



NATIONAL WATER AND SEWERAGE CORPORATION

ANNUAL ACTIVITY REPORT JULY 2004 – JUNE 2005

JULY 2005

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NATIONAL WATER AND SEWERAGE CORPORATION

ANNUAL ACTIVITY REPORT FOR FINANCIAL YEAR 2004/2005

1.0 THE OBJECTS AND FUNCTIONS OF THE CORPORATION

The legal framework governing the operations of National Water and Sewerage Corporation is defined by the National Water and Sewerage Corporation Statute of 1995. Under this statute, the Corporation is required to prepare three year Corporate Plans that provide the strategic frame work within which the Corporation operates.

1.1 MANDATE

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 Statute, 1995.

1.2 OPERATIONAL STATUS

The National Water and Sewerage Corporation currently operates in Seventeen towns of Kampala, Jinja/Njeru, Entebbe, Tororo, Mbale, Masaka, Mbarara, Gulu, Lira, Fort Portal, Kasese, Kabale, Arua, Soroti Bushenyi/Ishaka, Malaba and Mukono . Final preparations are under way to take over Iganga and Lugazi towns. This will bring the towns under NWSC jurisdiction to 19.

Table 1: Operation Status

Areas Under NWSC as at June 2005	
Entebbe	Kasese
Fort portal	Lira
Gulu	Masaka
Jinja/Njeru	Mbale
Kampala	Mbarara
(including Kajansi and Nansana)	Tororo
Kabale	Bushenyi/Ishaka
Soroti	Arua

1.3 Goals for the period 2004/2005 to 2005/2006

The NWSC Corporate Plan for the three-year period July 2003 to June 2006 was developed at the beginning of this financial year 2004/2005. The following strategic goals were adopted for the period 2004/2005 to 2005/2006 by the Management team:

1. Reduce the level of unaccounted for water from 39% to not more than 35% of water produced.
2. Improve staff productivity through awareness and training and awareness and hence limit manpower levels to not more than 8 employees per 1000 water connections.
3. Enhance customer care in all areas, promote NWSC's image, and ensure effective response to customer complaints within 24 hours.
4. Ensure 24 hour water supply in all NWSC Areas.
5. Rationalise emoluments of staff to a competitive level within Public Utilities and create a conducive working environment in the corporation.
6. Increase Annual Revenue from Shs.37.6 billion to Shs.42.8 billion.
7. Ensure a Collection/Billing ratio [including arrears] of not less than 100%.
8. Ensure an adequate net operating profit by implementing viable investments and cost effective operating systems.
9. Establish within the framework of water supply to the urban poor at least 500 public stand posts targeting the informal settlement and peri-urban areas.
10. Strengthen process control and water quality monitoring systems to ensure that the customer receives water that complies with National Standards for Portable Water 1994.
11. Operate the existing sewage collection; treatment and disposal plants to ensure that effluent quality conform to the National Standards for effluent discharge 1999.
12. Increase Water and Sewerage services network in the NWSC Areas by at least 45% and 9% respectively.
13. Increase water service coverage from 63% to 70% of the population.
14. Reduce the average debt age of 8 months [Shs 24.6 billion] to 5 months [Shs. 17.9 billion].
15. Develop and apply a Certified Quality Management System [QMS] in reference to ISO 9001: 2000.
16. Implement a Corporate Wide Management Information system.

1.4 Targets for the Financial Year 2004/2005

Annual targets are developed by management as strategies to meet the long term corporate goals. Within the context of the strategic goals mentioned above, the key targets, which NWSC intended to achieve during the financial year 2004/2005, were specified as follows:

1. Reduce overall Unaccounted for Water UfW from 38% to 37.3%.
2. Improve staff productivity from 10 to 9 staff per 1000 connection.
3. Ensure that total staff costs as a percentage of operating costs are limited to not more than 30%.
4. Enhance customer care in all areas and ensure effective response to customer complaints within 24 hours.
5. Increase water production from 140,724 cu.m to 145,002 cu.m per day.
6. Raise turn over from U shs.37.6 billion to Ushs. 38.5 billion.
7. Increase Collections [excluding arrears over one year] from U shs 3.1 billion to U shs. 3.4 billion per month.
8. Increase the collection/billing ratio [including arrears] from 100% to 103%.
9. Achieve an Annual Net Operating Profit of Shs. 3 billion.
10. Improve the Working Ratio [ratio of operating costs exclusive of depreciation and interest charges to operating revenues from water and sewerage tariffs, service charges, connection fees and reconnection fees] from 0.84 to 0.71.
11. Establish 247 public standposts in all areas and strengthen the existing water vending Management system for the urban poor.
12. 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].
13. Carry out mains extensions and replacement of old mains of at least 15% and 3% for Water and Sewerage network respectively.

