh..M	10	-	-	-		
	Develop legal instruments for engagement	Number of legal instruments developed	Legal instruments in place	-	Legal	-	Implementation period	X	-	-	-	-	-
							Ksh..M	-	-	-	-		
	Develop regulations to define the partnerships	Number of regulations developed	Gazetted regulations	Engagement framework in place	Legal	5	Implementation period	X	-	-	-	-	-
							Ksh..M	5	-	-	-		
	Develop a reporting and accountability framework	Framework Developed	Framework in Place	-	Legal	-	Implementation period	X	-	-	-	-	-
							Ksh..M	-	-	-	-		
	Follow up and review of the framework	Number of follow ups and reviewed framework	Reports	-	-	-	Implementation period	-	X	X	X	X	X
							Ksh..M	-	-	-	-		

Strategy	Activities	Key Performance Indicators	Means of Verification	Assumptions	Responsibility	Resources (Ksh. Million)	Implementation Period/Ksh	2016/17	2017/18	2018/19	2019/20	2020/21
To enhance partnerships with Counties	Establish county offices and enhance staffing	Number of REA county offices established	Lease agreements	Availability of premises	HR&A	500	Implementation period Ksh.M	X 100	X 100	X 100	X 100	X 100
	Collaborate with County governments in preparation of county rural electrification master plans	Number of county Master Plans developed	Reports	Cooperation from the county governments	Corporate Planning	100	Implementation period Ksh.M	X 20	X 20	X 20	X 20	X 20
	Develop a criteria for identifying and prioritizing the projects	Criteria developed	Report	-	Corporate Planning	-	Implementation period Ksh.M	X -	-	-	-	-
	Implement the prioritized and funded projects	Number of projects implemented	Reports	Projects identified and prioritized	Corporate Planning	-	Implementation period Ksh.M	X -	X -	X -	X -	X -
To establish areas of strategic partnerships with private sector, professional bodies, Research and learning institutions, development partners, financial institutions and other stakeholders	Identify areas of strategic partnerships	Number of Partnerships identified	List of partners and areas of cooperation identified	Strategic partners and areas of cooperation are available	Corporate Planning	-	Implementation period Ksh.M	X -	X -	X -	X -	X -
	Develop and execute legal instruments on the partnerships	Number of partnerships established	Agreements	Framework in place	Legal	2	Implementation period Ksh.M	X 0.5	X 0.5	X 0.5	X 0.5	X 0.5
	Train staff on PPPs & regulations	Number of staff trained	Certificates	Training available	HR&A	50	Implementation period Ksh.M	X 2	X 23	X 25	X 25	X 25
	Develop proposals	Number of proposal developed	Proposals	Strategic partners identified	Corporate Planning	2	Implementation period Ksh.M	X 2	X 2	X 2	X 2	X 2
	Participate in trade fairs, forums and shows	Number of trade fairs and forums attended	Reports	-	Communication	50	Implementation period Ksh.M	X 10	X 10	X 10	X 10	X 10

Strategy	Activities	Key Performance Indicators	Means of Verification	Assumptions	Responsibility	Resources (Ksh. Million)	Implementation Period/Ksh	2016/17	2017/18	2018/19	2019/20	2020/21	
To establish partnership with the communities	Organize stakeholder workshops and conferences	Number of workshops and conferences held	Reports	-	Communication	25	Implementation period Ksh..M	X 5	X 5	X 5	X 5	X 5	
	Undertake entrepreneurship and innovation campaigns	Number of campaigns undertaken	Reports	- Identified entrepreneurship opportunities	Communication	200	Implementation period Ksh..M	X 40	X 40	X 40	X 40	X 40	
	Partner with an institution of higher learning for establishment of green academy for capacity building in renewable energy	A Green Energy Academy established	Agreement	Availability of willing Institutions for the partnership	Renewable energy	-	Implementation period Ksh..M	X -	X -	-	-	-	
	Develop a social media communication strategy	A strategy developed	Report	-	Communication	-	Implementation period Ksh..M	X -	X -	-	-	-	
	Sign up on social media sites	Number of social media sites signed up	Report	-	Communication	-	Implementation period Ksh..M	X -	X -	-	-	-	
	Undertake CSR programmes	Number of CSR activities undertaken	Reports	CSR activities identified	Communication	25	Implementation period Ksh..M	X 5	X 5	X 5	X 5	X 5	
	Develop an engagement strategy for various stakeholders	Strategy developed	Report	-	Legal	-	Implementation period Ksh..M	X -	X -	-	-	-	
	Implement community engagement Strategy	Number of community sensitization barazas held	Reports	Availability of good will from the communities	Communication	100	Implementation period Ksh..M	X 20	X 20	X 20	X 20	X 20	
	(Total Cost for the Strategic Objective (Ksh. Million)							1,069.00	217	225.5	225.5	200.5	200.5

