

# **NATIONAL WATER AND SEWERAGE CORPORATION**



## **ANNUAL ACTIVITY REPORT FOR THE FY 2012/13**

**Performance Review Report for Period July 2012–June 2013**

**JULY 2013**

## Executive Summary

The National Water and Sewerage Corporation (NWSC) Act CAP 317 requires that management prepares Quarterly and Annual reviews showing the operational and financial performance of the Corporation for each financial year, and presents them to the Minister of Water and Environment.

In line with the Act, it is with great pleasure that I present to you the Annual Activity Report for the period July 2012–June 2013. The report reviews performance for the 1st year of the 6<sup>th</sup> Corporate Plan, 2012–2015 which is in harmony with the Two Year PCIV addendum. The strategies implemented during the review period are in tandem with overall strategic focus of the ThreeYear Corporate Plan and the performance contract. These were translated into short term performance improvement programmes aimed ensuring effective and efficient water and sewerage service delivery. The key performance enhancement undertakings during the year included;

the formulation and implementation of Declarations aimed at achieving Performance Enhancement and Creativity Contract (PACE) targets, improved Customer Care Services through implementation of customer care weeks in all areas, sourcing of funds for capital development projects (USD 55m for the Water Management Development Project), implementation of key Capital Development projects and formulation and implementation of information technology innovations among others. All these undertakings were aimed at continuous performance improvement and as a result the Corporation was able to register the following performance as summarized in table 1 below.

### Summary of Performance for the period July 2012–June 2013

#	Target for FY 2012/13	Actual Achievement	Remarks
1.	Raise annual Turnover of Ushs 163.9 billion	Income for the period was Ushs.168.7.4billion	The annual target was attained by over 100%.
2.	Reduce overall Non Revenue Water (NRW) from 32.6% to 31.5% –NWSC –31.5% –Kampala–34.5% –Other Areas –14.2%	Overall NRW Water for NWSC was 33.6%, Kampala, 37.8% and Other Areas, 23.0%.	The target was not attained.

3.	Increase Water production from 218,497 to 228,204 cubic meters per day	Water production was 260,595 cubic meters per day	Average production for the year indicates an annual target achievement of 114%.
4.	Capacity utilization of at least 79%	Capacity utilization was 80%	Capacity utilisation was over and above the annual target.
5.	Maintain staff number of not more than 1,793 and achieve staff per thousand connection ratio of 6	Staff number was 1,788, equivalent to a staff productivity ratio of 6 staff/1000 connections	Staff productivity target of 6 staff/1000 connections was attained during the period
6.	Ensure total staff costs as a percentage of total operating costs is 39%.	Staff costs for the period were 34.8% of the operating expenses.	The achievement for the year was within the budget provision.
7.	Increase collection efficiency (C.E.) from 94% to 98%	Collection efficiency for the period was 96%	Performance for the period under review was below the annual target
8.	Install 184 water kiosks/Public Stand posts (PSPs)	95 PSPs were installed during the year	Performance during the year was only 52% of the annual target.
9.	Extend mains by 35kms. (Revised Target)	85.8kms were extended by end of June 2013	The Annual Revised target was attained by over 100%
10.	Increase water connection by 21,500 or an average of 1,792 per month.	21,637 new water connections were installed in the year	The performance for the year implies a target achievement of 101%.
11.	Increase active connections from 266,242 to 286,459	Total active connections were 285,418 by end of June 2013.	The achievement during the year was 99.6% of the annual target.
12.	Reduce Suppressed accounts to 31,247	Suppressed accounts were 31,874 or 10% of the total accounts	Annual Target was achieved by 98%
13.	Carry out universal metering i.e. 100% for Active Accounts.	Metering coverage was at 99.9%	All Active accounts metered.
14.	Reduce average debt age for arrears from 3.5 months to 3.1 months	Debt age for the period was 3.8 months	Debt age was for the year was below the annual target or an achievement was 82%
15.	Enhance customer care and ensure response time to customer complaints within 18hours	The most recent survey indicate customer satisfaction index (CSI) of 86.0%.	Target attained.
16.	Achieve a net profit before depreciation of Ushs 20.3	Net Profit 41.7 billion	Target was attained by over 205%.

	billion		
17.	Ensure that water and effluent quality conform to National Standards	<b>Water Quality:</b> <ul style="list-style-type: none"> <li>- Bacteriological : 99.9%</li> <li>- Colour: 72.60%</li> <li>- Turbidity: 89.9%</li> <li>- PH: 100%</li> <li>- Electrical conductivity:100.0%</li> <li>- Alkalinity:100%</li> <li>- Hardness: 100%</li> </ul> <b>Sewerage Effluent Quality:</b> <ul style="list-style-type: none"> <li>- BOD: 37.6%</li> <li>- TSS:47.7%</li> </ul>	<ul style="list-style-type: none"> <li>• Water quality standard attained,</li> <li>• Sewerage Effluent standards (BOD and TSS) not attained</li> </ul>

It should be noted that the Corporate Plan targets are cascaded to Divisions through the Division one minute goals, budgets and workplans and it's on this basis that Divisions are assessed . The following is summary of Division performance for the financial year ending June 2013;

- i **Engineering services;** During the FY 2012/13, 260,595 cubic meters of water per day was produced . This is higher than what was produced during the FY 2011/12 (241,843 cu.m/day). Total Supply during the period under review was 85.2 million cu.m compared to 79.7 million cu.m for the FY 2011/12. Other achievements during the financial year include; extension of 85.8kms of water mains against a target of 35km (revised target), installation of; 21,637 new water connections against a target of 21,500, 95 PSPs against a target of 184 PSPs and 235 new sewer connections against a target of 205.
- ii **Commercial & Customer Care Services:** During the financial year under review, the Corporation was able to raise water sales / billings of Ushs.156.1 billion (Exclusive of VAT) or Shs 175.8 billion (VAT inclusive), an average of Shs 13 billion per month and total collection of shs .154.6 billion, hence a collection/billing ratio of 99% (arrears inclusive) against a target of 98%. This is better performance compared to performance in FY 2012/13 of 95%.The



other achievements for the period included customer care activities that were carried out in all NWSC areas of operation, (such as on spot field billing, e-water bill payment system such as Ezee money, improved customer outreach through creation of new branches in Kampala, Jinja and Entebbe, improved call centre operations of 24/7, introduction of customer weeks to renew NWSC commitment to customer expectations, increased prepaid metering for urban poor, and introduction of territorial concept to enhance customer outreach) .

- iii **Institutional Development and External Services.** During the year, evaluation of PACE contracts and customer care surveys were carried out. Other activities included; benchmarking with other utilities in the region, execution of external service assignments in various institutions in different countries, coordination and facilitation of research and training activities in the Corporation among others. As a result revenue of Shs 1.87 billion was realized and this accounts for 75% of the budget (Shs 2.49 billion). The net income realized before depreciation was Ushs 650 million against a budget of 580 million.
- iv **Management Services;** During the year the Corporation ensured adequate staffing, maintained and protected NWSC property, Staff had access to cost effective medical care services and ensured a clean and safe work environment, Effective deployment of staff and a staff productivity of 6 staff/1000 connections was maintained. The Corporation also ensured a good working relationship with the public through effective communication with the various stakeholders.
- v **Finance & Accounts:** Within the ambit of the Finance and Accounts Division, the Corporation attained the income and expenditure targets for the period, realizing an operating profit before depreciation of Shs 39.8 billion. The other achievements included; preparation of the Corporate Plan, Annual Report for FY 2011/12, Annual Budget for FY 2013/14, Draft Final Accounts for 2011/12, implementation of the new connection module, and consistently complied with Public Procurement and Disposal of Public Assets (PPDA) requirements and the NWSC was awarded a medal for being the most compliant public enterprise.

**vi Planning & Capital Development:** During the period under review, the following were accomplishments under the Planning and Capital Development Division.

- 70% of the Lubigi Sewage and Feacal Sludge Treatment Plant (SFSTP) was completed under the Kampala Sanitation program Phase 1
- Over 75% of the targeted sewer line was extended
- Coordinated and finalized the Tariff Review and Affordability study
- Activities for the other on-going projects like Bushenyi water supply project, Kampala Urban Poor Projects of Kawempe and Bwaise, Uganda Water Management Development Project progressed well during the period under review.

**vii Internal Audit:** The Division ensured that proper procedures were followed in the daily operational and financial activities of the Corporation and as a result the percentage of internal recommendations implemented during the period was 88.0%.

**Challenges:**

During the period under review the Corporation continued to face challenges such as the increasing levels of debtors currently at Ushs.54.0 billion, slow implementation of capital works, limited sewerage coverage, water losses (at 33.6%) and poor sewage effluent quality.

**Way Forward:**

The Corporation will endeavor to focus on critical areas that are lagging behind in light of the annual targets and these include;

- NRW- Meter replacement, improve on the accuracy of measurements of water supplied into the system through bulky meter calibration.
- Arrears- prepaid meters on Government accounts, engaging the Ministry of Finance on budgetary allocation for payment of arrears
- Refocus the new connection fund to cater for water mains extension and reach out to more customers that will in turn increase connections
- Fast track the implementation of Capital works projects, both donor and internally funded projects.

## **TABLE OF CONTENTS**

<b>Section</b>	<b>Page</b>
<b>Section 1:</b> Introduction.....	10
<b>Section 2:</b> Management Strategies for the FY 2012/13.....	18
<b>Section 3:</b> Engineering Services Division Performance .....	21
<b>Section 4:</b> Commercial & Customer Care Division Performance.....	33
<b>Section 5:</b> Institutional Devpn't & Ext. Services Division Perf.....	38
<b>Section 6:</b> Management Services Division Performance.....	40
<b>Section 7:</b> Finance & Accounts Division Performance.....	45
<b>Section 8:</b> Planning & Capital Development .....	47
<b>Section 9:</b> Internal Audit Division Performance.....	54
<b>Section 10:</b> Challenges Encountered in the FY 2012/13.....	61
<b>Section 11:</b> Way Forward.....	63

## **LIST OF TABLES**

	<b>Page</b>
<b>Table 1:</b> NWSC Areas of Operation June 2013.....	10
<b>Table 2:</b> Water Supply and Sewerage Services Coverage.....	21
<b>Table 3:</b> Production & Capacity Utilization as at June 2013.....	22
<b>Table 4:</b> Billing Efficiency & NRW as at June 2013.....	23
<b>Table 5:</b> Annual Non-Revenue Water Trends.....	24
<b>Table 6:</b> Monthly Trend for New Water Connections July-June 2013.....	25
<b>Table 7:</b> Summary of New Water Connections for FY 2012/13.....	25
<b>Table 8:</b> Status of Water Connections as at June 2013.....	27
<b>Table 9:</b> Status of Sewer Connections as at June 2013.....	28
<b>Table 10:</b> Status of Public Stand Posts/Kiosks June 2013.....	29
<b>Table 11:</b> Water Quality Performance.....	31
<b>Table 12:</b> Sewerage Quality Effluent: BOD.....	32
<b>Table 13:</b> Status of Billings, Collections, Arrears & C/B Ratio.....	33
<b>Table 14:</b> Status of Billings, Collections & Arrears by Customer Category.....	34
<b>Table 15:</b> Water Market Segments as at June 2013.....	35
<b>Table 16:</b> Income & Exp for Ext Services June 2013.....	39
<b>Table 17:</b> Status of Staff as at June 2013.....	40
<b>Table 18:</b> Income Statement for July 2012-June 2013.....	46
<b>Table 19:</b> Percentage Response to Cumulative Audit Queries Raised.....	60
<b>Table 20:</b> Summary of Operational Strategies.....	63

## LIST OF ACRONYMS

<b>A/Cs</b>	Accounts
<b>AFD</b>	French Development Agency
<b>AfDB</b>	African Development Bank
<b>B/C</b>	Billing/Collection
<b>BOD</b>	Biological Oxygen Demand
<b>CAPEX</b>	Capital Expenditure
<b>CSI</b>	Customer Satisfaction Index
<b>DWD</b>	Directorate of Water Development
<b>EDC</b>	Every Drop Counts
<b>EIB</b>	European Investment Bank
<b>EU</b>	European Union
<b>E-Water</b>	Electronic Water bill Payment
<b>Fig.</b>	Figure
<b>FY</b>	Financial Year
<b>GIS</b>	Geographical Information System
<b>GIZ</b>	Germany International Corporation
<b>GoU</b>	Government of Uganda
<b>H.E</b>	His Excellency
<b>HR</b>	Human Resource
<b>IDAMCs</b>	Internally Delegated Area Management Contracts
<b>KfW</b>	Kreditanstalt für Wiederaufbau
<b>KIWASCO</b>	Kisumu Water & Sewerage Company Ltd
<b>KW</b>	Kampala Water
<b>M<sup>3</sup></b>	Cubic Meters
<b>MOU</b>	Memorandum of Understanding
<b>MWE</b>	Ministry of Water & Environment
<b>NRW</b>	Non-Revenue Water
<b>NWSC</b>	National Water and Sewerage Corporation
<b>OGWSC</b>	Ogun State Water Corporation
<b>PACE</b>	Performance Autonomy Contract Enhancement
<b>PC (IV)</b>	Fourth Performance Contract
<b>PDP</b>	Performance Development Programme
<b>PPDA</b>	Public Procurement & Disposal Act
<b>PSPs</b>	Public Stand Posts
<b>RWASCO</b>	Rwanda Water & Sanitation Company
<b>SIPs</b>	Service Improvement Plans
<b>TANESCO</b>	Tanzania Electric Supply Company Ltd
<b>TORs</b>	Terms of Reference
<b>ULBs</b>	Urban Local Bodies
<b>US\$</b>	United States Dollars
<b>Ushs.</b>	Uganda Shillings
<b>VAT</b>	Value Added Tax

## 1.0 Introduction

This Annual Activity Report marks the completion of the financial year 2012/13 and the end of Year one of the Corporate Plan for the period 2012–2015. The report highlights the NWSC performance vis-à-vis the annual targets set out within the Corporate Plan for the period 2012–2015 which are in harmony with the Performance Contract targets. The report consists of the following sections: Section 1 provides background information, and Strategic goals for the FY 2012/13; Section 2 highlights the Management Strategies that were implemented during the year. Section 3–9 shows the performance for each Division during the period under review; and sections 10 and 11 highlight the challenges encountered in the year and the way forward respectively.

### 1.1 Mandate of the Corporation

The principal business of the Corporation as defined in the National Water and Sewerage Corporation Statute is to operate and provide water and sewerage services in areas entrusted to it under the Water Act 2000.