14. Install 11,500 Nos. new water connections in all areas, i.e. 4,540 in other areas, and 6,960 in Kampala Area.
15. Increase service coverage from 63% to 65%.
16. Reduce average debt age for arrears from 8 months [shs.24.6 billion] to 7 months [Shs.20.3 billion].
17. Achieve ISO 9001:2000 Certification for Headquarters, Jinja and Tororo Areas.

2.0 ACHIEVEMENTS MADE IN FY 2004/2005.

Strategies undertaken in the financial year 2004/2005 included:

a) Internally Delegated Area Management Contracts (IDAMCs).

The Corporation continued with the implementation and consolidation of the Internally Delegated Area Management Contracts (IDAMCs). As will be recalled, the basis for the IDAMCs was the NWSC Corporate Plan 2003 – 2006, and the second Performance Contract with Government. In addition this strategy was in line with wider sector reform tenets of increasing PSP in management and separation of asset holding functions from operations. Among the notable features of the implementation of IDAMCs was competitive bidding in awarding contracts and improved skills in contract monitoring and evaluation. The implementation of the IDAMCs has continued to realize remarkable results in our financial and operating performance as indicated in the subsequent sections of this document.

b) The Simplified Connection Policy

During the FY 2004/05, a new connection policy was introduced and gazetted by the Minister of Water, Lands and Environment as a component of an enhanced tariff structure. The new policy was aimed at addressing, among other issues, the high level of water losses and the need of accelerated service coverage in with special emphasis on serving the poor. The policy effectively commenced at the end of the first quarter of the FY 2004/05. Monitoring of the policy was carried out at end of each quarter and, taking into account lessons learned, modifications were made as necessary. A review of the policy has shown that the number of new connections has nearly doubled. This is an indication that there was a high level of suppressed demand for services.

c) Zonal Performance Contracts (ZPCs)

During the FY 2004/05, in recognition of the increasing level of activities in the Kampala area, and as a means of improving efficiency in service delivery, management decentralized key functions from the centre in Kampala to the zones. This led to the formulation of Zonal Performance Contracts (ZPC's) which were introduced in February 2005. Under this framework, more autonomy was transferred to the zones. This has

enhanced speed, and reduced red tape. With the introduction of this policy, all the 13 zones in Kampala are now responsible for functions which were formerly centralized under 6th Street. The decentralized functions include installation of new connections, customer care, maintenance of the networks, leak control, meter servicing, mains extensions and billings. Preliminary reviews of the ZPCs so far indicate that the volume of backlogs in connections and response to customer complaints have reduced significantly

d) External Services

During the FY 2004/05, a new product, the External Services, was launched. The creation of External Services Unit is a response to the demand from other utilities and institutions (both within Uganda, in the region and outside Africa) for NWSC expertise. The main aim of the unit is to share knowledge and experience as a means of fostering south-south and north-south cooperation. It is envisaged that this product will create synergies within Utility Providers and therefore improve performance. The components of this product include IT services, static plant maintenance, and water quality management and block mapping among others. So far, IT/Commercial services have been provided to the Nairobi Water Company, and management advisory services to the Dar es salaam Water Company. By year-end, the Corporation was in advanced stages of twinning with Umgeni Water of South Africa, and the German Technical Cooperation (GTZ).

DETAILS OF PERFORMANCE ACHIEVEMENTS

The detail of achievements for the year are outlined below:

2.1 Service coverage

Service coverage for water increased from 65% in June 2004 to about 68% in June 2005. This increase was a result of various mains extensions, increased connections of consumers and the creation of public stand posts in all the towns of our operations.