Strategic Objective 4: To Develop and Strengthen Institutional Capacity

Strategy	Activities	Key Performance Indicators	Means of Verification	Assumptions	Responsibility	Resources (Ksh. Million)	Implementation Period/Ksh	2016/17	2017/18	2018/19	2019/20	2020/21	
To build Board and Staff Capacity	Determine the optimum staffing level to actualize the strategic plan.	Job Evaluation done	Report	-	HR&A	5	Implementation period	X					
	Recruitment of qualified staff	Number of staff recruited	Report	Availability of skills in the market	HR&A	-	Implementation period		X	X	X	X	
	Undertake training needs assessment	A training needs assessment undertaken	Reports	Availability of capacity to do the assessment	HR&A	5	Implementation period	X	X	X	X	X	
	Undertake training and benchmarking	Number of trainings and benchmarking undertaken	Reports	-	HR&A	200	Implementation period	X	X	X	X	X	
	Review terms and conditions of service biennially	Number of reviews	Board Minutes	-	HR&A	2	Implementation period	X		X		X	
	Undertake Board training needs assessment	A training needs assessment undertaken	Reports	-	Legal	2	Implementation period	X	X	X	X	X	
	Undertake capacity building for Board Members	Number of trainings undertaken	Reports	-	Legal	50	Implementation period	X	X	X	X	X	
								Ksh.M	5				
								Ksh.M		X	X	X	X
								Ksh.M					
								Ksh.M					

Strategy	Activities	Key Performance Indicators	Means of Verification	Assumptions	Responsibility	Resources (Ksh. Million)	Implementation Period/Ksh	2016/17	2017/18	2018/19	2019/20	2020/21
To attract and retain qualified staff	Undertake Employee satisfaction survey	Number of employee satisfaction surveys carried out	Reports	Competitive market	HR&A	5	Implementation period	X	X	X	X	X
							Ksh.M	1	1	1	1	
	Implement survey recommendations	Number of recommendations implemented	Reports	Recommendations are implementable	HR&A	5	Implementation period	X	X	X	X	X
							Ksh.M	1	1	1	1	
To provide adequate and suitable work environment	Introduce internship programmes with other institutions	Number of staff seconded on internships	Letters of nomination	Areas of collaboration identified	HR&A	-	Implementation period	X	X	X	X	X
							Ksh.M	-	-	-	-	
	Develop career progression	A scheme of service developed	Report	Appraisals carried out	HR&A	10	Implementation period	X	X			X
							Ksh.M	5	5		5	
Undertake work environment survey	Number of Surveys undertaken	Reports	-	HR&A	2.5	Implementation period	X	X	X	X	X	X
						Ksh.M	0.5	0.5	0.5	0.5	0.5	
To develop systems and operational review guidelines	Implement survey recommendations	Number of recommendations implemented	Reports	-	HR&A	50	Implementation period	X	X	X	X	X
							Ksh.M	5	15	10	10	10
	Review and update departmental operational manuals	Number of manuals reviewed and updated	Updated manuals	Departmental operations manual exist	QMR	10	Implementation period	X	X	X	X	X
							Ksh.M	2	2	2	2	2