### 1.2 Operational Status

The National Water and Sewerage Corporation currently operates in 28 towns as listed in the table below;

**Table 1: Areas Under NWSC as at June 2013**

1. Kampala	11. Lira	20. Mubende
2. Entebbe/Kajansi	12. Soroti	21. Hoima
3. Jinja/Njeru	13. Arua	22. Masindi
4. Mbale	14. Bushenyi/Ishaka	23. Kaberamaido
5. Mbarara	15. Masaka	24. Kitgum*
6. Tororo	16. Kabale	25. Pader*
7. Fort Portal	17. Mukono	26. Nebbi*
8. Gulu	18. Malaba	27. Mityana*
9. Kasese	19. Lugazi	28. Kisoro*
10. Iganga		

**NB.** \*New Towns takeover by the NWSC with effect from 1st July 2013

### 1.3 Strategic Goals for the period 2012–2015

The theme for the NWSC Corporate Plan for the three-year period July 2012 to June 2015 is **“Enhancing Financial Sustainability and Infrastructure Growth”**. The theme is the guiding principle for which the three year goals and strategies are premised. Therefore, it is in line with this theme that the following strategic goals were adopted for the period 2012–2015 by the Management team:

In line with the Overall theme of **“Enhancing Financial Sustainability and Infrastructure Growth”** four Strategic Themes were adopted namely

- i. **Revenue Growth:** This is aimed at ensuring continued and diversified revenue growth.
- ii. **Cost Optimization:** This is aimed at ensuring cost rationalization and allocative efficiency
- iii. **Asset Management and Efficiency:** Aimed at ensuring posterity and productivity of assets.
- iv. **Stakeholder Management:** Aimed at ensuring company strength and Stakeholder management.

with The themes will be the guiding pillars of all operations and management activities during the next three (3 years) and they are linked to the four Balance Scorecard perspectives. Within each of the above themes are attributes that direct the formulation of respective goals and results.

### 1.4 Corporate Strategic Goals 2012 – 2015

In line with the themes, Strategic Goals were developed to capture the key focus areas for the next Corporate Planning period. The Goals reflect the global picture of what the Corporation intends to achieve. These Goals are further aligned with respective strategies, targets and timelines using the Logical Framework to give a holistic blend of activities, These Goals under the four themes include;

### 1.4.1 Revenue Growth

The Goals under this theme emphasize Volumetric Increase in Water Sales, improvement in Sewerage Services, Non Consumptive Income, and Price Optimisation. The goals majorly include

#### 1.4.1.1 Increase the amount of water available for Sale and Sold.

This results from increased water supply, reduction in NRW and increased water sales. The targets under this theme include;

- **Total Plant Capacity per day:** Increase the total plant capacity from 308,219 cum<sup>3</sup> Per day to 358,356 cum per day
- **Water Supply per day:** Increase the level of water supply from 218,497 cum per day to 251,225um per day
- **Capacity Utilization:** Increase the average capacity utilization for all areas from 76% to 74%
- **Water Supply Reliability:** Ensure 20 hour water supply reliability per day in all NWSC Areas
- **Water Losses:** Reduce the level of NRW from 32.6% to not more than 30.1% of water produced
- **Increase the amount of Water available for Sale and Sold** from 147,310 m<sup>3</sup> per day to 175,549m<sup>3</sup> per day
- **Suppressed Accounts:** Reduce water suppressed accounts as a percentage of total accounts from 10% to 9%.

#### 1.4.1.2 Increase accessibility to water and sewerage services.

This is as a result of increased water and sewerage coverage. The targets under this goal include;

- **Service Coverage:** Increase water service coverage from 77% to 80%
- **Total Connections :** increase total connections from 296,206 to 363,707 connections ( i.e. install 67,501new water connections)
- **Water Mains Extension.** Increase the total water mains extensions from 3,130 kms to 3,236 by end of FY 2014/2015
- **Service to the poor:** Increase service coverage to informal settlements and Peri-Urban areas through the implementation of projects including Kawempe and also ensure that 574 PSPs are connected. The pro-poor connections will be increased from 8,098 to 8,672 connections



- **Sewerage Connections:** Increase total sewerage connections from 17,653 to 18,464 connections ( i.e. by 811 connections over the three period )
- **Sewer Network:** Increase the total sewer network from 239 km to 254 km over the three year period.
- **Reduction in sewerage suppressed accounts** from 10% in 2012 to 9% by 2015

#### 1.4.1.3 Increase Turnover from shs 156.6 billion to shs194.9 billion.

This is a function of increased core revenue and diversification of revenue sources. The targets under this goal include

- **Annual Core Revenue:** Increase the annual core revenue from shs 143.0 billion to shs 182.7 billion by end of FY 2014/15
- **Annual Non-Core Revenue:** Achieve an annual non core revenue of shs 12.2 billion by end of the FY 2014/15
- **Profitability:** Ensure growth in net operating profit after depreciation from 19.03 billion to 25.42 billion.

#### 1.4.2 Cost Optimisation

The cost optimization theme also includes Resource allocative efficiency. Under this theme, there are 3 major goals which include

##### 1.4.2.1 Improve staff productivity.

The improved staff productivity is measured by the following key parameters;

- Staff per 1000 connections:** Reduction in staff per 1000 connections from 6 staff/1000 connections to 5 staff/1000 connections
- Staff costs as a percentage of total operating costs:** Ensure that staff costs as a percentage of total operating costs are reduced from 39% to 36% by end of FY 2014/2015

#### **1.4.2.2 Ensure Optimal operating costs.**

The optimal operating costs subtheme focuses on optimal chemical usage, improved energy efficiency and Optimization of transport and other administrative expenses. The targets under this goal include

- Chemical use (kg)/m<sup>3</sup> of water produced
- Specific Power use( in KWH)/m<sup>3</sup> of water produced
- Percentage of transport and other administrative costs over total operating costs

#### **1.4.2.3 Improved Resource Allocation.**

This entails prioritization of resource allocation to core business activities and is measured by percentage of expenditure on core business activities.

### **1.4.3 Asset Management and Efficiency**

The Asset Management and Efficiency theme has two major goals and these include;

#### **1.4.3.1 Comprehensive Asset Management System.**

The main focus areas for this sub theme are; maintenance of fixed assets, updated asset register, functional GIS system and an updated investment plan and financial model. The following indicators are used to measure these results.

- Maintenance costs as a % of operating costs
- NRW from 32.6% to 30.1%
- Approved Asset Management Policy
- Water supply reliability to 24/7
- Unbundle up to level 4 all assets acquired since 2007; and Revalue
- Add at least 10 more towns on GIS platform in additional to KW updated one
- From the Sector Strategic Investment Plan draw up a NWSC Strategic IP with a Financial Model (10 years horizon)

#### **1.4.3.2 Improve working capital Management:**

The improved working capital entails improved debt management, improved inventory efficiency and improved Creditor management. These will be measured by the following performance indicators;

- Debt age: Reduce the Corporation debt age from 3.5 months in 2012 to 2.0 months by 2015
- Arrears: reduce the level of arrears (absolute debt) from shs 48 billion to shs 37 billion by end of financial year 2014/2015 (GoU debt from Ushs 26 billion to Ushs 17 billion, and Non GoU debt from Ushs 22 billion to Ushs 21billion)
- Improvement in Creditor days from 53 days to 45 creditor days

#### **1.4.4 Stakeholder Management**

The Stakeholder Management theme is a measure of the Company strength and stakeholder management. It has four major goals and these include;

##### **1.4.4.1 Ensure Motivated and Productive Work force:**

This goal is as a result of staff retention. The measures for these goals include be the staff turnover.

##### **1.4.4.2 Ensure Efficient Service Delivery:**

This is achieved through streamlined operational systems and processes to enhance service delivery, Improved supply reliability, improved water quality and Improved sewerage effluent. This measured by the following targets;

- Supply hours; increase supply hours from 18hrs to 24hrs per day
- Compliance with National Standards of Drinking water
- Compliance with effluent discharge parameters

##### **1.4.4.3 Improve customer care:**

This entails strengthening customer services in all Service Areas so as to ensure prompt and effective response to all customer needs and resolution of

customer complaints to satisfaction of our customers. This results into improved customer satisfaction as measured by the Customer Satisfaction Index. The Customer satisfaction target for 2015 is 90% from 81%.

#### **1.4.4.4 Improve Collaboration in catchment management.**

This entails enhancement of water source protection, measured by the investment in source protection and improvement in raw water quality.

### **1.5 Assumptions**

In order to achieve these goals, the following key assumptions are made;

- Quick wins project is able to realise outcomes in the last year of the Corporate Plan period. It is however not envisaged that the major projects will be completed during the Corporate Planning cycle, i.e. KSP, KLA LVWATSAN and WMDP.
- Government pays its arrears by shs 10bn (2012/13), shs 12 bn (2013/14), and shs 15 bn (2014/15) during the planning period.
- Government Collection Efficiency increases to 80% by end of the Corporate Plan period.
- Collection Ratio for other customers is maintained at over 100%.
- Average real growth (water sales) p.a. of 6% and Indexation of 4% is attained. Efforts to reduce NRW bear fruits.

### **1.6 Targets for the Financial Year 2012/2013**

Within the framework of the Corporate Plan, the key tactical objectives which management intended to achieve during the financial year 2012/2013 were defined as follows:

- a. Total Plant Capacity per day:** Achieve the total plant capacity of 308,000 cum per day
- b. Increase water Supply** from 218,497 cubic meters to 228,204 cubic meters per day.
- c. Increase water sales** per day from 147,310 cubic meters per day to 155,741 cubic meters per day

- d. Reduce overall **Non-Revenue Water** (NRW) from 32.6% to 31.8%  
(Target for Kampala Water is 37.0% and Other Areas 16.4%)
- e. Carry out **water mains extensions** of 35 kms and **sewer extensions** of 5 kms.
- f. Install 21,500 nos. **new water connections** in all areas ie 12,300 in Kampala and 9,200 in other areas
- g. Install **new sewer connections** of 205 connections
- h. Establish 184 **public stand posts** in all areas and strengthen the existing water vending management system for the urban poor.
- i. Increase **Service coverage** from 77% to 78%
- j. Raise **Turnover** from Ushs.156.6 billion to Ushs.163.9 billion
- k. Increase **Net Profit before tax** from Shs 17.4 to Shs 17.6billion
- l. Increase **Collections** (excluding arrears over one year) from Ushs.11.26 billion in 2012 to Ushs.12.42 billion per month in 2013.
- m. Increase the **collection ratio** from 94% to 98%
- n. Reduce average **debt age** for arrears from 3.5 months to 3.1 months
- o. Reduce **Arrears** from the current Ushs 48.533 billion to Ushs 45.491 billion
- p. Achieve a **Working Ratio** (operating costs exclusive of depreciation to operating revenue) of 0.76.
- q. Ensure that **total staff costs** as percentage of operating costs are limited to not more than 39%.
- r. Achieve **Staff Productivity** of 6 staff per 1,000 connections.
- s. Enhance **customer care** in all areas and ensure effective response to customer complaints within 18 hours.
- t. Ensure that **water and effluent quality** conform to National Standards (i.e. National Standards for Portable Water (1994), and National Standards for effluent discharge 1999).

## **2.0 MANAGEMENT STRATEGIES FOR THE FY 2012/13.**

During the period, July 2012–June 2013, the following strategies were implemented in order to meet the above set objectives;

### **a. Performance, Autonomy & Creativity Enhancement(PACE)**

Within the framework of PACE, Performance Evaluation for the year was carried out in August 2013, and undertakings and strategies in form of the **Kampala Declaration** were formulated. These were aligned to the following five critical thematic areas of intervention.

- i. Increasing Water Coverage (Revenue Growth)
- ii. Operational efficiency and improved asset management (Asset Management Efficiency)
- iii. Revenue Growth through increased Water Sales, billings and Collections (Revenue Growth)
- iv. Cost Optimization through improved Cost Optimization Measures, Working Ratio, Liquidity, Operational Efficiency and Service Delivery (Cost Optimisation)
- v. Stakeholder Management through increased productivity of workforce, customer care and quality of raw water (Stakeholder Management)

### **b. Introduction of the New Connection Module**

In a bid to increase access to Water and Sewerage Services, the Corporation adopted an on-line connection of customers to NWSC services. The system requires customer to fill in the new connection forms on line and the Corporation is responsible for establishing the authenticity of the documents sent on the system. The purpose of the module is to ease the new connection process and monitor growth of business in a more organised and systematic manner.

### **c. E-Water Bill Payment System**

During the year, Ezeemoney, Warid telecom was brought on board making the total number telecom companies under the e-water bill payment arrangement three and the total number of banks 19. Significant increase in payment of water bills using mobile money was noted during the year. The Corporation will continue exploring other innovative avenues of improving customer service delivery and ensuring increased willingness to pay by our customers.

#### **d. Meter Replacements**

In order to reduce commercial water losses due to faulty meter, a total of 3,000 meters were replaced during the period under review, 2,000 in Kampala and 1,000 in Other Areas. A task force was also instituted to expedite the meter replacement exercise by additional 7000 meters.

#### **e. Arrears Wipe out Campaign (AWOC) and Suppressed Accounts Reduction Program (SARP)**

During the year under review, Management also introduced two short-term Management programs codenamed; ***Arrears Wipe out Campaign and Suppressed Accounts Reduction Program (SARP)***. These were aimed at reducing the levels of Arrears and the number of suppressed accounts. The mode of implementation is such that Areas ensure that customers adhere to credit limit of one month (a monthly bill) and for Areas that collect 103% of the bills in any particular month; the 3% represents a portion of arrears collected during that particular month and this attracts an incentive to motivate the Area staff and keep the program on-going.

#### **f. Corporate Social Responsibility Activities**

In addition to customer week activities that marked commemoration of 40 years of NWSC's existence, the following CSR activities were undertaken during the review period

- Kasese tree planting geared towards catchment protection
- World Water Week; this involved cleaning of streets and Mulago Hospital
- Selective donations for a few worthy causes.
- Blood Donation

#### **g. Pro- Poor Strategy**

The Corporation continued undertaking pro-poor activities through implementation of the Urban Poor Project in Kawempe Division. By end of June 2013, 51 toilet facilities had been completed and handed over to care takers. In addition, Bwaise II Urban Poor Project that was implemented in conjunction with Coca cola Foundation of Africa was completed and commissioned.

#### **h. Information Technology Innovations**

The following were the IT innovations during the year under review.

- ❖ **Rolled e-Water Payments solution:** more partner banks and telecoms (Warid and Airtel) were brought on board, increasing the payment options for customers. An auto reconciliation facility was also introduced to assist the Accountants with bank reconciliations.

