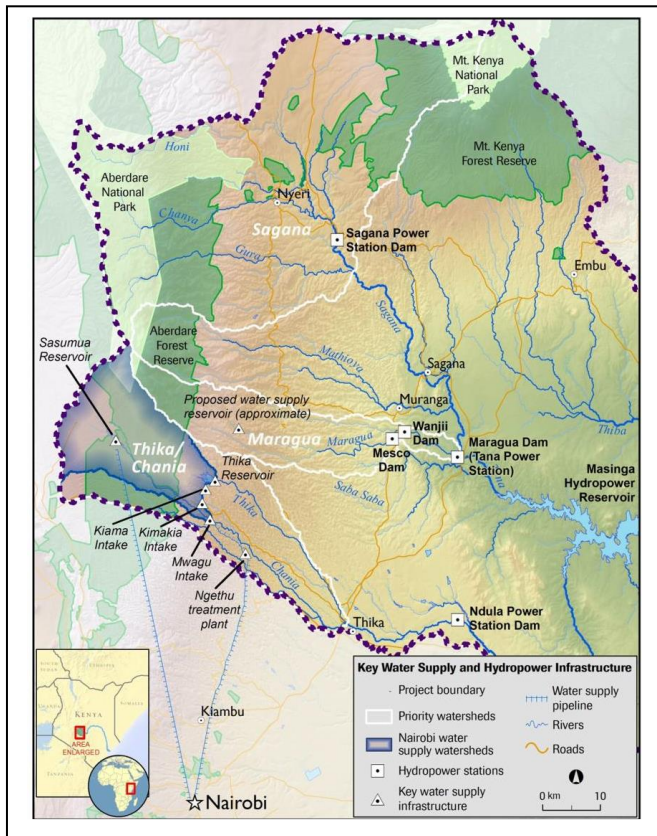


Transition Planning for Upper Tana- Nairobi Water Fund, Kenya

Highlights: 2 National Parks. 1 World heritage Site. 4 million people in the city of Nairobi. 5.3 million people in the watershed. Iconic wildlife including black rhinos. 50,000 farmers targeted, 26,474 reached.

The Project Target Area.



Critical Green Infrastructure and Conservation Priorities

Major Water Towers

- Aberdare national park, S-W Mt Kenya WHS

Watershed Area Influenced

- **One third of the one million** hectares

Forest in Source Waters

- **300,000** hectares of pristine natural forests
- **One third** of the forest within priority sub-watersheds

Beneficiary Municipalities

- Nairobi City
- Thika, Nyeri, Murang'a, Sagana, Karatina

Main Issues

- 95% of Nairobi city water supply
- 65% of Kenya's HEP production
- National parks management
- Rehabilitating natural forest
- 300,000 small holder farmers in steep slopes
- Science and stewardship in great demand

Goals

3Cs. Conserve nature, Community benefits, Clean water

Motto

3Fs. Fixing Farms and Forests

Statutes

Registered Trust Deed 2015

Trust Incorporation Certificate 2017

Milestones

Official Launch March 2015

National priority of Kenya government January 2016

Governance

Board of Trustees (BOT) - governance	10 members
Board of Management (BOM)- professional pool	10 members

Functional Committees

Counties Advisory Committee (CAC) + agencies reps	13 members
BOM Task Committees	3 number

Organizational Management Support Documents

	Drafted	Final
Strategic Plan (5 years)	Dec 2020 (estimated)	March 2021 Operational
Operations Manual and SOPs	Dec 2019	March 2021
Finance Management Manual	Dec 2020	March 2021
Human Resource Management Plan	Dec 2020	March 2021
Endowment Investment Plan	Dec 2018	March 2021 (in strategy)
Grants Manual	Dec 2020	March 2021

Staffing

Proposed Trust Management Unit	6 core staff
Comm/ Marketing contractor	30% FTE equivalent

Transition Plan

Completion Date for transitioning	June 30, 2021
Staff Transition Management	TNC and BOT Chairperson led
Transition committee	Coordinate actions Oct 2020- June 2021