Strategy	Activities	Key Performance Indicators	Means of Verification	Assumptions	Responsibility	Resources (Ksh. Million)	Implementation Period/Ksh	2016/17	2017/18	2018/19	2019/20	2020/21	
To enhance effective corporate governance	Review risk management policy	Risk policy reviewed	Report	-	Audit	5	Implementation period	X	X	X	X	X	
	Implement findings of the risk review	Number of findings implemented	Reports	-	Audit	-	Ksh.M	1	1	1	1	1	
	Train the Board on corporate governance and integrity	Number of Board members trained	Report	-	Legal	10	Implementation period	X	X	X	X	X	
	Develop corporate governance framework	A framework developed	Report	-	Legal	-	Ksh.M	2	2	2	2	2	
	Undertake corporate governance audits	Number of Audits undertaken	Reports	-	Legal	-	Implementation period	-	-	-	-	-	
	Implement the audit outcome	Number of findings implemented	Reports	-	Legal	-	Ksh.M	-	-	-	-	-	
	Train staff on corporate governance and integrity	Number of staff trained	Reports	-	HR&A	10	Implementation period	X	X	X	X	X	X
	Review and update corporate governance instruments	Number of instruments reviewed and updated	Updated instruments	Governance instruments exist and have been implemented	Legal	10	Ksh.M	0.5	2.5	3	2	2	2
	Undertake Board induction	Number of Inductions undertaken	Reports	-	Legal	5	Implementation period	X	X	X	X	X	X
							Ksh.M	1	1	1	1	1	1

Strategy	Activities	Key Performance Indicators	Means of Verification	Assumptions	Responsibility	Resources (Ksh. Million)	Implementation Period/Ksh	2016/17	2017/18	2018/19	2019/20	2020/21
To provide security to staff and assets	Develop a security policy and manual	A Security policy and manual developed	Security policy and manual document	-	Security	-	Implementation period	X				
	Conduct security needs assessment	A security needs assessment conducted	Report	-	Security	1	Implementation period	X				
	Acquire security services and equipment	Number of contracts signed and equipment acquired	Contract agreements & Installation Certificates	-	Security	80	Implementation period	X	X	X	X	X
	Insure Directors, staff and assets	Number of Directors, staff and assets insured	Contract agreements	-	Legal	500	Implementation period	X	X	X	X	X
To increase automation	Determine current automation levels	Percentage of automation level	Report	-	ICT	5	Implementation period	X	X	X	X	X
	Procure required software and hardware	Number of software and hardware procured	Certificates	-	ICT	150	Implementation period	X	X	X	X	X
	Upgrade electronic Document Management System (software and hardware)	An upgraded electronic Document Management System	Report	-	ICT	30	Implementation period	X	X	X	X	X
	Set up Electronic procurement and contracting system	Electronic procurement and contracting system	License/ Certificate/ Report	-	ICT	150	Implementation period	X	X	X	X	X
Install Monitoring and Evaluation software	A monitoring and evaluation software installed	Commissioning report	Commissioning report	-	ICT	5	Implementation period	25	X	X	X	X
								1	X	X	X	X

Strategy	Activities	Key Performance Indicators	Means of Verification	Assumptions	Responsibility	Resources (Ksh. Million)	Implementation Period/Ksh	2016/17	2017/18	2018/19	2019/20	2020/21	
To undertake research and development	Operationalize the research department	Fully operational department	Revised organizational structure	-	HR&A	20	Implementation period	X					
	Build capacity on research and development	Number of trainings undertaken	Report	-	HR&A		Ksh.M	0.5					
	Collaborate with other institutions in Research and Development	Number of collaboration agreements undertaken	Signed agreements	-	Research and Development		Implementation period	X	X	X	X	X	
	Develop an innovation policy	Policy developed	Report	-	Research and Development		Ksh.M	0.5	1	1	1	1	
	Implement the innovation policy	Number of innovations	Reports	-	Research and Development		Implementation period	X	X	X	X	X	
	Sensitize the staff on the strategic plan	Number of staff sensitized	Report	-	Corporate Planning	3	Ksh.M	2	2	2	2	2	
	Develop and install Project management system	Project Management software installed	Report	-	Corporate Planning	50	Implementation period	X	X	X	X	X	
	Training staff on project management system	Number of staff trained	Report	-	HR&A	20	Ksh.M	50	5	5	5	5	
								Implementation period	X	X	X	X	X
								Ksh.M					