Table 2: Water Supply and Sewerage Coverage As at 30th June 2005

Town	Total No. of Connections	Pipe Network (Kms)	Target Population	Population Served	% Served (Water)	% Served (Sewerage)
Kampala	74,777	1138.9	1,302,138	872,433	67%	7%
Jinja	9,158	261.8	146,786	115,961	79%	26%
Entebbe	6,375	158.1	60,429	41,092	68%	4%
Tororo/Malaba	2,414	74.4	45,938	30,320	66%	7%
Mbale	4,756	156.8	73,714	50,126	68%	28%
Masaka	3,601	122.4	63,527	49,551	78%	9%
Mbarara	4,956	109.6	75,577	61,217	81%	6%
Lira	2,908	126.5	108,942	67,544	62%	2%
Gulu	2,166	80.9	135,167	97,321	72%	5%
Fort Portal	2,373	122.6	42,080	30,298	72%	2%
Kasese	2,123	61.3	63,499	49,720	78%	0%
Kabale	2,063	106.7	49,300	27,115	55%	11%
Arua	2,218	86.1	51,749	24,839	48%	0%
Bushenyi/Ishaka	1,011	54.9	24,942	9,727	39%	0%
Soroti	2,147	72.1	41,553	14,959	36%	2%
Total	123,046	2,733.1	2,284,374	1,542,222	68%	8%

* Population figures are derived from 2002 Population and Housing Census Provisional Results (Uganda Bureau of Statistics, 2003)

Note: Population coverage is based on the following number of persons served per connection:

Domestic.....8 Persons/household/connection
 Standpipe.....25 households (each 8 persons)
 Institutions: Small towns.....100 persons/Institution per connection
 Medium towns.....500 persons/Institution
 Large towns.....1,000 persons/Institution

2.2 Income

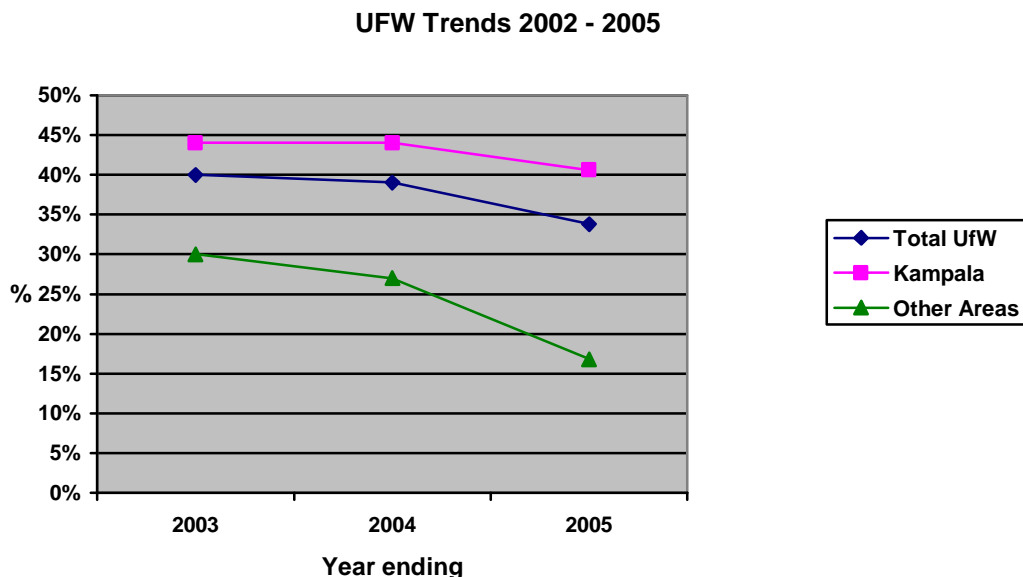
Billed income for the period July 2004 to June 2005 totalled Shs.51.790 million or a monthly average of shs 4.316 million. This is greater than the budgeted income of Shs 48,336 million, and surpasses the Government Contract target of Shs 40,883 million by 18%.