- ❖ **Initiated the Development of an in-house Billing System** as a means to reduce costs and efficiently run the entire billing system. The development is still an ongoing project, and it will be tested and run pilot/parallel before final rollout. As part of the process, the new connections module was rolled out to all areas.
  - ❖ **Rolled out new applications in the e-Procurement module**—tendering and evaluation
  - ❖ **Virtualized more servers** which provide for the creation and provision of several servers that are hosted on the same physical equipment. The servers are created in a virtual environment and this provides for ability to create several servers for different systems without having to invest and add hardware —This initiative is also in line with Green computing where power is saved, IT operations simplified and carbon emissions reduced.
  - ❖ **Updated bandwidth for data links to most Area offices:** This improved data connectivity speeds and application processing speeds for the centralization applications.
- i. **ISO Certification:** During the period July 2012–June 2013, The following activities were carried, in the spirit of continuous improvement;
- Internal Audit refresher course was conducted in preparation for the internal audit exercise which was conducted during the 2<sup>nd</sup> week of March 2013.
  - The External Audit was also carried out on the 22<sup>nd</sup> April 2013 in the Areas of Kampala, Masindi, Hoima, Tororo, Iganga and Head office. The External Auditors were from Bureau Veritas Certification Company based in Kenya.
  - A team of staff from NWSC was selected to attend a course at Uganda Bureau of Standards (UBS) in regard to ISO due in the month of July 2013
  - Management Review meeting was also carried out during the year in the month of April 2013 at the International Resource Center–Bugolobi.
- j. **Sourcing of Funds for key Infrastructural Projects:** The Corporation secured USD 55 million from the World Bank for rehabilitate and expand water systems in Arua, Gulu, Bushenyi and Mbale towns.



### 3.0 ENGINEERING SERVICES DIVISION PERFORMANCE

The following section gives the performance for the Engineering Division for the period July 2012–June 2013;

#### 3.1 Service Coverage

Service coverage increased from 75% to 77.8% during the year. The growth was enabled by the growth in new water connections and the water mains extensions made during the year. However, the population growth continues to stifle the growth in coverage. Currently the average urban growth rate is estimated at about 4.6%.

**Table 2: Water Supply and Sewerage Coverage As at 30<sup>th</sup> June 2013**

Area	Total Accounts	Pipe Network(km)	Target Population	Population served	% served (water)	% Served (Sewerage)
Kampala/Mukono	186,240	2,336.8	2,068,585	1,766,148	85.4%	5%
Jinja/	17,630	503.3	306,487	254,532	83.0%	22%
Entebbe/Kajansi	24,341	344.0	84,930	97,274	114.5%	4%
Tororo/Malaba	3,975	124.0	62,844	45,480	72.4%	7%
Mbale	9,432	258.0	99,178	83,565	84.3%	26%
Mbarara	11,655	222.0	92,523	64,146	69.3%	8%
Masaka	8,359	227.5	121,161	81,558	67.3%	5%
Lira	7,139	190.0	169,791	90,954	53.6%	2%
Gulu	4,825	125.0	234,836	104,978	44.7%	7%
Kasese	5,238	76.0	72,049	50,994	70.8%	2%
Fort Portal	5,480	120.0	77,691	64,906	83.5%	0%
Kabale	4,637	124.8	54,323	39,194	72.2%	11%
Arua	5,454	112.0	77,408	53,588	69.2%	0%
Bushenyi/Ishaka	2,191	83.0	31,818	17,022	53.5%	0%
Soroti	5,516	152.0	64,400	37,388	58.1%	2%
Hoima	3,905	125.0	47,727	26,657	55.9%	0%
Masindi	3,690	157.0	50,317	24,435	48.6%	0%
Mubende	2,844	77.1	25,368	15,518	61.2%	0%
Lugazi	1,616	45.0	38,811	23,916	61.6%	0%
Iganga	3,125	97.0	56,233	44,520	79.2%	0.40%
<b>Total</b>	<b>317,292</b>	<b>5,499.4</b>	<b>3,838,004</b>	<b>2,986,773</b>	<b>77.8%</b>	<b>6.40%</b>

**Notes:** 1. Population figures are derived from the 2002 Population Uganda and Housing Census Main Report (Uganda Bureau of Statistics, 2005)

Population coverage is based on the assumption that the following number of persons are served per connection:

Domestic.....6 Persons/household/connection

Standpipe.....200 persons per stand pipe.

**Institutions:**

Small towns.....100 persons/Institution per connection  
Medium towns.....500 persons/Institution  
Large towns.....1,000 persons/Institution

2. Figures in the table exclude Iganga (under rehabilitation with ADB funding (yet to be taken over by the Corporation)).

3. Figures for Kampala include the suburbs of Mukono, and Nansana

### 3.2 Water Production and Capacity Utilization

Daily Water Production was at an average of 260,595 cu.m per day during the year ending June 2013 from 243,632 as at June 2012. The daily water production therefore increased by 5% during the 12 months period. The Plant Capacity Utilisation for the year was 80%, this was lower compared to that of last financial year which was at 83% as at June 2012. The reduction during the year was attributed to the expansion of Gaba under the quick-win project which increased the capacity of the plant from 165,000 cu.m per day to 195,000 cu.m per day.

**Table 3: Production & Capacity Utilization as at June 2013**

Area	Practical capacity m3/day	Total Water Produced m3	Average Production m3/day	Capacity Utilisation (%)
Kampala/Mukono	195,000	60,791,013	181,466	93%
Jinja	30,600	6,298,511	18,802	61%
Entebbe/Kajansi	20,000	4,887,885	14,591	73%
Tororo/Malaba	5,267	733,417	2,189	42%
Mbale	12,000	1,476,422	4,407	37%
Mbarara	11,164	2,826,557	8,437	76%
Masaka	7,500	1,798,572	5,369	72%
Lira	8,700	1,308,255	3,905	45%
Gulu	4,333	1,273,685	3,802	88%
Kasese	2,400	793,110	2,367	99%
Fort Portal	2,520	869,219	2,595	103%
Kabale	2,600	637,683	1,904	73%
Arua	2,733	744,088	2,221	81%
Bushenyi/Ishaka	1,920	432,700	1,292	67%
Soroti	8,256	776,365	2,318	28%
Hoima	3,000	428,791	1,280	43%
Masindi	2,640	522,828	1,561	59%
Mubende	2,748	391,124	1,168	42%
Lugazi	1,300	309,154	923	71%
Iganga	–	–	–	–

Area	Practical capacity m3/day	Total Water Produced m3	Average Production m3/day	Capacity Utilisation (%)
<b>Total</b>	<b>324,681</b>	<b>87,299,379</b>	<b>260,595</b>	<b>80%</b>

### 3.3 Water Sales

Water sales in cubic meters for the period ending June 2013 were **56,653,761** million m<sup>3</sup> this was an achievement of **99%** of the annual target **56,845,465** million cu.m) . The details of performance for each area are given in (Table 4).

**Table 4: Billing Efficiency & NRW as at June 2013**

Area	Water Supplied / System input m3	Water Sold m3	Billing Efficiency (%)	NRW June 2012 (%)	NRW June 2013 (%)
<b>Kampala</b>	60,832,814	37,816,387	62.2%	38.0%	<b>37.8%</b>
<b>Jinja</b>	5,232,201	3,298,862	63.0%	23.2%	<b>37.0%</b>
<b>Entebbe/Kajansi</b>	4,494,797	3,523,586	78.4%	17.2%	<b>21.6%</b>
<b>Tororo</b>	684,411	615,757	90.0%	9.4%	<b>10.0%</b>
<b>Mbale</b>	1,411,110	1,263,292	89.5%	11.0%	<b>10.5%</b>
<b>Mbarara</b>	2,737,126	2,387,789	87.2%	9.7%	<b>12.8%</b>
<b>Masaka</b>	1,677,408	1,102,569	65.7%	29.0%	<b>34.3%</b>
<b>Lira</b>	1,134,375	1,007,353	88.8%	12.6%	<b>11.2%</b>
<b>Gulu</b>	1,011,374	773,637	76.5%	17.8%	<b>23.5%</b>
<b>Kasese</b>	769,790	601,221	78.1%	19.7%	<b>21.9%</b>
Fort Portal	837,910	618,986	73.9%	18.0%	26.1%
<b>Kabale</b>	575,846	498,943	86.6%	8.5%	<b>13.4%</b>
<b>Arua</b>	677,100	533,313	78.8%	16.6%	<b>21.2%</b>
<b>Bushenyi/Ishaka</b>	399,405	311,003	77.9%	16.0%	<b>22.1%</b>
<b>Soroti</b>	776,365	656,405	84.5%	14.4%	<b>15.5%</b>
<b>Hoima</b>	399,491	284,375	71.2%	15.9%	<b>28.8%</b>
<b>Masindi</b>	476,533	412,300	86.5%	14.1%	<b>13.5%</b>
<b>Mubende</b>	368,250	336,485	91.4%	10.0%	<b>8.6%</b>
<b>Lugazi</b>	309,047	228,649	74.0%	14.8%	<b>26.0%</b>
<b>Iganga</b>	493,460	382,849	77.6%	20.4%	<b>22.4%</b>
<b>Total NWSC</b>	<b>85,298,813</b>	<b>56,653,761</b>	<b>66.4%</b>	<b>32.6%</b>	<b>33.6%</b>
<b>Total Other Areas</b>	<b>24,465,999</b>	<b>18,837,374</b>	<b>77.0%</b>	<b>17.1%</b>	<b>23.0%</b>

### 3.4 Non-Revenue Water (NRW)

The overall Water losses for the financial year ending June 2013 were **33.6%** against a target of 31.8%. Kampala NRW was **37.8%** against a target of 37.0%. This accounts for 98% of the target. NRW for Other Areas was **23.0%** against the annual target of 16.4%.The overall performance achievement for NRW during the year was **95%**.

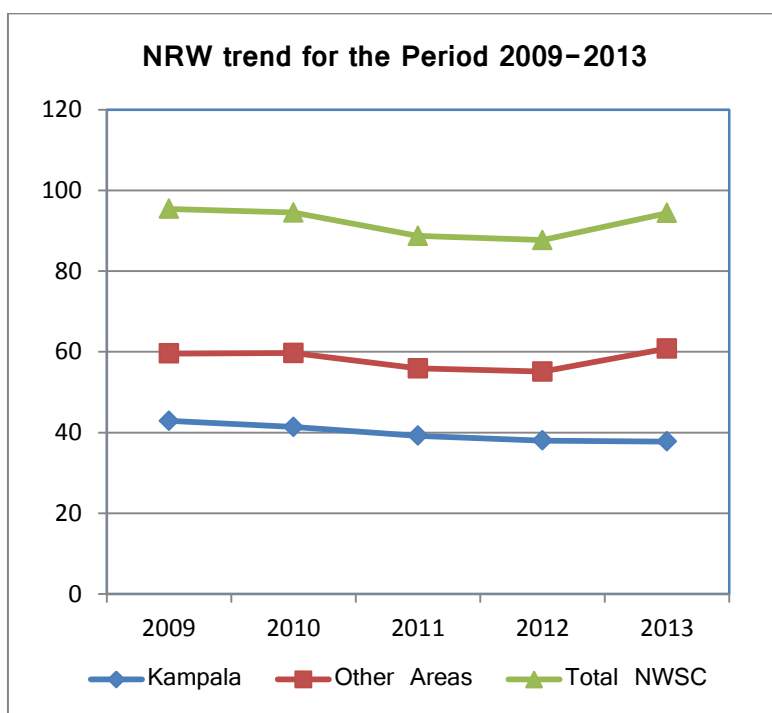
Failure to meet the NRW target during the year was attributed to high prevalence of leaks and bursts due to the aged network system in most areas ,commercial losses such as illegal users, erroneous meter readings and road cuttings among others.

The Overall NRW performance for last financial year was 32.6% which was lower compared to 33.6% attained during the financial year ending June 2013. Kampala NRW accounted for 38.0% as at June 2012 compared 37.8% as at end of June 2013 and Other Areas NRW was at 17.1% as at June 2012 compared to 23.0% as at June 2013.

**Table 5: Annual Non-Revenue Water Trends (2009–2013)**

	2008/09	2009/10	2010/11	2011/12	2012/2013
<b>Total UfW</b>	35.8%	34.8%	32.8%	32.6%	<b>33.6%</b>
<b>Kampala</b>	42.9%	41.4%	39.2%	38.0%	<b>37.8%</b>
<b>Other Areas</b>	16.7%	18.3%	16.7%	17.1%	<b>23.0%</b>

It should however be noted that there has been a general improvement in the performance of NRW during the five year period 2009–2013. From table 5, it can be observed that there is a consistent general reduction in NRW specifically in Kamapala.



### 3.5 New Water Subscribers

The number of new water subscribers connected during the period July 2012–June 2013 was 21,637 connections against an annual target of 2,500 connections, accounting for 100%. Kampala installed 13,152 against a target of 12,300 connections (107%), while other areas installed 8,485 connections against a target of 9,200 connections, and this accounts for 92%.

The total number of water subscribers for the year ending June 2013 stood at 317,292 connections.

**Table 6: Trend of New Connections for July 2012–June 2013**

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
<b>K'la</b>	860	783	519	954	741	449	922	1,781	1,399	1,370	2,245	1,129	<b>13,152</b>
<b>Other Areas</b>	613	506	612	607	752	534	706	740	705	1055	847	768	<b>8,485</b>
<b>Total</b>	<b>1,473</b>	<b>1,289</b>	<b>1,131</b>	<b>1,561</b>	<b>1,493</b>	<b>983</b>	<b>1,628</b>	<b>2,521</b>	<b>2,104</b>	<b>2425</b>	<b>3,092</b>	<b>1,897</b>	<b>21,637</b>

**Table 7: New Water Connections: July 2012 - June 2013**

	<b>Annual Target</b>	<b>Actual as at June 2013</b>	<b>% Achieved</b>
<b>Kampala</b>	12,300	13,152	107%
<b>Other Areas</b>	9,200	8,485	92%

<b>Total New Connections</b>	<b>21,500</b>	<b>21,637</b>	<b>101%</b>
------------------------------	---------------	---------------	-------------

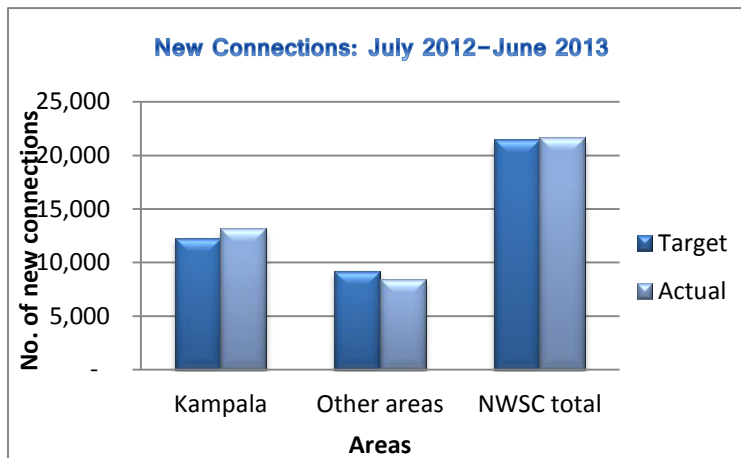


Table 7 above shows that the new water connection target for the financial year ending June 2013 was attained by over 100%. However, the Other Areas were not able to meet their target for the year due to the problem of availability of raw materials caused by delays in the procurement processes.