Strategy	Activities	Key Performance Indicators	Means of Verification	Assumptions	Responsibility	Resources (Ksh. Million)	Implementation Period/Ksh	2016/17	2017/18	2018/19	2019/20	2020/21
	Prepare annual Board/CEO/ Staff performance contracts	Performance Contracts prepared	Signed performance contracts	-	Corporate Planning	-	Implementation period	X	X	X	X	X
	Prepare monthly Board/CEO/ Departmental performance contract reports	Monthly performance contracts prepared	Reports	-	Corporate Planning	-	Implementation period	X	X	X	X	X
	Automate the performance contract process	An Automated process in place	Report	-	Corporate Planning	10	Implementation period	X	X			
	Undertake mid-term and end term review of strategic plan	Strategic plan reviewed	Report	-	Corporate Planning	5	Implementation period			X		X
Total Cost for the Strategic Objective (Ksh. Million)								382.9	386	312.15	302.9	306.15

Strategic Objective 5: To Achieve Financial Sustainability

Strategy	Activities	Key Performance Indicators	Means of Verification	Assumptions	Responsibility	Resources (Ksh. Million)	Implementation Period/Ksh	2016/17	2017/18	2018/19	2019/20	2020/21	
To create and mobilize additional sources of income	Determine revenue generation sources and income generating activities	Number of revenue sources identified	Report	The identified sources of income will be sustainable	Finance	5	Implementation period	X					
							Ksh..M	5					
	Prioritize revenue generation options	A priority list developed	Priority list	A number of options to consider	Finance	-	Implementation period	X					
							Ksh..M	-	-	-	-	-	-
	Develop a framework for each source	Number of frameworks developed	Report	Existence of capacity	Finance	-	Implementation period		X				
							Ksh..M	-	-	-	-	-	-
	Train staff in resource mobilization and proposal writing	Number of staff trained	Certificates	Inadequate capacity in proposal writing	HR&A	-	Implementation period	X		X			
							Ksh..M	-	-	-	-	-	-
	Develop financing proposals	Number of proposals developed	Proposals	Adequate capacity exist	Finance	-	Implementation period			X			
							Ksh..M	-	-	-	-	-	-
	Prepare a Follow-up Programme	A programme prepared	Programme	Financing agreements are signed	Finance	-	Implementation period			X	X	X	X
							Ksh..M	-	-	-	-	-	-
Implementation of identified projects	Number of projects	Commissioning certificates		Construction	-	Implementation period			X	X	X	X	
						Ksh..M	-	-	-	-	-	-	

Strategy	Activities	Key Performance Indicators	Means of Verification	Assumptions	Responsibility	Resources (Ksh. Million)	Implementation Period/Ksh	2016/ 17	2017/ 18	2018/ 19	2019/ 20	2020/ 21
To follow up on the exchequer and development funds	Establish a mechanism for follow up of exchequer and development partners funds to ensure timely disbursement	A mechanism developed	Report		Finance	-	Implementation period Ksh.M	X -	-	-	-	-
	Implement the follow up mechanism	Number of follow ups made	Report		Finance	-	Implementation period Ksh.M		X	X	X	X
Total Cost for the Strategic Objective (Ksh. Million)							15	7	2	2	2	2
GRAND TOTAL							207,782.6	1,172.90	40,342.70	63,409.95	56,131.90	46,725.15

REA's Projects



Biyamadhow Solar Project, Wajir South Constituency - Wajir County



Turkwell/Lokichar Substation, Turkana South Constituency - Turkana County



Kekalet Rural Electrification Project, Teso North Constituency - Busia County



Bowa Rural Electrification Project, Matuga Constituency - Kwale County

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