2.3 Unaccounted for Water (UfW)

As at June 2005, the overall UFW was 33.8%, compared to 37.6% at the end of the FY 2003/2004. In Kampala, the UfW averaged about 40.6% (target 42.5%) compared to 44.7% as at end of June 2004, while in the other areas, UfW was at an average of about 16.8% (target 26%) compared to 20.8% as at end of June 2004. During the year, UfW in other areas decreased by 4%, while in Kampala Area, the UfW also reduced by 4%. The improvements in the areas especially in Kampala are due to the efforts undertaken in the IDAMC contracts.

Table 3: Unaccounted for Water Trends

Year	2002/03	2003/04	2004/2005
Total UfW	39.4%	37.6%	33.8%
Kampala	44.5%	44.7%	40.6%
Other Areas	26.7%	20.8%	16.8%



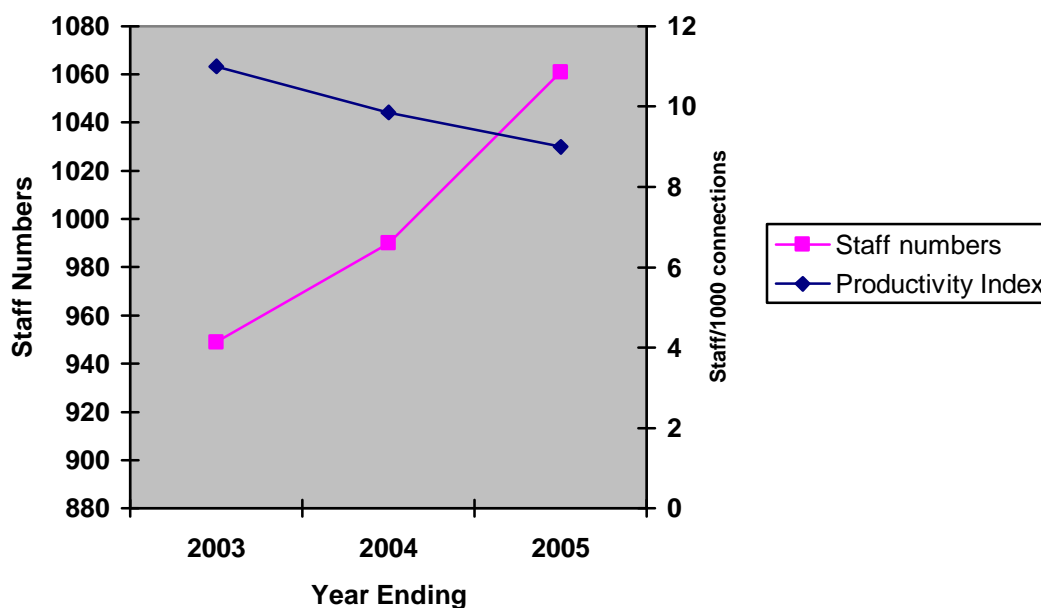
2.4 Staff Rationalisation

The Corporation had 990 employees as at June 2004. As at 30th June 2005, staff numbers were 1,108 (target 1,010) (See appendix 3). The staff as at June 2005 included 577 on permanent terms and 517 on contract terms, signifying a gradual shift from permanent to contract terms for all staff. The staff increase in the year was mainly due to the expansion of NWSC's business activities, which included the fast growth in the customer base. However, the Corporation was cognisant of the need to maintain and achieve the productivity co-efficient, which improved from 11 to 9. (target 10) staff per thousand connections.

Table 4: Staff Productivity Trends.

Year	2002/03	2003/04	2004/05
Staff Numbers	949	990	1,108
Staff/000 water connections	11	10	9

Staff Productivity



2.5 Collection Efficiency

Total cumulative collections as at June 2005, amounted to Shs 51,148 million (including Government Arrears + VAT) compared to billings of Shs 57,224 million. The collection efficiency was an average of 89%. Average collections amounted to Shs 4.262 million per month compared to the target of Shs. 4.400 billion per month. This is an achievement of 97% (see annex 8).

2.6 Installation of Kiosks/Public Stand posts

During the FY 2004/2005, it was planned that a total of 170 public standposts would be installed. Total numbers of kiosks installed as at the end of June 2005 were 269 (see Annex 4). This reflects a percentage achievement of 158%. This achievement is partly explained by the Urban Poor Project whose aim is to provide safe drinking water to the urban poor mainly in Kampala peri-urban Areas.