### 3.6 Functionality :Inactive/Suppressed accounts as a percentage of total Connections

The percentage of annual target of suppressed/inactive accounts as a proportion of total accounts for FY 2012/13 was 10%. As at June 2013, the number of inactive accounts was 31,874 accounts out of a total of 317,292, accounting for 10%, representing 100% level of achievements against the annual target, (*See Table 8 for the Details*).

### 3.7 Metering status

The number of accounts metered as at end of June 2013 accounted for 99.9% of the total connections, i.e. 317,121 out of 317,292 accounts. Whereas the total number of accounts stood at 317,292 against the planned target of 317,706. Hence the the annual target was attained by 99.8%. The detailed performance on status of connections is shown in (*Table 8*). The good performance is attributed to the high demand of piped water services in the Urban Areas, given the growing housing sector.

**Table 8: Status of Water Connection as at June 2013**

<b>Area</b>	<b>Total No. of Accounts</b>	<b>Active Accounts</b>	<b>Inactive Accounts</b>	<b>Metered Accounts</b>	<b>% Inactive</b>	<b>Metered A/c's as a % of total a/c's</b>
<b>Kampala/Mukono</b>	186,240	165,150	21,090	186,154	11%	100.0%
<b>Jinja</b>	17,630	15,120	2,510	17,630	14%	100.0%
<b>Entebbe/Kajansi</b>	24,341	20,754	3,587	24,341	15%	100.0%
<b>Tororo/Malaba</b>	3,975	3,600	375	3,975	9%	100.0%
<b>Mbale</b>	9,432	8,610	822	9,432	9%	100.0%
<b>Mbarara</b>	11,655	11,451	204	11,623	2%	99.7%
<b>Masaka</b>	8,359	8,310	49	8,359	1%	100.0%
<b>Lira</b>	7,139	6,841	298	7,139	4%	100.0%
<b>Gulu</b>	4,825	4,708	117	4,825	2%	100.0%
<b>Kasese</b>	5,238	4,716	522	5,238	10%	100.0%
<b>Fort Portal</b>	5,480	4,984	496	5,480	9%	100.0%
<b>Kabale</b>	4,637	4,606	31	4,637	1%	100.0%
<b>Arua</b>	5,454	5,206	248	5,454	5%	100.0%
<b>Bushenyi/Ishaka</b>	2,191	2,100	91	2,191	4%	100.0%
<b>Soroti</b>	5,516	5,142	374	5,516	7%	100.0%
<b>Hoima</b>	3,905	3,328	577	3,905	15%	100.0%
<b>Masindi</b>	3,690	3,544	146	3,679	4%	99.7%
<b>Mubende</b>	2,844	2,801	43	2,802	2%	98.5%
<b>Lugazi</b>	1,616	1,361	255	1,616	16%	100.0%
<b>Iganga</b>	3,125	3,086	39	3,125	1%	100.0%
<b>Total</b>	<b>317,292</b>	<b>285,418</b>	<b>31,874</b>	<b>317,121</b>	<b>10%</b>	<b>99.9%</b>

### 3.8 Sewer Subscribers

The number of Sewer Subscribers increased by 235, during the year ending June 2013. This accounts for 115% of the annual target of 205 connections.

It should further be noted that the total number of sewer connections as at June 2013 was 17,516 against an annual target of 17,858 connections, an achievement of 98%. Out of the 17,516 connections, 1,066 are inactive and 16,450 are active.

**Table 9: Status of Sewer Connections as at June 2013**

Area	Target for New Sewer Connections 2012/13	Actual as at June 2012	Actual as at June 2013	% Achievement
Kampala/Mukono	90	113	51	57%
Jinja	12	38	32	267%
Entebbe/Kajansi	12	16	14	117%
Tororo/Malaba	8	6	4	50%
Mbale	12	29	30	250%
Mbarara	12	13	13	108%
Masaka	3	3	5	167%
Lira	8	11	11	138%
Gulu	9	36	46	511%
Kasese	0	0	0	0%
Fort Portal	3	4	1	33%
Kabale	6	1	0	0%
Arua	0	0	0	0%
Bushenyi/Ishaka	0	0	0	0%
Soroti	2	13	11	550%
Hoima	6	4	7	117%
Masindi	6	12	5	83%
Mubende	0	0	0	0%
Lugazi	8	0	0	0%
Iganga	8	2	5	63%
<b>Total</b>	<b>205</b>	<b>301</b>	<b>235</b>	<b>115%</b>

### 3.9 Pro-poor Interventions

During the year 640 PSPs were installed in different areas against a target of 184 PSPs, accounting for over 100%. The detailed account of PSPs/Kiosks per area is given in (table 10). The heightened performance is attributed to pro-poor interventions in Kampala in Bwaise (under the Coco Cola Foundation project-400 prepaid meter connections) as well as the OBA interventions (165 prepaid meter connections).

It should however be noted there has been a reduction in PSPs in most of other areas and this is attributed to customers being encouraged to make domestic



connections as opposed to PSPs, a move aimed at eliminating middle men who make water services more expensive especially to the urban poor

**Table 10: Status of Public Stand Posts/Kiosks (PSPs) as at June 2013**

<b>Area</b>	<b>Target New PSPs for FY 2012/13</b>	<b><i>Actual as at June 2013</i></b>	<b>% Achievement</b>
<b>Kampala/Mukono</b>	138	<i>585</i>	423%
<b>Jinja</b>	8	<i>25</i>	313%
<b>Entebbe/Kajansi</b>	0	<i>1</i>	>100%
<b>Tororo/Malaba</b>	5	<i>0</i>	0%
<b>Mbale</b>	3	<i>4</i>	133%
<b>Mbarara</b>	13	<i>0</i>	0%
<b>Masaka</b>	0	<i>6</i>	>100%
<b>Lira</b>	0	<i>1</i>	>100%
<b>Gulu</b>	1	<i>0</i>	0%
<b>Kasese</b>	0	<i>1</i>	>100%
<b>Fort Portal</b>	0	<i>0</i>	0%
<b>Kabale</b>	4	<i>10</i>	250%
<b>Arua</b>	0	<i>1</i>	>100
<b>Bushenyi/Ishaka</b>	0	<i>0</i>	0%
<b>Soroti</b>	2	<i>1</i>	50%
<b>Hoima</b>	2	<i>1</i>	50%
<b>Masindi</b>	2	<i>0</i>	0%
<b>Mubende</b>	4	<i>0</i>	0%
<b>Lugazi</b>	0	<i>1</i>	>100
<b>Iganga</b>	2	<i>3</i>	348%
<b>Total</b>	<b>184</b>	<b><i>640</i></b>	<b>&gt;100%</b>

### **3.10 Water and Sewer Mains Extension**

During the year ending June 2013, the water mains extension network grew by 85.8 kms, which is over 100% of the target of 35kms. This performance was attributed to the availability of the materials in the last quarter ending March 2013 which had been earlier a major hindrance to mains extensions.

In regard to sewer mains extensions, 1.70 kms during had been extended by end of June 2013, This was against the target of 5 kms for the year. The poor

performance of sewer extension is still attributed to cash flow problems. In Tororo, the contractor declined to execute the contract due to under quotation of the cost involved in the extension work of 1.6 km and Mbale delayed the extension due to routing problems of the proposed sewer line

### **3.11 Water and Sewerage Quality**

The following section gives the status of water and sewerage quality for the year ending June 2013

#### **a) Compliance to Bacteriological Standards: E-coli**

Performance in water and sewage effluent quality was assessed by checking the average monthly compliance of the four key parameters of bacteriological-E-coli, colour and turbidity (for final water) and Biochemical Oxygen Demand (BOD) (for sewage- *final effluent*) against the National Standards

During the period July 2012 to June 2013, all the samples taken from final water, reservoirs and distribution system passed the health based bacteriological E-coli test, standard of 0 CFU/100 ml. Doubtable results of **55** out of the total **9233** samples led to follow up investigation of the sampling points and were found to be due to sampling errors & poor network maintenance. Table11 illustrates the Area by Area performance with respect to E-coli.

#### **b) Compliance to Turbidity Standard for drinking water**

All the Areas produced water with turbidity meeting the National Standards of less than 5.0 NTU. Only Arua Area produced water with slightly higher turbidity levels compared to the standard due to very poor raw water quality and lapses in operation and maintenance regimes. **Table 11** illustrates the Area by Area performance with respect to turbidity.

#### **c) Compliance to Colour Standard for drinking water**

All the Areas produced water that was acceptable in terms of colour, except **Masaka, Mbarara, Tororo, Lira, Arua & Bushenyi**. The above Areas where some samples failed to meet the standard indicated system problems e.g. poor raw water source, treatment process lapses, inadequate process control and inadequate filtration sand. **Table 11** illustrates the Area by Area performance with respect to colour. Remedial measures to improve on the water quality include; adequate process

control, adequate operation and maintenance regimes, improved process technology (use of polymers), alternative raw water sources, regular cleaning of the treatment units and reservoirs, regular flushing of the distribution network, etc.

**Table 11: Water Quality Performance: Bacteriological and Physicochemical Compliance**

Area	Bacteriological Compliance: E-coli		Physio-chemical Compliance: Colour		Physio-chemical Compliance: Turbidity	
	% No. samples passing	Standard	Average colour	National standard	Average turbidity	National standard
	No.	%	PtCo	PtCo	NTU	NTU
<b>Jinja</b>	98%	100%	15	15	1.7	5
<b>Entebbe</b>	100%	100%	2	15	0.7	5
<b>Mbale</b>	100%	100%	10	15	2.1	5
<b>Masaka</b>	98%	100%	21	15	2.2	5
<b>Mbarara</b>	100%	100%	30	15	3.8	5
<b>Fort Portal</b>	100%	100%	7	15	1.2	5
<b>Kasese</b>	100%	100%	6	15	1.1	5
<b>Tororo</b>	99%	100%	22	15	4.5	5
<b>Kabale</b>	100%	100%	12	15	2.3	5
<b>Gulu</b>	100%	100%	9	15	1.1	5
<b>Lira</b>	100%	100%	19	15	1.2	5
<b>Arua</b>	100%	100%	18	15	5.1	5
<b>Bushenyi</b>	99%	100%	21	15	1.7	5
<b>Soroti</b>	99%	100%	9	15	1.4	5
<b>Masindi</b>	100%	100%	6	15	0.5	5
<b>Hoima</b>	100%	100%	12	15	1.0	5
<b>Mubende</b>	97%	100%	14	15	2.0	5
<b>Lugazi</b>	100%	100%	3	15	0.7	5
<b>Iganga</b>	100%	100%	n.a	15	n.a	5
<b>Kampala</b>	100%	100%	7	15	1.3	5

#### **d) Sewage Effluent Quality: B.O.D**

For sewage treatment during the period July 2012 to June 2013, average monthly Biochemical Oxygen Demand (BOD) was poor relative to the National Standard of 50 mg/l. Only **Kabale, Gulu, Lira and Hoima** Areas were able to treat sewage to the required standard. There is need to pay more attention to the operation and maintenance of sewage treatment systems e.g. timely desludging, use of wetlands for tertiary treatment of sewage effluents, adequate operation and maintenance regimes, stringent measures to control discharge of strong municipal and industrial effluents into sewers, minimize storm water ingress, etc. Details are illustrated in **Table 12** below.

However, a GTZ Consultant acquired under Internal-External Services assessed the wastewater treatment challenges in all Areas and proposed interventions for improvement; and implementation is yet to commence

**Table 12: Sewage effluent quality: BOD**

<b>Area</b>	<b>BOD Perf.</b>	<b>Standard</b>
	mg/l	mg/l
<b>Jinja</b>	82	50
<b>Entebbe</b>	75	50
<b>Mbale</b>	56	50
<b>Masaka</b>	77	50
<b>Mbarara</b>	102	50
<b>Fort Portal</b>	78	50
<b>Kasese</b>	n.a	50
<b>Tororo</b>	112	50
<b>Kabale</b>	49	50
<b>Gulu</b>	40	50
<b>Lira</b>	34	50
<b>Arua</b>	n.a	50
<b>Bushenyi</b>	n.a	50
<b>Soroti</b>	185	50
<b>Masindi</b>	101	50
<b>Hoima</b>	49	50
<b>Mubende</b>	n.a	50
<b>Lugazi</b>	n.a	50
<b>Iganga</b>	130	50
<b>Kampala</b>	120	50

## 4.0 COMMERCIAL & CUSTOMER CARE SERVICES PERFORMANCE

### 4.1 Collection /Billing Ratio

Total cumulative collections (including arrears + VAT) as at June 2013 amounted to Shs 169.1 billion (including Government Arrears + VAT) compared to billings of Shs.175.8 billion. The collection/ billing ratio was therefore 96%. However, average collections amounted to Shs.14.1 billion per month against a target of Shs. 12.42 billion per month, accounting for 114%.

### 4.2 Receivables/Arrears

The total arrears as at June 2013 was Ushs.54.9 billion equivalent to a debt age of 3.8 months compared to 4.1 months as at June 2012. However, the absolute level of Debtors increased by 13% from last year (See details in Table below).