	Advert	Interview	Hiring
Hiring of Executive Director (Team leaders)	March '21	April '21	June '21
Hiring of staff (5-6 number)	May '21	June '21	July '21

Project Management Unit (PMU) Transitioned from TNC hired and hosted to independent entity as a charitable trust

Proposed Positions needed for implementing UTNWF Trust

1. Water Fund Director (TNC Grade 9 equivalent)
2. Conservation Program Manager (TNC Grade 8 equivalent)
3. Field Conservation Coordinator (TNC grade 6 equivalent)
4. Monitoring and Evaluation/ KM Officer (TNC grade 6 equivalent)
5. Hydro- Met Monitoring Coordinator (TNC grade 5 equivalent)
6. Finance and Administration Officer (TNC grade 5 equivalent)
7. Comms/ Marketing lead 30-40% FTE for a grade 7-8 equivalent

Additional capacity may be engaged in instances where UTNWF will be implementing major donor funded projects/ programs. This may include hiring a project manager for such a program and recruiting as well as training public service staff to assist with field work in their respective jurisdiction. Such decisions will be made by the Executive Director in consultation with the board chair.

Proposals for Office Set- Up:

Proposing for transition committee’s consideration

Head office in Nairobi: Estimated a 1500 sq feet premises comprising of a conference meeting room for 10, an open plan office for 4 and two executive office units.

Field office in Sagana: Current facility located at the HDC complex in Sagana town should serve the purpose. It comprises a well secured 700 sq ft office unit and 40-foot container developed into 3 office units.

Satellite office at the Ndakaini dam office, Murang’a. Propose to close the office and use Nairobi Water Company premises/ office for any on-site meetings

Staff Management Plan:

- All staff hiring responsibilities shift to the Chairperson, Board of Trustees with technical guidance from TNC and the transition committee, upto June 30, 2021. This should adhere to the HR Manual of the trust.
- Hiring and recruitment process be assigned to the Executive Director with support from Executive Committee of Board of Management or as directed by the Trust.
- Initial staff hiring, engagement and induction may be done in close consultation with TNC HR department who will also provide technical advice and manage contract transition related issues.

Table 1. UTNWF Trust Transition/ staff restructuring process- Revised

	PHASE ONE <i>Work with UTNWF staff under current TNC contracts, and prepare for transition</i>	TIMEFRAME / DATES	Project Lead	Collaborators / Comments
1	Draft and Finalize New Water Fund Transition strategy	July 20, 2020	Africa Water Funds Director	HR, UTNWF Manager
2	Aligning to roles and responsibilities defined in Trust Deed	July 20, 2020	AWF Dir / HR Manager	Board of Management (BOM)
3	Provide Organizational chart and summary of roles	Sept 20, 2020	AWF Director& HR	BOM, UTNWF Manager
4	Review and advisory on role types	Sept 30, 2020	HR Manager	In case the roles require further adjustment upwards or downwards
5	Establishment of Transition committee- TNC- Trust	October 1, 2020	AWF Director/ BOT Chair	4-6 members
6	Job Descriptions - Roles and responsibilities drafted, reviewed	October 1, 2020	HR Manager	AWF Director
7	Determination of new positions in the transition	October 1, 2020	Transition committee	TNC HR Manager
8	Socialization/ sensitization of new entity to UTNWF employees	October 15, 2020	AWF Director & HR	Transition Committee