**Table 13: Table Showing Status of Billings, Collections, Arrears % C/B Ratio as at June 2013 Fig. in Ushs'000m)- Collections include arrears**

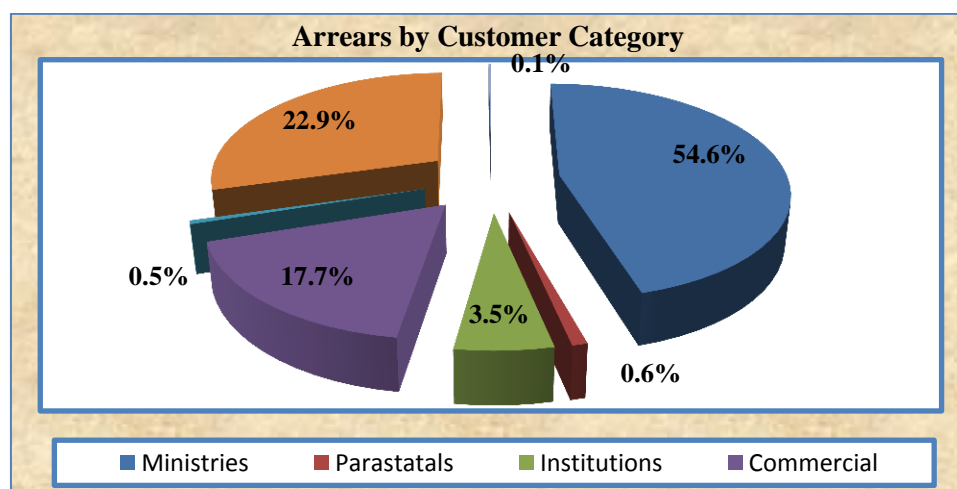
Area	Billings	Collections	C/B Ratio (%)	Arrears as at July 2012	Arrears as at June 2013	Increase/ Decrease
Kampala/Mukono	118,836,084	116,159,650	98%	26,869,012	29,764,303	↑ 11%
Jinja	11,289,823	10,735,806	95%	5,253,924	5,719,433	↑ 9%
Entebbe/Kajansi	10,334,859	9,350,538	90%	2,572,513	3,503,672	↑ 36%
Mbale	4,165,831	4,137,658	99%	1,966,396	1,996,690	↑ 2%
Tororo/Malaba	1,717,693	1,572,476	92%	1,093,971	1,225,887	↑ 12%
Masaka	3,202,914	3,072,094	96%	739,853	866,311	↑ 17%
Mbarara	7,463,894	6,379,400	85%	3,328,273	4,323,487	↑ 30%
Lira	2,915,525	2,756,370	95%	931,169	1,076,317	↑ 16%
Gulu	2,696,489	2,324,270	86%	1,410,786	1,749,888	↑ 24%
Kasese	1,441,312	1,319,992	92%	324,741	419,111	↑ 29%
Fort Portal	1,801,587	1,985,546	110%	566,012	376,992	↓ -33%
Kabale	1,564,692	1,444,710	92%	300,036	372,134	↑ 24%
Bushenyi/Ishaka	894,209	868,883	97%	148,458	169,846	↑ 14%
Soroti	1,833,128	1,710,027	93%	695,811	824,389	↑ 18%
Arua	1,319,018	1,285,101	97%	491,991	520,641	↑ 6%
Masindi	1,197,420	979,375	82%	694,597	929,689	↑ 34%
Mubende	871,480	831,870	95%	509,980	541,822	↑ 6%
Hoima	786,750	741,389	94%	181,084	188,768	↑ 4%
Lugazi	596,838	587,834	98%	110,108	117,555	↑ 7%

Area	Billings	Collections	C/B Ratio (%)	Arrears as at July 2012	Arrears as at June 2013	Increase/ Decrease
<b>Iganga</b>	930,308	902,750	97%	222,009	245,408	↑ 11%
<b>Total</b>	<b>175,859,862</b>	<b>169,145,750</b>	<b>96%</b>	<b>48,410,733</b>	<b>54,932,353</b>	↑ 13%

It should be noted that collections slightly increased by a one percentage point compared to June 2012 where collections collection efficiency was 95%.

**Table 14: Status of Billings, Collections & Arrears by Customer Category as at June 2013**

Customer Category	Billings	Collections	Arrears as at June 2013	% Over Total Arrears
<b>Ministries</b>	<b>24,013,250,660</b>	20,727,431,594	30,015,354,933	54.6%
<b>Parastatals</b>	<b>3,458,783,197</b>	3,297,523,981	349,284,846	0.6%
<b>Institutions</b>	<b>17,256,396,876</b>	17,116,900,851	1,925,688,284	3.5%
<b>Commercial</b>	<b>66,675,688,943</b>	64,797,987,166	9,701,399,683	17.7%
<b>Local Authority</b>	<b>729,814,226</b>	706,594,766	277,915,733	0.5%
<b>Domestic</b>	<b>62,970,110,796</b>	61,756,804,660	12,600,116,211	22.9%
<b>Foreign Missions</b>	<b>756,391,962</b>	740,201,170	67,274,650	0.1%
<b>Total</b>	<b>175,860,436,660</b>	169,143,444,188	<b>54,937,034,340</b>	<b>100.0%</b>



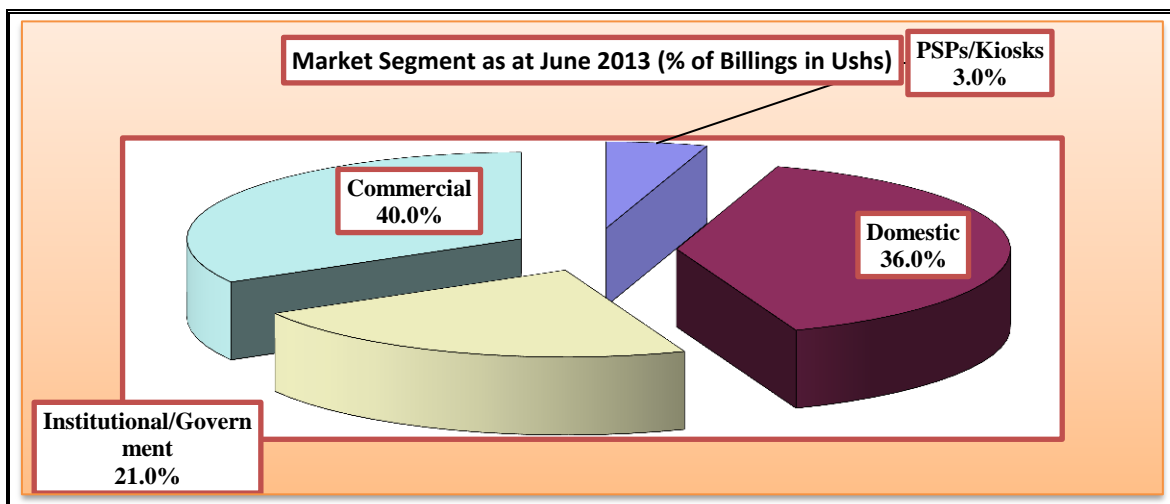
The pie chart above shows the level of arrears by customer category, it should be noted that, the level of arrears is still very high with Government which currently accounts for 54.6%, followed by Domestic consumers accounting for 22.9% as at the year end June 2013. The other categories include commercial (17.7%), Institutions (3.5%), Parastatals (0.6%), Local Authority(0.5%) and Foreign Ministries (0.1%).

#### 4.3 Water Market Segments

Table 15 shows the various market segments served by the NWSC. Statistics as at June 2013 shows that domestic Connections account for the highest percentage of the customer base 79% and commensurately the highest volume of water billed 39.3%. Of interest however is the fact that though the Institutions/Government, and Commercial/industrial account for a low percentage of the customer base 3% and 16% respectively), they collectively account for over 57% of the total collections.

**Table 15: Water Market Segments June 2013**

<b>Consumer Category</b>	<b>No. of Connections</b>	<b>As % of Total Connections</b>	<b>Volume of Water billed (cubic meters)</b>	<b>As % of Total billed</b>	<b>Revenue Billings (VAT) Shs .m</b>	<b>As % of Total Revenue</b>
<b>Public standpipes</b>	7,692	2%	2,776,034	4.9%	5,275,795,886	3.0%
<b>Domestic</b>	249,686	79%	22,264,928	39.3%	63,309,550,630	36.0%
<b>Institution/Government</b>	9,819	3%	12,747,096	22.5%	36,930,571,201	21.0%
<b>Industrial/Commercial</b>	50,095	16.%	18,865,702	33.3%	70,343,945,144	40.0%
<b>Total</b>	<b>317,292</b>	<b>100%</b>	<b>56,653,761</b>	<b>100.0%</b>	<b>175,859,862,861</b>	<b>100.0%</b>



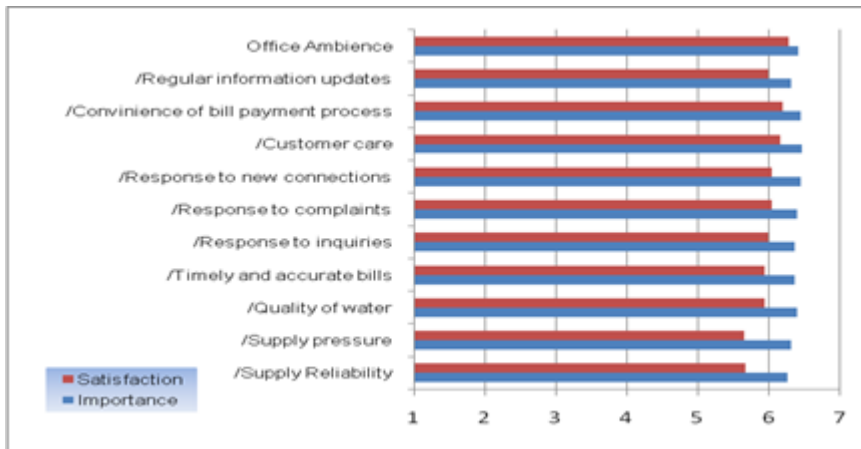
#### 4.4 Customer Satisfaction Telephone Surveys

Customer Satisfaction Index (CSI) is one of the key performance indicators that NWSC has to achieve under the GOU Performance Contract. There is obviously a strong link between customer satisfaction and loyalty, and that's why regular measurement and tracking of changes in customer satisfaction is important. With better understanding of customers' perceptions related to the Corporation's services, NWSC can determine the actions required to meet customers' needs.

The figure below shows the overall global performance matrix emerging from the entire sample of customers contacted for the survey ending December 2012 (Customer satisfaction is measured on a scale of 1 – 7 where 1 represents “extremely unsatisfied” and 7 represents “extremely satisfied”). The results show that over all for technical attributes; water supply reliability and supply pressure received the lowest satisfaction scores of 5.6 and 5.7 respectively indicating a slight decline compared to the previous survey where the scores indicated 5.8 and 5.9 respectively.

With regard to the commercial parameters, office ambience and customer care and convenience of bill payment process received the highest levels of satisfaction from the survey carried out.



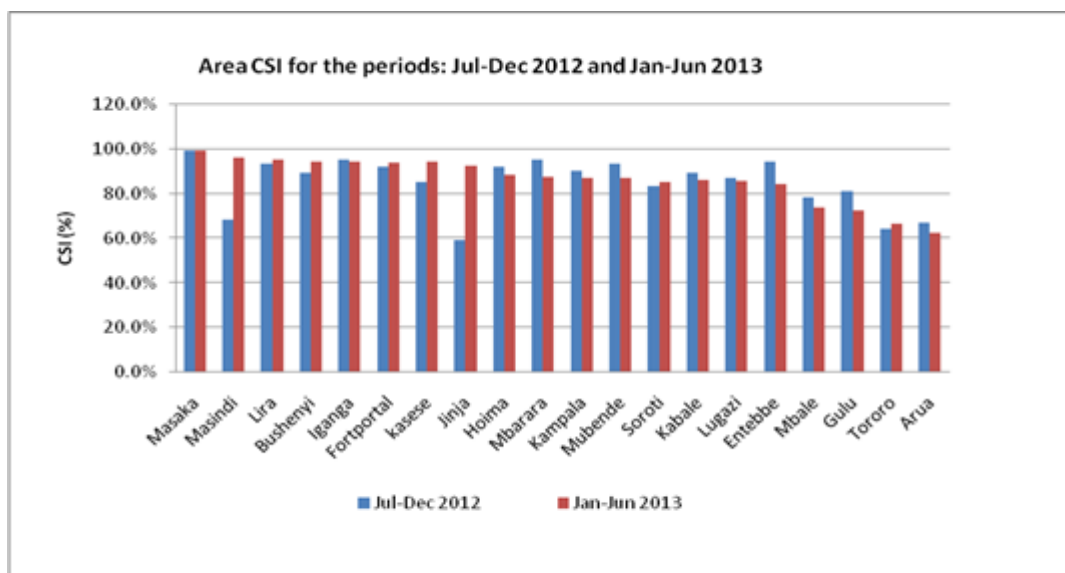


#### *NWSC global performance matrix*

#### **4.1 Customer Satisfaction Index**

The CSI values for all 20 NWSC operating areas were calculated to ascertain the levels of customer satisfaction in those areas. The CSI value maintained its score recorded in **Masaka** of **99%** during the period January –June 2013. The lowest CSI of **62%** was recorded in **Arua** Area.

The Areas that recorded the highest level of improvement with regards to customer satisfaction from the last survey are Jinja and Masindi whose performance improved from a CSI of **59%** to **92 %** and **68%** to **96%** respectively. Gulu and Entebbe on the other hand recorded a decline in CSI value from **81%** to **72%** and **94%** to **84%** respectively. The overall customer satisfaction index was 86.7% during the period under review. The figure below shows Area specific and global performance.



## 5.0 INSTITUTIONAL DEVELOPMENT & EXTERNAL SERVICES PERFORMANCE

During the period under review, the Corporation continued undertaking its south-west function of capacity building within and out side the country through the external services unit. In the same vein, a number of benching marking exercises through various visits and hosting delegations from across the Globe were undertaken. The following is a highlight of the key external services undertakings during the period.