9	Determination of potential attrition rate - those that miss out on both TNC and New entity.	Dec 1, 2020	HR / AWF Director	Transition Committee
10	Potential Counselling of RIF (Reduction in force) as necessary	March 1, 2021	HR Manager	
	PHASE TWO <i>Engage UTWNF trust staff under trust's mandate</i>			
1	Open up positions for filling up - Determine mode of advertising- External/ internally within TNC Kenya programs for each	Feb 1, 2021	HR Manager	HR Specialist / Transition Committee
2	Shortlist and Interview applicants for the new role	April-May 2021	HR Manager/ Transition committee	AWF Director
3	Provide feedback to all candidates	April-May 2021	HR Manager	AWF Director
4	New staff contracts drafting- Issued by UTNWF Trust	April-May 2021	HR Specialist / Transition Committee	BOT Chairperson
	" - Any terminations	June 30, 2021	HR Specialist/HR Manager	DFO / HR Legal
5	Separation logistics and mitigating employee impacts	June 1, 2021	HR Manager /HR specialist	DFO / HR Legal
6	Roll out of new contracts	July 1, 2021	BOT Chairperson	AWF Director / HR Manager
	Communications support for Trust	Continuous till June 30	Evelyne	Margaret, Florence (mobile phone)
	Finance Management system set up and training	April 2021	Faith	FM team, Baker Tilly Meralli contractor, Ops CODA
	HR- Capacity development, Hiring process management and Training	June 2021	Bernice	Ops CODA
	Information Management System setting up	June 30 2021	TISOM	Service provider
	PHASE THREE <i>Preparation of Trust operating procedures and guiding tools</i>			
	Drafting of Strategic Plan Procedure manuals			
1	Trust's Strategic Plan	December 31, 2020	Board of Management	UTWF Staff, BOT, CODA, Consultant
2	HR SOPs and policies	December 31, 2020	HR/ Board of Management	TNC, BOM and a Consultant
3	Operations manual	December 31, 2019	Board of Management	Done
4	Finance manual	December 31, 2020	TNC FM/ BoM	TNC, BOM and a Consultant
5	Investment and Grant Manual	December 31, 2020	Board of Management	TNC, BOM and a Consultant
6	Finance management system	July 1, 2020	TNC FM/ WF Manager	In Place with IFAD support
7	Stores and Asset Transitioning- equipment, vehicular ownership transfer	June 15, 2020	Faith	TNC Ops, Ops CODA

OFFICE SETTING UP- The UTNWF Trust <i>Setting up and operationalization of independent offices for the Trust</i>				
1	Search and confirmation of premises	January -March 1, 2021	BOT, BOM	WF Manager
2	Termination/ Renewal of current leasing contracts	April 1, 2021	TNC Ops, Board of Management	TNC Legal/ Ops. Including necessary notice(s), repairs
3	Development of new office premises	June 1, 2021	TNC Ops, Board of Management	BOT Legal, TISOM, Contractor
4	Legal and statutory compliances- tax liability, filing returns updating	June 20, 2021	Faith/ TNC Ops	Ops CODA

Drafted for TNC ALT/ NPOC by Bernice Kasaya, Anthony Kariuki & Fred Kihara, June 2020. Updated Sept 14, 2020

Thoughts on Composition of the UTNWF Transition Committee

A team of 5- 6 pax drawn from:

TNC: Two representative from TNC Country Program Leadership, Operations or Legal

UTNWF Trust: Two nominees by the board of trustees

Ex-officio TNC HR and SWP Representative

Mandate of the Transition Committee: Plan necessary engagement of necessary skilled capacity, convening meetings, clearing public communication eg job advertisement, documenting the process, hosting necessary session including facilitating invitations, venue plans.

Financial Plan for UTNWF Trust

Upper Tana- Nairobi Water Fund Transition Planning

Table 2. Operational budget plan for UTNWF, June 2020

Best Case Scenario					
Position	Grade	Salary- Mid point	Fridge (@14.2%)	Total budget- KES	Total- USD
Executive Director	9	10,154,300	1,441,911	11,596,211	115,962
Conservation Program Manager	8	7,479,300	1,062,061	8,541,361	85,414
Field Conservation Coordinator	6	4,173,000	592,566	4,765,566	47,656
M&E Officer/ Knowledge Management	6	4,173,000	592,566	4,765,566	47,656
Hydrological Monitoring & Database	5	3,006,700	426,951	3,433,651	34,337
Finance Officer	5	3,006,700	426,951	3,433,651	34,337
Total Salary obligation		31,993,000	4,543,006	36,536,006	365,360
Office Rents for Nairobi, Sagana				1,800,000	18,000
Vehicle operating budget	Staff field expenses to be charged to activities			1,000,000	10,000
Office operating costs				360,000	3,600
Board business facilitation				303,000	3,030
Field extension staff (including GOK)	To be engaged under project activities			-	-
Total Operating Costs KES				39,999,006	399,990

Resourcing UTNWF

The financial sources include:

1. Endowment fund annual interest. The amounts to approximately USD 200,000.
2. Proposed annual operating cooperative agreement from TNC @USD 200,000 for 3 years
3. Grant fundraising from public and private sources

UPPER TANA- NAIROBI WATER FUND TRANSITION PLANNING

CASH FLOW

Key Item	Year 1	Year 2	Year 3	Year 4	Year 5
UTNWF Expenses Budget	Total- USD	Total- USD	Total- USD	Total- USD	Total- USD
Salaries obligation	365,360	383,628	402,809	422,950	444,097
operating expenses	39,630	44,630	49,093	49,093	49,093
Total Operating Costs KES	404,990	428,258	451,902	472,043	493,190
Total- Field Investments budget	250,000	320,000	365,000	290,000	330,000

Gross Water Fund budget	654,990	748,258	816,902	762,043	823,190
UTNWF Revenue					
Endowment Fund Interest- credited in January	204,000	306,000	408,000	510,000	612,000
TNC Cooperative agreement grant	200,000	200,000	200,000	-	-
Projected Fundraising- UPS Foundation grant	100,000	100,000	100,000	100,000	100,000
Projected Fundraising- sources TBD	150,000	150,000	110,000	150,000	150,000
Gross total- annual revenue	654,000	756,000	818,000	760,000	862,000

Budget Notes:

1. UTNWF BOT has initiated a fundraising campaign to capitalize the endowment fund. Current target is USD 2m for FY21 A similar campaign will follow in FY22 based on the lessons. This should grow the income to be able to fully cover operation costs within 3 years [FY25]
2. Suggestion for a match fund to add to what the local effort raises is very welcome. Will be included in campaign plan once TNC makes the decision.
3. Executive Director will be responsible of resource Mobilization. Their contract could include a clause on success-based commission.
4. Initially field investment are dependent on fundraising success but stabilizes once endowment is fully capitalized

Further Reading

1. Nairobi Water Fund 2020 Annual Report: <https://tnc.box.com/s/3wy9dhuthr3zrh0rxz4hzubd5czavc4e>
2. Nairobi WF Financial report FY19: <https://tnc.box.com/s/wt3n099lxddap8mdzvhdcmk144gip5f>

Additional Documents

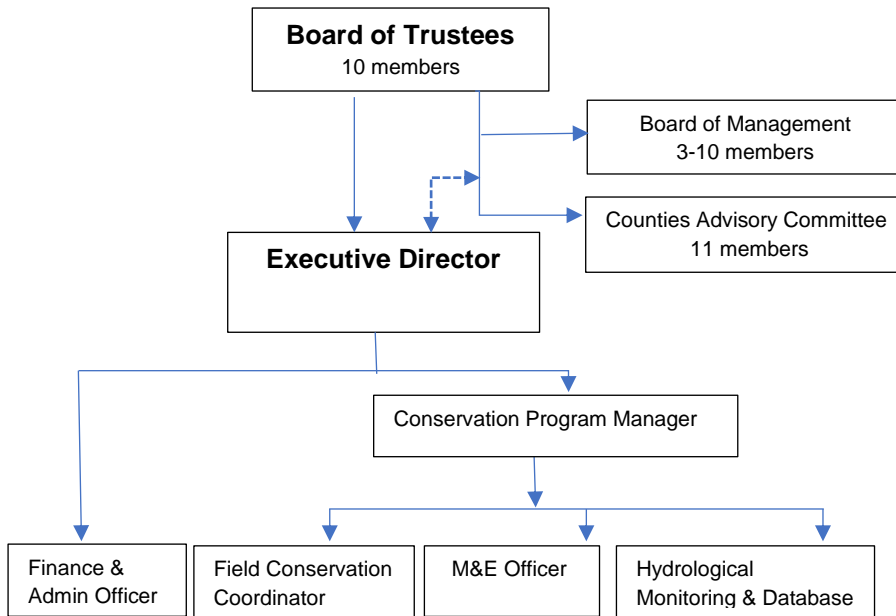
This paper with all edits and team comments on.