- The NWSC carried out External Services activities with the following key partners.
  - WASA, Trinidad & Tobago
  - ACP-EU Water Facility with UNESCO – IHE
  - ACP-EU Water Facility with Vitens Evides /GIZ
  - UNESCO IHE – Benchmarking course where course modules were finalised and participated in the trial run in the SaPaulo Brazil
  - Prepared course modules and identified resource persons for AGROPARISTECH-ENGREF – International Executive Masters Programme
  - Battery Plus Uganda Ltd, contract complted
  - SUWASA – South Sudan (Maridi & Wau):
  - TANESCO II
  - Aurangabad Consortium Assignment
  - WOP Africa
  - MUBS – Designing of training programmes that will fully utilize the NWSC IREC innovation space
  - Aurangabad Consortium Assignment:
  - WOP Africa, kick started the activities in Ogun State Water Corporation (OGWSC) and Thika Water & Sewerage Company and Ghana Water (GWCL).
- **Benchmarking activities. The entailed Contractual Obligations of** Coordinating upcoming benchmarking visits from Ministry of Local Government & Housing officials from Zambia, Addis Ababa Water – Ethiopia and Enugu State Water Corporation – Nigeria amongst others
- **The wayforward for the external service unit include the following undertakings**

Follow up with Tetrattech ARD/SUWASA office on the submitted budget/costing for block mapping of Juba Town

- Continue providing inputs to the CONSULAQUA team (lead partner) to enable finalization of the proposal in for Capacity Development of Water Supply and Sanitation Authorities in Tanzania funded by GiZ and submit.
- Follow up outcome submitted proposal for the Consultancy Services for Carrying out Reconfiguration and staff capacity development on Pre Paid meter Technology in Nakuru Water and Sanitation Company.
- Enter into a Partnership Agreement with UNESCO IHE as the lead partner for the contract on grey water management in slums in Sub Saharan Africa
- Incorporate comments received and submit final proposal to Tetrattech ARD – SUWASA, Consultancy Services for Capacity Building for SUWASA South Sudan Support to Urban Water Distribution Network and Commercial Orientation for Wau and Maridi.
- NWSC IREC will host classes for two intakes i.e. 2013/2014 and 2015/2015, 20 participants for one month and provide resource persons and facilities.
- Continue to Scout for opportunities in India, Bangladesh, Tanzania and other places and participate in proposals with other partners.
- Continued marketing of IREC facility.
- Commence preparations for the participation of the NWSC External Services Team in the International Water Association (IWA) Development Congress and Exhibition due to be held in Nairobi in October.

**Table: 16 External Services Income Statement for the period July 2012–June 2013**

ITEM	Actual Jul-Sep 2012	Actual Oct-Dec 2012	Actual Jan-Mar 2013	Actual Apr-Jun 2013	Actual Cumulative 2012-2013	Budget Cumulative 2012-2013	Actual as % of Budget
	(Ushs '000)	(Ushs '000)	(Ushs '000)		(Ushs '000)	(Ushs '000)	(%)
<b>INCOME</b>							
Income from Ext. Services	- 540,949	- 1,394,917	1,048,942	- 604,953	- 1,491,877	- 2,199,992	68%
Other income/International Resource Cent.	- 16,579	- 26,169	- 36,922	- 54,945	- 134,615	- 199,996	67%
Lab Services	- 72,006	- 63,663	- 40,828	- 76,098	- 252,595	- 99,996	253%
<b>Total Income</b>	<b>- 629,534</b>	<b>- 1,484,749</b>	<b>971,192</b>	<b>- 735,996</b>	<b>- 1,879,087</b>	<b>- 2,499,984</b>	<b>75%</b>
<b>EXPENDITURE</b>							
Staff Expenses	62,106	84,406	77,520	62,079	286,111	680,404	42%
Administrative Cost	243,109	166,935	161,669	339,465	911,178	797,396	114%
Supplies and Services	4,242	6,856	5,034	3,460	19,592	227,328	9%
Premises Maintenance	1,580	-	1,553	8,537	11,670	146,100	8%
Transport & Mobile Plant	-	-	-	-	-	68,600	0%
<b>Total Expenditure</b>	<b>311,037</b>	<b>258,197</b>	<b>245,776</b>	<b>413,541</b>	<b>1,228,551</b>	<b>1,919,828</b>	<b>64%</b>
<b>Operating Profit Before Depreciation</b>	<b>- 318,497</b>	<b>- 1,226,552</b>	<b>1,216,968</b>	<b>- 322,455</b>	<b>- 650,536</b>	<b>- 580,156</b>	<b>55%</b>

## 6.0 MANAGEMENT SERVICES DIVISION PERFORMANCE

The following section gives performance of Management Services Division from July 2012 to June 2013.

### 6.1 Staff Status

By the end of the reporting period July 2012–June 2013, the total number of staff was 1,788, of which 24% were female. The increase in the number of staff is attributed to expansion of business activities.

**Table 17: Status of Staff as at 31<sup>st</sup> March 2013**

Area	Male	Female	% of Female /Total staff	Total Staff 31/03/2012
Head Office	188	100	35%	288
Kampala Water	598	190	24%	788
Jinja	69	24	26%	93
Entebbe	65	32	33%	97
Mbarara	65	8	11%	73
Mbale	55	9	14%	64
Tororo	24	7	23%	31
Lira	28	8	22%	36
Gulu	22	3	12%	25
Soroti	28	7	20%	35
Arua	16	4	20%	20
Masaka	37	6	14%	43
Fort Portal	22	5	19%	27
Kasese	18	4	18%	22
Bushenyi / Ishaka	17	5	23%	22
Hoima	16	3	16%	19
Masindi	10	6	38%	16
Kabale	29	3	9%	32
Iganga	13	4	24%	17
Lugazi	12	5	29%	17
Mubende	18	5	22%	23
<b>Total</b>	<b>1,350</b>	<b>438</b>	<b>24%</b>	<b>1,788</b>

## **6.2 Staff Productivity**

During the reporting period, staff productivity was 6 staff per 1000 connections; which is a reflection of annual target.

## **6.3 Staff Costs as Percentage of Operating costs.**

The staff costs as percentage of operating costs during the period under review were 34% which is a better performance compared to the annual target of 39%.

## **6.4 Staff Motivation**

Effective 1<sup>st</sup> July 2012, salaries of all staff were indexed by 5% and staff were able to get their salary increments which improved their motivation to work more towards achievement of NWSC corporate goals.

## **6.5 Human Resource Audit**

Human Resource worked with the Ernst & Young Consultants to conclude the Human Resource audit and the final report was presented to the Board and approved. The Corporation has commenced the implementation of some of the recommendations of the report.

## **6.6 Human Resources Retreat**

As a follow up on the implementation of the HR Audit consultancy report recommendations, the Human Resources Department organized a strategic retreat in Jinja where the Corporation's Human Resource Manual was revised and a new strategic plan for the new Human Resource Division was developed.

## **6.7 Review of Manpower in Areas and Casuals Employment**

Human Resource together with Internal Audit and Operations Departments audited Areas on staffing- need and the cost implications of hiring casual staff visa-vis substantive staff, adequacy of formal staff deployment and any staffing gaps which need to be filled. Recommendations were made to Top management. Staff gaps in Areas of Kampala Water, Kabale, Mubende, Mbarara, Tororo, Fort portal and Iganga have been filled to improve the efficiency of Area operations.

## **6.8 Human Resource Management Information System (HRMIS)**

HRMIS is being developed in house and most of the staff data is being captured into the system. When completed, the system will significantly simplify data capture and aid management decision making through timely processing and dissemination of information.

## **6.9 HIV Sensitization and Awareness**

A blood donation exercise was organized as part of the activities to mark 40 years of NWSC existence. During this exercise, NWSC staff was also taken through HIV awareness talks, voluntary counseling and testing.

## **6.10 Transport**

The contract for operational lease of vehicles with Victoria Motors expired and 37 leased vehicles were returned to them. This was in a bid to stem the rising costs of leasing a large fleet. The Corporation has planned to procure its own field vehicles which will in the long run be a cheaper option than leasing.

Proposals for the revision in the Transport policy for mileage and motor vehicle maintenance allowances for management staff were presented and approved by Top Management. A Board Paper seeking approval of the proposed rates will be presented to the Board

## **6.11 Legal**

During the period under review, management through the legal department continued to ensure that all statutory and regulatory requirements were complied with and the department ably defended all suits for and against the Corporation.

Out of 34 cases filed against NWSC in courts of law, 11 were land cases and out of these, 8 were claims of ownership of NWSC land, 1 was filed by a former staff for eviction from the Corporation House, and 2 were related to the Corporation taking over project land without compensation. 1 case was for non-payment for services rendered to the Corporation and 1 was a procurement case. During the period under review, the 2 cases for

compensation were resolved out of court, after the NWSC paid the valued compensation.

## **6.12 Public Relations**

During the period July 2012 – June 2013, the Public Relations (PR) office continued to ensure promotion of all Corporation events, marketing and publicity campaigns for all Corporation causes, while maintaining a cordial working relationship with the media and other corporate partners. The PR office managed to market e-water, arranged monthly activities to mark 40 years and flagged off a Customer Care Week on top of other initiatives like building Corporation presence on social networks and publishing articles to educate the public about NWSC products.

During this period, social media publicity of corporation events increased by 60% on e-networks.

The Office also worked hand in hand with the Young Water Professionals to host a very successful Career Fair which saw over 500 students and 20 Companies exposed to NWSC business.

The PR department through negotiations reduced media expenditure by use of;

- Complementary media interviews which gave NWSC a lot of free mileage.
- Social media which is free and has a good mileage.

## **7.12 Security Report**

Provision of security services for key installations and office premises of the Corporation is out sourced. Most of the sensitive Kampala Water installations are being guarded by Saracen Company, while others are being guarded by Ultimate Security Company.

In other Areas of NWSC operations, office premises and installations of the two big areas of Mbale and Mbarara are guarded by Saracen while Entebbe and Jinja are being guarded by Ultimate Security. The rest of the 19 Areas

of NWSC are guarded by other Security firms such as Uganda Securicor and Premier Security Guards. In all areas, no significant reports of unusual incidents were reported during the period under review

### **7.13 Estates**

Most of the Corporation Assets, where key installations in the Areas are located, are not fully fenced, while some of the access roads and paths require proper maintenance by clearing all the bushy areas. Management services tasked Area Management to ensure that the budget provisions meant to cater for fencing, slashing, repairs and improvement of office premise/rented properties and guarding of sensitive installations are used for that purpose.



## **7.0 FINANCE AND ACCOUNTS DIVISION PERFORMANCE**

The summary of financial performance for the reporting period July 2012–June 2013 is given below;

### **7.1 Operating Income**

The operating income (Water & Sewerage) as at end of June 2013 was Ushs.163.4 compared to Ushs.143 billion attained last financial year ending June 2012. The performance for the period was against the budgeted amount of Ushs.163.9 billion (revised target), implying an achievement of 99.6%.

### **7.2 Expenditure**

Overall operating expenses amounted to Ushs. 140.0 billion against the budgeted target of Ushs.133.0 billion. This implies that expenses for the year were beyond what was provided in the budget.

In regard to staff costs as a percentage of operating expenses, staff costs accounted for about 33% or Ushs.39.7 billion. The staff costs were therefore within the budget provision of Ushs.44.3 billion for the year.

### **7.3 Profitability**

During the reporting period ending June 2013, operating profit before depreciation costs amounted to Ushs.23.3 billion against the budgeted amount of Ushs.34.0billion implying a percentage achievement of 69%.

### **7.4 Working Ratio**

The Working Ratio is measured by operating costs over the income for the same period. The Working Ratio for the financial year 2012/13 was 0.85 against the target of 0.81, implying a target achievement of 104%.

### **7.5 ROCE**

Return on Capital Employed (ROCE) which is given by the Earnings Before Interest and Tax (EBIT) over, the Total Value of Assets less current liabilities for the same period was 3.24% during the year ending June 2013. This was against the annual target of 2.8% for the year, implying the annual target was attained by over 100%.

**Table 18: The Income and Expenditure Statement as at June 2013****Fig: (Ushs' M)**

Item	Actual July – June 2013	Budget July – June 2013	Actual as % of Budget
<b>INCOME</b>			
Water & Sewerage Income	159,350,045	157,730,457	101%
Other Income	9,344,613	9,990,246	94%
Deferred Income	–	–	–
<b>Total Operating Income</b>	<b>168,694,658</b>	<b>167,720,703</b>	<b>101%</b>
Government Grants	–	–	
<b>TOTAL INCOME</b>	<b>168,694,658</b>	<b>167,720,703</b>	<b>101%</b>
<b>EXPENSES</b>			
Staff	44,303,900	47,621,755	93%
Terminal Benefits	7,763,021	7,123,615	109%
Administrative Costs	11,753,042	11,622,061	101%
Static Plant & Pipe Network	41,086,089	4,097,730	1003%
Supplies & Services	13,973,148	583,512	2395%
Premises Maintenance	4,104,117	40,917,225	10%
Transport & Mobile Plant	5,893,931	5,575,684	106%
<b>TOTAL OPERATING EXPENSES</b>	<b>128,877,248</b>	<b>133,088,502</b>	<b>97%</b>
<b>Operating Profit before depreciation</b>	<b>39,817,409</b>	<b>34,632,204</b>	<b>115%</b>
<b>Working Ratio</b>	<b>0.76</b>	<b>0.79</b>	<b>103%</b>

## **8.0 PLANNING & CAPITAL DEVELOPMENT DIVISION PERFORMANCE**

This Section presents the performance review and status of projects currently being implemented by the Corporation for the period July 2012 – June 2013.

### **8.1 Kampala Sanitation Programme (KSP) Phase I, Lake Victoria Protection Project (LVP)**

**Project Objective:** To ensure improvements in urban hygiene, sanitation and protection of Kampala's natural environment.

**Project Scope:** The project is being implemented in stages; LVP 1 (Immediate Works) and LVP 2 (Major Works).

#### **i) Lake Victoria Project 1- LVP 1 (Immediate Works)**

The immediate works include; Construction of Lubigi sewage and faecal sludge treatment plant (SFSTP), minor rehabilitation and extension of the sewer network, rehabilitation of the Bugolobi sewage treatment works (STW), and industrial effluent study. The Immediate Measures Project is packaged into two;

- a)** Preliminary works involving Lubigi site preparatory works and Bugolobi STW rehabilitation works.
- b)** Main works involving construction of the Lubigi SFSTP and the rehabilitation and extension of the sewer network.

**Duration:** 3 Years (1<sup>st</sup> March 2011–31<sup>st</sup> April 2013)

**Consultant:** Fichtner Water & Transportation in association with M&E Associates.

**Contractor:** Spenco Services Ltd

**Funding Agency:** KfW/EU/and GoU/NWSC

**Project Cost:** Euros 14.0 Million

#### **Project Status:**

- Preliminary works were completed and now in defects liability period.
- Main works which was expected to be completed in April 13 was extended to 30<sup>th</sup> Aug.2013.
- Disbursed Euros 11.67Million which is approximately 83% complete.

**a) Lake Victoria Project 2 -LVP 11( Major Works)**

**Project Scope:** The major works entail construction and operation of;

- Nakivubo Waste Water Treatment Plant (WWTP)
- Construction of Kinawataka Waste Water Treatment Plant
- Rehabilitation and extension of Nakivubo Sewer Network and Construction of Kinawataka Sewer Network.