<https://tnc.box.com/s/9xq64lafepm3zdcs9nwgibimct1uan1an>

Financials: 5-year income -expenditure analysis:

<https://tnc.box.com/s/rjt87kmnioeu6z5yttxeda5k0mvqedi5>

Figure 1. Organogram for the UTNWF Charitable Trust



THE CHARITABLE TRUST

3 Founder trustees,
Up to 7 invited trustees

BOM- 3 founder directors,
7 invited directors

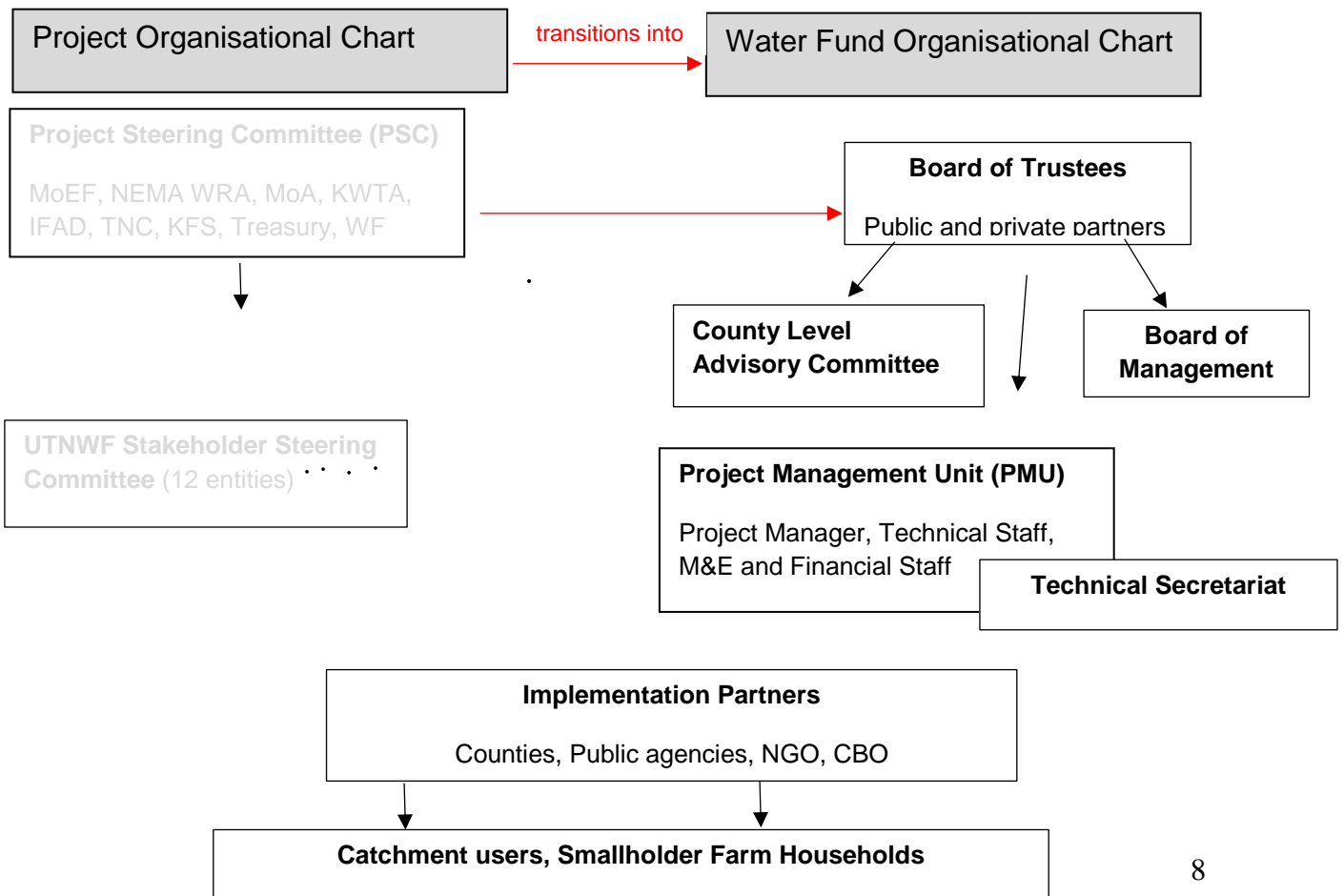
County advisory Committee
comprising county and in-
region state agencies heads