**Duration :** 2<sup>nd</sup> January 2012–31<sup>st</sup> July 2015

**Funding Agency:** KfW (Euros 10 Million), AfDB (Euros 38 Million) and Government of Uganda/NWSC (Euros 36 Million)

**Project Cost:** Euros 84 Million.

**Consultant:** Lahmeyer GKW Consult (previously *Poyry Environment GmBH*) in association With PEC.

**Contractor:** OTV/CEMENTERS/ROKO Consortium

**Project Status:**

**i. Nakivubo Waste Water Treatment Plant**

- The site was changed from Nakivubo to Bugolobi as a new site due to the soil structure.
- A no-objection was received from the financiers and the contractor is currently mobilising materials, equipment & labour.
- Disbursed Euros 15.34Million which is 18% complete.

**ii. Kinawataka Waste Water Treatment Plant;**

- Bids were received but were too high beyond the budget. The scope is being scaled down for the re-tendering process to begin.

**iii. Nakivubo and Kinawataka Sewers;**

- Completed the tendering process.
- A no-objection from KfW was obtained to engage Sogea Satom as a contractor.

## **8.2 Kampala Water Lake Victoria WATSAN Project**

**Project Objective:** The project aims at addressing water supply challenges in greater Kampala metropolitan area.

The key project objectives include;

- Improving water supply reliability through rehabilitation of Gaba I & II treatment works
- Restructuring of the Kampala water distribution network
- Construction of a new treatment plant in Katosi (East of Kampala)
- Construction of satellite reservoirs, and non-revenue water reduction, among others.

**Duration:** 28<sup>th</sup> April 2011 to 31<sup>st</sup> December 2017

**Funding Agency:** KfW/ EIB/ AFD /EU Infrastructure Trust Fund and GoU/NWSC

**Project Cost:** Euros 212 Million (KfW Euros 20m ,EIB Euros 75m, AFD Euros 75m, EU-ITF Euros 8m & GoU/NWSC Euros 34m)

**Project Scope:** For purposes of simplifying implementation, the project is packaged as follows;

- Package 1: Immediate measures involving minor works at Gaba I& II and water network.
- Package 2: Water network modeling& master planning, and re-zoning and extension
- Package 3: Gaba refurbishment and optimization
- Package 4: Katosi water treatment plant and Water quality monitoring
- Package 5: Improvement of water supply and sanitation in the informal settlements
- Package 6: Accompanying measures including asset management, and capacity building

**Consultant:** CES Salzigiter in association with CODA& partners.

**Project Status:** In the period under review, the following were achieved;

**i) Package 1&3, Refurbishment of Gaba & Limited Network Improvements.(Est.cost Euros 30m)**

- Procurement of the works contractor is in progress.
- Disbursed Euros 335,186

**‘ii) Package 2: Water Network Modeling & Master Planning, Re-zoning & Extension.( Est.cost Euros 118.65 million)**

- The consultant Fichtner Water & Transport GmbH was procured.
- Disbursed Euros 6,675 to David Baker for Consultancy during the period under review.

**‘iii) Package 4 : Katosi Water Treatment Plant and Water Quality Monitoring.( Est.cost Euros 29.30 million)**

- Procurement of the Consultancy works is in progress. Bids were received in April 2013.
- Disbursed Euros 7,500 to David Baker for Consultancy.

**‘iv) Package 5 : Improvement of Water Supply and Sanitation in the informal settlements. ( Est.cost Euros 10million)**

- A no-objection request to the evaluation report was submitted to the financing partners.

**‘V) Package 6: Accompanying measures including asset management, and capacity building. ( Est.cost 16 million)**

- Terms of Reference for the Programme Management Support are being modified.

**8.3 Uganda Water Management and Development Project (UWMDP)**

**Project Objective:** To improve water supply and sewerage services in Arua, Gulu, Mbale and Bushenyi.

**Duration:** 1<sup>st</sup> January 2013 to 31<sup>st</sup> December 2018

**Project Funding:** World Bank

**Project Cost:** US dollars 55 million

**Project Status:**

- A Bank Account in UGX is being opened in Bank Of Uganda.
- Advance payments are being arranged for the different Areas.

#### **8.4 Gulu Water Supply Project, Emergency Works Stage 2- Additional works**

**Project Objective:** The emergency works were a stop-gap measure to improve water supply in Gulu town while funds are being sought for implementation of the major scope.

**Project Scope:** It involved improvements to the pipe work at the water treatment plant and improvements to the existing distribution network.

**Consultant:** Gauff consultants in association with M&E Associates

**Contractor:** Zhonghao Overseas Construction Company Ltd,

**Project Cost:** Ushs.8.4 billion.

**Funding Agency:** GoU/NWSC

**Status:**

- The additional works were substantially completed.
- The final certificate is yet to be submitted by the Contractor.

#### **8.5 Bushenyi Water Supply Project, Immediate Measures Stage II**

**Project Objective:** The project is aimed at addressing the immediate water needs of Bushenyi Town.

**Project Scope:** It involved intake modifications at Nyaruzinga water works and water supply extension to Kyamuhunga and groundwater investigations.

**Consultant:** Kagga& Partners.

**Contractor :** Vambeco Enterprises Ltd

**Project Cost:** Ushs. 2.67 Billion

**Funding Agency:** NWSC

**Project Status:**

- The Project was substantially completed with a few snags to be done.
- The final certificate is yet to be submitted by the Contractor.

**8.6 Kampala Urban Pro-poor Project, Kawempe**

**Project Objective:** The project is aimed at addressing the sanitation needs and challenges of the urban poor residing in the informal settlements of Kawempe Division Kampala.

**Project Scope:** To construct 56 toilets.

**Project Cost:** Ushs. 1.436 million

**Project Status:** The Project was completed and toilets handed over to the Community for use.

**8.7 Bwaise II Urban Pro-Poor Project**

**Project Objective:** The Bwaise II Urban Poor project is an initiative aimed at improving the water supply and sanitation services of the urban poor residing in the informal settlements of Bwaise II parish.

**Project Scope:** The project entails expansion of the water supply network and installation of prepaid meters to increase access to water supply to the urban poor in the parish.

**Project Cost:** Ushs. 678 million

**Funding Agency:** NWSC and Coca Cola foundation

**Consultant:** Alliance Consultants Ltd

**Contractor:** Updeal (U) Ltd

**Project Status:** The project was completed.

**8.8 Water Supply Extension to Kako, Masaka, Stage 2**

**Project Objective:** The Project is intended to extend and improve water supply to Kako village in Masaka.



**Project Scope:** The project involves installation of Nyendo – Kako transmission line and Kako distribution network, construction of booster station and reservoir.

**Funding Agency:** GoU through the Water and Sanitation Development Facility (WSDF-Central) with NWSC participating in project supervision.

**Contractor:** Updeal (U) Ltd.

**Project Cost:** Ushs.1.65 billion

**Project Status:** The project was completed and capitalised.

### **8.9 Soroti Intake Redevelopment Project**

**Project Objective:** To secure water abstraction for Soroti water supply system through the construction of the new intake.

**Project Cost:** Ushs.838Million

**Consultant:** ILISO Consulting

**Project Status:**

- The Consultant is finalizing the design report and tender documents for the new intake.
- Amount disbursed equal to Shs.450Million.
- Procurement of a contractor is in progress.

### **8.9 Buloba Water Supply Project**

**Project Objective:** To extend and improve water supply to Buloba and the surrounding areas.

**Project Cost:** Ushs.8.2billion

**Contractor:** M/s Zhonghao Overseas Ltd

**Project Status:**

- Amount disbursed equal to Shs.4.3billion includes Shs.1.8billion yet to be paid by the Ministry of Water and Environment.

## **9.0 AUDIT DIVISION PERFORMANCE**

In keeping track of the Governance and Transparency indicator, Audit reviewed Areas' response to audit queries for the period July 2012 to June 2013.

During year 2 of the PACE contract; a number of recommendations were made to management. The average performance with regard to actions taken by management in attending to these audit recommendations was at 87% at the time of writing this report.

The performance detailed below is for the actions or responses as at the July 2013.

The Division was not able to visit Masindi during the review period. However, in the first quarter of financial year 2013/2014, a team will be dispatched to the Area so that it is also covered.

### **9.1 Specific Area Performance**

The specific performance for each area is highlighted below:

#### **i. Entebbe Area**

During the period July 2012 to July 2013, a number of recommendations were made to Management. Out of the 85 recommendations made, only 10 were still outstanding as highlighted below

- Improvement in management of arrears
- Stopping of continued billing of accounts that have been disconnected for over six months
- Inadequate fencing of reservoirs/ boosters in Kawuku and Kajjansi branches
- Desludging and re-opening of aerobic pond at Kitooro
- Fast tracking implementing of new connections
- Delay to procure a sewer pump (Head office procurement)
- No contracts for new connection contractors
- Overspent votes
- Staff not signing off medical invoices
- Un-engraved assets e.g. billing printer, etc.

## ii. Gulu Area

For this period, 04 recommendations were made for Gulu Area and all have been worked on except one of **absorbing the casuals**. The Area absorbed the casuals at the plant but some are still outstanding, especially in administration.

## iii. Bushenyi Area

A total of 50 recommendations were made, 46 were acted upon, 4 were still pending.

- Lack of Equipment in the Laboratory
- Nyaruzinga water works and Katungu reservoir do not have land titles
- All disconnected accounts should be suppressed after two months of being turned off to avoid build-up of arrears
- The Area management should plan to secure an archive so that documents are secure and can be easily retrieved.

## iv. Mbarara

A total of 89 recommendations were made, 75 were acted upon, 14 were still pending. The outstanding ones include;

- Engraving all the furniture and other items which have not been engraved
- The access routes to Katete and Kakoba sewage ponds should be worked upon for easy accessibility
- Setting up convenience facilities at the Boma reservoir
- The Area management should plan for tiling of the inside and outside walls of the Alum mixer tank.
- Faulty fuel pumping system at Kabale Road water works to stop carrying of fuel from Ruharo and reduce the risk of accidents and theft.
- Lack of standby compressor for the surge vessel at Ruharo Water works.
- Corporation property without land titles.
- Sewage quality below WHO despite the fact that ponds were desludged. BOD and COD are below the required standard.
- Lack of chlorine dosing equipment for Kabale road works.

- Defective DN150 bulk raw water meter for Kabale road.
- Lack of chlorine dosing equipment for Ruharo.
- Re-fencing of Kizungu sewage pond.
- Repairing gates to Kizungu sewage ponds
- Repair of non-functional laboratory equipment (PH meter and the fridge)

**v. Mbale Area**

Out of the 67 recommendations made in the period, 11 are still pending implementation and these relate to

- Putting of security guards at Nasenyi and Kabwangwasi boosters
- Increased vigilance in monitoring of vehicles which dispose sewage in ponds since the ponds are not fenced at all
- Pursue land titles for eight Corporation land and properties
- Procurement of debt collector to recover arrears which are accumulating. Area has no debt collector
- Delayed completion of the construction of Nakaloke tank.
- Inadequate depth of Trenches (1 – 1.5 m). However, there is some improvement of late)
- Busiu mains extensions have not been completed. Phase 1 and 2 were supposed to be completed by October 2011 and March 2012 respectively.
- Encroachment on Corporation land at Bunkonko water works
- Lack of basic laboratory equipment for quality monitoring
- Inadequate management of waste stabilisation ponds i.e. (Doko and Namatala) they need desludging.
- Pool cycles not insured under Third party

**vi. Tororo Area**

Out of the 62 recommendations made, 12 are still outstanding.

- Mr. Okileng Augustin was given a 3 years contract yet he will be 55years next year (supposed to retire). HRM has not given feedback to the Area on the way forward.
- The Area is still holding obsolete stock.

- There are still accounts being billed service charge yet they were disconnected and their meters removed from site.
- Some motorcycle riders (mainly Marketing Assistants) still draw fuel beyond their tank capacities.
- Lack of review by the supervisors as far as transport management is concerned i.e. Movements/journeys not authorized, logbooks not properly filled.
- The maintenance costs for the two Area motorcycles are still high as they are very old. No replacement has been done as earlier recommended
- Some Corporation property still not fenced.
- Two properties/land do not have title deeds
- Inadequate depth of new connection trenches. (The Area is predominately rocky)
- Need for re-sanding of Filter Houses
- Lack of Raw water Bulk meter
- Non-payment of domestic electricity bills by staff at the Water works. (No separate electricity meters for those staff at the water works).

#### **vii. Masaka**

Out of the 40 recommendations made for Masaka Area, 05 were still outstanding including

- Repair or replacement of Non-functioning control valve at Sedimentation tank at sewerage works
- Covering of open manholes at sewerage works
- Insuring of non-insured motor cycles
- Poor meter positioning
- Provision of new connection materials after the meter

#### **viii. Kabale**

Out of the 36 recommendations made for Kabale Area, only 02 were still outstanding relating to

- Kachwekano Mini treatment plant is not guarded during the day
- Failure to achieve minimum performance standard (new connection and billing)

#### **ix. Kasese**

Out of the 94 recommendations made for Kasese Area, only 14 were still outstanding.

- Ensuring that there are formal contracts for trenchers, compound and road maintenance
- Ensuring that outstanding creditors as per July 2013 report are cleared
- Establishment and implementation of sound debt management strategies to manage arrears

**x. Fort Portal**

Out of the 70 recommendations made for Fort Portal Area, 07 were still outstanding.

**xi. Hoima**

Out of the 06 recommendations made for Hoima Area, 01 was still outstanding; **follow up and obtaining of land titles for Corporation properties.**

**xii. Kampala Water**

Out of the 50 recommendations made for Kampala Water, 02 were still outstanding relating to

- True Africa (U) Ltd's contract should be forwarded to CC through the PDU to ensure it is handled following PPDA Act
- Management should ensure that Call Center IT system is up graded to ensure effective and efficient management of customer needs/concerns

**xiii. Iganga**

Out of the 38 recommendations made for Iganga, only 03 were still outstanding relating to:

- Procurement of a new brush cutter for which the Area can register Value for Money in its usage since the Machine can be used for approximately over 3 years
- Fencing of the partly fenced lagoons
- Securing land titles for 6 properties.

**xiv. Jinja**

Out of the 101 recommendations made for Jinja, 09 were still outstanding relating to:

- Doing necessary repairs and painting at the staff quarters
- Withdrawal of underutilized vehicle lorry UDR 447 from Jinja so that it can be optimally allocated
- Procurement of own Bajaj Motor cycles at Shs 3,600,000 instead of hiring

- Overhaul or boarding off of vehicles and motorcycles that have been grounded
- Fencing of NWSC installations that are partly fenced
- Purchase of Hand held detectors to improve the security in the Area and to avoid problems that may arise like terrorism.
- Obtaining titles for un titled properties (five in number)
- Securing of embarkment at water works by constructing gabion walls
- Repair of collapsed contact tank walls

**xv. Lugazi**

Out of the 35 recommendations made for Lugazi, only 6 were still outstanding relating to:

- Settlement of the creditors that fall within the management fees
- Paying all the overdue/pending medical bills for treatment of their staffs by other Areas totalling to 3,056,700
- Securing land titles for 7 properties
- Recovery of loss resulting from robbery from security firm.
- Unsettled bill from Total of UShs 3,687,367
- Unsettled medical bill of UShs 1,264,000
- 

**xvi. Lira**

Out of the 08 recommendations made for Lira, 02 were still outstanding relating to:

- Repair of damaged portion of sewerage ponds fence
- Securing titles for Corporation land and buildings –some progress being made

**xvii. Soroti**

Out of 16 recommendations made for Soroti Area, 02 were still outstanding including

- Disludging of sewerage ponds
- Fixing of defective equipment at water works (suction valve for HL pump, non-return valves for the HL pumps, motor for stirring soda ash)

**xviii. Mubende**

Out of the 07 recommendations made, only 01 one was still pending relating to

- Procurement of equipment for laboratory

**xix. Arua**

Out of 05 recommendations, only one was outstanding, **fully accounting for the electricity management fees by the Area's former management team.**

**Table 19: Percentage Response to Cumulative Audit queries raised**

<b>Area</b>	<b>Total number of recommendations made (No.)</b>	<b>Number acted upon (No.)</b>	<b>Percentage (%)</b>	<b>Target (%)</b>
<b>Mbarara</b>	89	75	84.26%	100.00%
<b>Bushenyi</b>	50	46	92.00%	100.00%
<b>Fort Portal</b>	70	63	90.00%	100.00%
<b>Kasese</b>	94	80	85.10%	100.00%
<b>Entebbe</b>	85	75	88.20%	100.00%
<b>Mbale</b>	67	56	83.58%	100.00%
<b>Tororo</b>	62	50	80.64%	100.00%
<b>Masaka</b>	40	35	87.50%	100.00%
<b>Kampala</b>	50	48	96.00%	100.00%
<b>Kabale</b>	36	34	94.44%	100.00%
<b>Gulu</b>	04	03	75.00%	100.00%
<b>Iganga</b>	38	35	92.10%	100.00%
<b>Lugazi</b>	35	29	82.85%	100.00%
<b>Jinja</b>	101	92	91.10%	100.00%
<b>Hoima</b>	06	05	83.33%	100.00%
<b>Arua</b>	05	04	80.00%	100.00%
<b>Mubende</b>	07	06	85.71%	100.00%
<b>Soroti</b>	16	14	87.50%	100.00%
<b>Lira</b>	08	06	75.00%	100.00%
<b>Total</b>	<b>863</b>	<b>756</b>	<b>87.60%</b>	<b>100.00%</b>



## **11.0 Challenges**

The following were the challenges that the Corporation encountered during Financial Year 2012/13;

### **11.1 Macro-economic environment**

Changes in the exchange rates have had an adverse impact especially on our inputs costs since most of them are imported. The average exchange rate increased from Shs.2479.65/USD to Shs.2600/USD as at end of June 2013, thereby increasing the costs of imported inputs such as chemicals, pipes and water meters among others which have in-turn increased our operating expenses and hence reducing the operating income and cash flow that would be used on capital development projects.

### **11.2 Dry zones**

The dry zones are still a challenge in some areas especially in Kampala. The Areas affected include some parts of Kawempe, Mpererwe, Namugongo, Lubowa and Nansana. The dry zones are mainly caused by low pressure caused by the old and poor network system. It is envisaged that the problem will be solved with the implementation of Kampala Lake Victoria Water and Sanitation Project (KW LVWATSAN).

### **11.3 Non-Revenue Water**

The Corporation is still faced with high levels of NRW attributed to the old network especially in Kampala, water theft and illegal connections. This has resulted into substantial revenue loss to the Corporation

### **11.4 Accumulation of Arrears**

The arrears status as at 31<sup>st</sup> June 2013 was Shs 54.9 billion out of which Government Arrears were Shs 30.0 billion, accounting for 54.6%. While Domestic arrears were Shs 12.6 billion, accounting for 22.9%. The area by area arrears position as at 31<sup>st</sup> June 2013 is detailed in table 11. The high level of arrears is mainly attributed to limited commitment by the Government to make adequate budgetary provision for water bills which leads to accumulation of arrears and

consequently affecting the Corporation cash flow. This has culminated into low Capex performance as a result of constrained cash flow.

## **11.5 Taxation**

### **11.5.1 Uganda Revenue Authority (URA) Tax liability**

Following a comprehensive audit carried out by Uganda revenue authority for the period 2005–2009, Shs 20.5 billion was assessed as a tax liability due from National Water and Sewerage Corporation. The Corporation has since settled principle VAT tax liability and remained with Shs 20.15 billion. This amount comprises Shs 17.45 billion assessed tax liability on interest accruing from Shs 85 billion loan that was converted to equity following a parliamentary resolution of 14<sup>th</sup> February 2008, and Shs 2.7 billion that relates to VAT claimed on civil works. The Corporation has since objected the assessment of the tax liability due and the matter referred to High Court where the NWSC won the case. However, URA appealed to the court of appeal and should the court ruling be not in favour of the Corporation, this will have an adverse impact on the cash flow.

### **11.5.2 Tax Receivable**

The high level of Government arrears is exacerbated by the big sums of Tax receivables which as at 30/06/2012 amounted to Shs 7.285 billion, out of which Shs 1.65 billion was as a result of withholding tax on interest earned on fixed deposits and Shs 5.63 billion was in form of VAT receivable.

## **11.6 Value Added tax Exemption on Supply of Water to domestic consumers**

The Government exempted Value added tax on the supply of Water to domestic consumers with an aim of ensuring increased accessibility to clean water. Consequently, National water and Sewerage Corporation now absorbs about 40% of Input VAT since VAT on exempt supplies is not claimable, thus draining the Corporation's cash flow

## 12.0 WAY FORWARD/RECOMMENDATIONS FOR FY 2013/14

In line with the PACE end of year evaluation that was held in July–August 2013, key operational strategies were developed and agreed upon by all stakeholders to ensure that the annual targets for 2013/14 are met by June 2014. These strategies are in line with overall 2012–2015 Corporate Plan theme of “**Enhancing Financial Sustainability and Infrastructure Growth**” with the following subthemes;

- i. **Revenue Growth:** Aimed at ensuring continued and diversified revenue growth
- ii. **Cost Optimization:** Aimed at ensuring cost optimization and Allocative Efficiency.
- iii. **Asset Management Efficiency and Investment:** Aimed at ensuring posterity, productivity and growth of assets and investments.
- iv. **Stakeholder Management:** Aimed at ensuring Company Strength and Stakeholder Management

**Table 20: The operational strategies are summarised in the table below:**

#	Undertaking	Objective	Actions/Strategies
1.	<b>Operation Efficiency and Asset Management</b>	<ul style="list-style-type: none"> <li>• Effective and efficient operation and management of corporation assets</li> </ul>	<p>a) Finalize the procurement, delivery and installation of bulk water meters in Jinja and Entebbe and rollout the replacement and installation of bulk meters in other Areas at all major installations and bulk consumers premises; <b>by 30th June 2014</b></p> <p>b) Complete the ongoing pressure management pilot project in Kampala including installation of PRVs <b>by April 2014</b> and up-scale the lessons in other parts of Kampala</p> <p>c) Finalize the development of the Asset Management Policy by <b>December 2013</b> and establish an Asset management unit by; <b>by April 2014</b></p> <p>d) Ensure that the detailed action plans for NRW management for Entebbe and Jinja under the AfWA/FABRI pilot project are developed <b>by 31st December 2013</b> and the action plans implemented <b>by June 2014</b></p> <p>e) Ensure that the Water Safety Plans for all Areas apart from Jinja are revised by <b>31st October 2013</b> and a pilot implemented in Jinja under the auspices of IWA <b>by 30th September 2013</b></p>

#	Undertaking	Objective	Actions/Strategies
			<p><b>f)</b> Ensure that the training plan for plumbers to be trained in the Gaba workshop is developed by <b>31st August 2013</b></p> <p><b>g)</b> Strengthen and enforce a performance measurement framework for PPM implementation by 30 Sept 2013</p>
2.	<b>IT and Network Efficiency</b> <b>Action Drivers:</b>	<ul style="list-style-type: none"> <li>• Effective and efficient Area operation</li> </ul>	<p><b>a)</b> Upgrade bandwidths for all areas by Dec 2013</p> <p><b>b)</b> Establish and enforce a performance measurement system for IT system availability</p> <p><b>c)</b> Survey and ascertain IT requirements for the five new towns <b>by December 2013</b>, procure,</p> <p><b>d)</b> Install and connect all the five towns and train the staff by <b>June 2014</b></p> <p><b>e)</b> Establish Areas that are in dire need of new computers and peripherals by <b>September 2013</b> &amp; procure them by June 2014</p> <p><b>f)</b> Put in place alternative connection technology (VPN over internet) by <b>April 2014</b></p> <p><b>g)</b> Use another service provider to provide backup links by <b>April 2014</b></p>
3.	<b>Revenue Growth</b>	<ul style="list-style-type: none"> <li>• Increased water coverage</li> <li>• Increased water sales</li> <li>• Increase new connections</li> <li>• Reduction in NRW</li> </ul>	<p><b>a)</b> Install prepaid meters on at least 150 large Government accounts and Lobby Government to budget for payment of at least 50% of the outstanding Arrears <b>by Dec 2013</b></p> <p><b>b)</b> Develop and implement security deposit policy to check the Arrears growth and ensure implementation of One month credit limit for all Non-Government Categories by <b>Dec 2013</b></p> <p><b>c)</b> Fast track completion of the network intensification of which includes Lugoba tank construction, Ndeje-Busabala intensification <b>by June 2014</b></p> <p><b>d)</b> Initiate the procurement of pipes and fittings for mains extension in line with the budget and Kampala Declaration by <b>December 2013</b></p> <p><b>e)</b> Priority replacement of aged and defective meters <b>by June 2014</b></p> <p><b>f)</b> Emphasize one month credit limit by <b>September 2013</b></p> <p><b>g)</b> Carryout Creative marketing with financial support from HQ on the benefits of prioritizing payment of water bills i.e through media and strategic alliance meetings starting <b>September 2013</b></p> <p><b>h)</b> Work with municipal authorities to meter &amp; bill customers on sewer who are disconnected starting <b>September 2013</b></p>

#	Undertaking	Objective	Actions/Strategies
			<p>i) Expedite the purified water project: immediately</p> <p>j) Strengthen water loss teams in all areas: Immediately</p> <p>k) Ensure availability of new connection materials: immediately</p>
4.	<b>Cost Optimization</b>	<ul style="list-style-type: none"> <li>• Improve COM</li> <li>• Improve Working Ratio</li> <li>• Improve liquidity, operational efficiency and service delivery</li> </ul>	<p>a) Energy efficiency improvement in Jinja with support from GIZ and KSB pumps: – follow up on report from KSB by <b>September 2013</b>, implement the actions therein and assess the feasibility of up-scaling the lessons to other areas by <b>June 2014</b></p> <p>b) Comprehensive energy audits in Kampala, Entebbe, Mbale and Mbarara: Carry out flow &amp; power consumption measurements in Kampala, Mbale &amp; Mbarara by <b>September 2013</b> and implement the recommendations by <b>June 2014</b></p> <p>c) Follow up on procurement and Upscale salt electrolysis beginning with areas of Masaka, Bushenyi, Tororo, Mbarara e.t.c. which are facing serious quality issues: immediate</p> <p>d) High transport maintenance costs: NWSC to assess viability of buying its own fleet by <b>October 2013</b>, and thereafter initiate procurement. Head Office to negotiate with Toyota on servicing vehicles from the Areas by <b>September 2013</b></p> <p>e) Calibration of old chemical dozers and initiation of the procurement of new gravity dozers; immediate</p> <p>f) Ensure that each Area develops clear strategies through the water councils and other means targeting collaboration towards minimizing the damage of pipes during road construction on the pipe network by <b>December 2013</b></p>
5.	<b>Stakeholder Management</b>	<ul style="list-style-type: none"> <li>• To increase business growth</li> <li>• To improve the Corporation Image Globally</li> <li>• To improve customer satisfaction</li> </ul>	<p>a) Motivate workforce by sorting out inequalities in salary structure, harmonise salary scales with job assignments, standardized grievance handling procedure and put in place a simplified code of conduct by <b>February 2014</b></p> <p>b) Improve customer care through timely response to complaints, information sharing, tailored training in customer care, addressing all complaints: immediately</p> <p>c) Improve performance efficiency through:</p> <ul style="list-style-type: none"> <li>• implementation of WSP in all areas after pilot projects,</li> <li>• Establish standard operating procedures capturing</li> </ul>

#	Undertaking	Objective	Actions/Strategies
		<ul style="list-style-type: none"> <li>• To institutionalize customer care</li> </ul>	<p>staff hygiene, protection of sites and installations.</p> <ul style="list-style-type: none"> <li>• Create awareness among customers on benefits of overhead tank washing.</li> <li>• Regionalize Static plant, block mapping and water quality by <b>December 2013</b>.</li> </ul> <p>d) Review and restructure the management and implementation of catchment protection budget to the Areas by <b>December 2013</b>.</p> <p>e) Create a unit at head office to handle operation and management of sewerage services in all NWSC Areas by <b>December 2013</b>.</p>
6.	<b>Staff welfare and Learning</b>	<ul style="list-style-type: none"> <li>• To improve staff welfare and motivation</li> </ul>	<p>a) Include staffing requirements vs workload in the Human resource plan by <b>December 2013</b></p> <p>b) HR to look into the issue of casuals: Immediately</p> <p>c) Staff in acting position for a period longer than that recommended in the employment Act (2006) should be confirmed : Immediately</p> <p>d) Promotions should be effective as a result of appraisals by <b>December 2013</b></p> <p>e) Contracts should be renewed by <b>November 2013</b></p> <p>f) Develop a proper staff transfer plan: Immediately</p> <p>g) Review staff salaries, medical scheme and allowances based on current market rates by <b>February 2014</b></p> <p>h) Put in place and implement OSH policy: Immediately</p> <p>i) Follow disciplinary procedure as per Employment Act 2006: Immediately</p> <p>j) Carry out training needs assessment especially geared to equipment staff with additional skills: <b>By December 2013</b></p> <p>k) Long service awards to be implemented: Immediately</p> <p>l) Carryout Training for managers in management skills and Read and follow regulations and laws especially labour laws: Immediately</p> <p>m) Introduce a system to award individual performance: by <b>December 2013</b></p>