BOT & Transition committee
to determine mode of
advertising for staff positions

Executive Director
nominates officer in-charge
of Sagana field office

Figure 2: Transformation in Organizational Set-Up of UTNWF [2015-2020]

This represents the organization development plan envisaged in the TNC/ IFAD/ GEF/ GOK project regarding establishing UTNWF





The partners...



..the army (force for nature).....



.....the battlefield

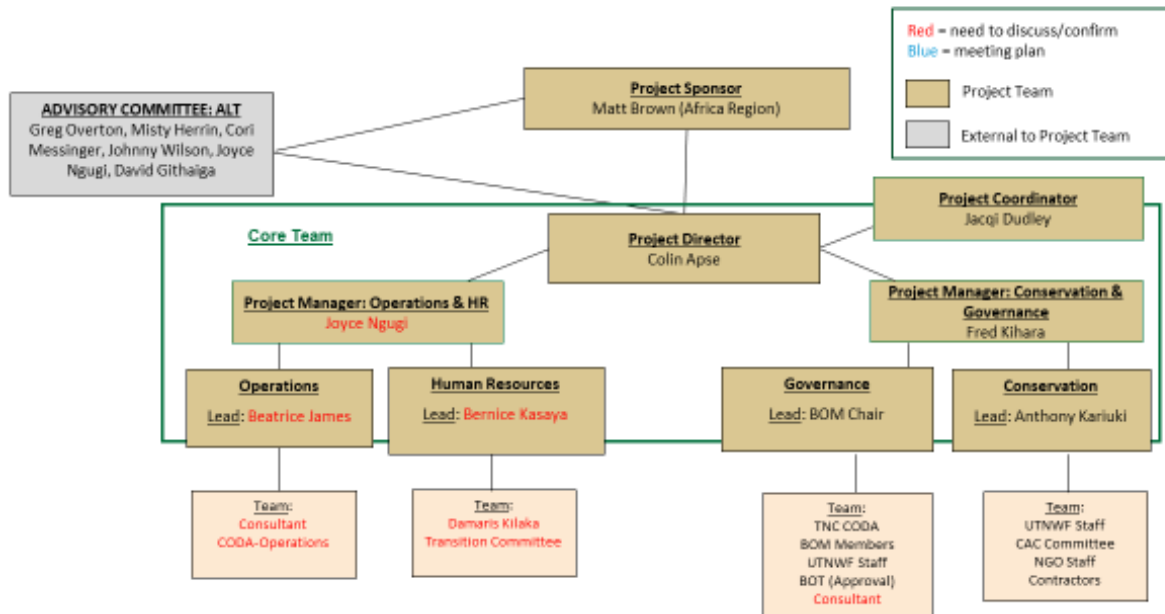
Annex 1. Summary JD for the proposed positions (assuming based in Nairobi)

JDs available for all position in trust as listed above.

Annex 2. HET plan for the Transition.

See MS Excel attached (extract below)

**UTNWF Transition - Project Team Organizational Chart
Phase 1: Transitioning out of TNC (July 2020-February 2021)**



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UTNWF Transition - Project Team Organizational Chart Phase 2: Institutionalization of the Trust (March 2021-June 2021)