2.7 Extension of Water and Sewerage Mains

During the FY 2004/2005, a total of 284.6 kms of mains were planned. As at June 2005, a total of 294.5kms of mains had been extended (see appendix 5). This translates into an achievement of 103%. This achievement can be explained by the mains, which were extended during IDAMC contract framework. In Kampala extensions have been carried out in the areas of

kyengera-Wakimese, Buziga, Bukasa, Lukuli-kiwempe, Butabika, Bbina and Kirombe.

With regard to Sewer extensions, it was planned that a total of 19.5 km of sewerage extensions would be carried out during the FY 2004/2005. As at June 2005, a total of 7.227 kms had been laid, which translates into an achievement of 37% (see appendix 5.b). On the other hand the number of sewer connections made were 262.

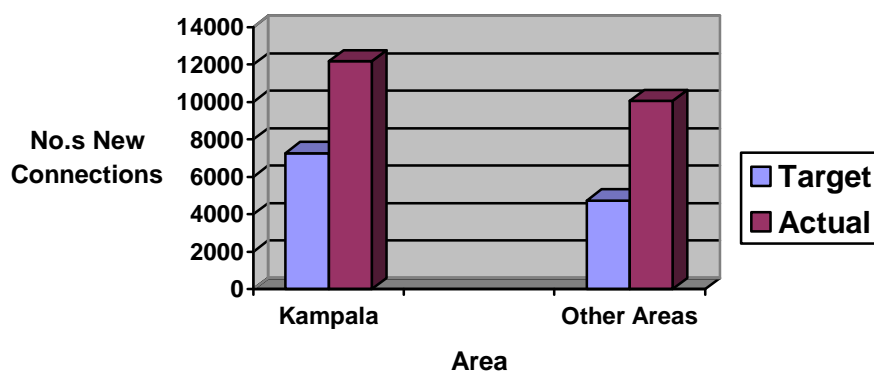
2.8 Water Subscribers/Connections

During the financial year 2004/2005, a total of 22,218 new connections were made. This reflects an achievement of 185% of the targeted 12,000. (See appendix 6).

Table 4: New Connections: 2004/2005

Year	Target /Budgeted	Actual
Kampala	7,266	12,174
Other Areas	4,734	10,044
New Connections	12,000	22,218

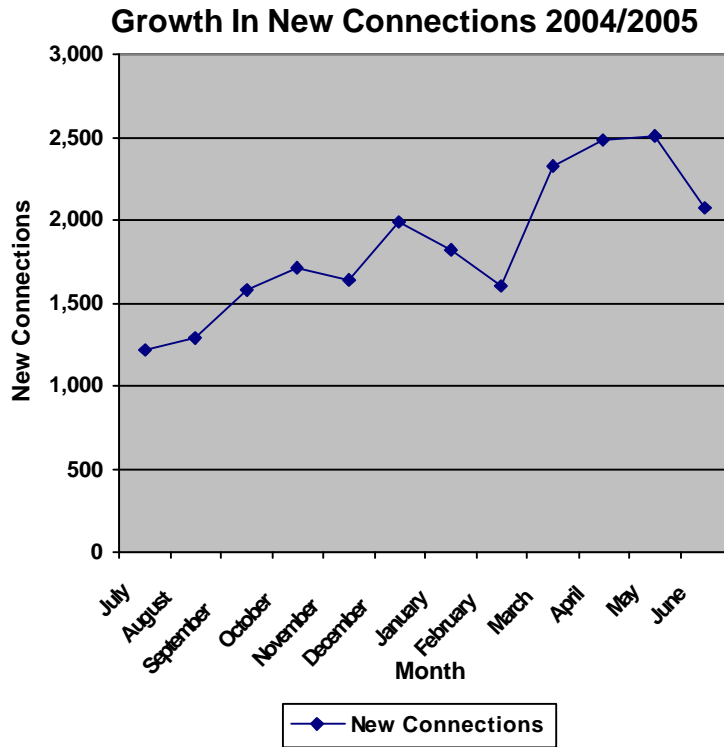
New connections compared to target



The table and graph below show the growth in new connections per month during the financial year 2004/05. New connections averaged 1,850 per month. The growth was enabled by the implementation of the new connection policy

Table 5: Showing New Connections per month

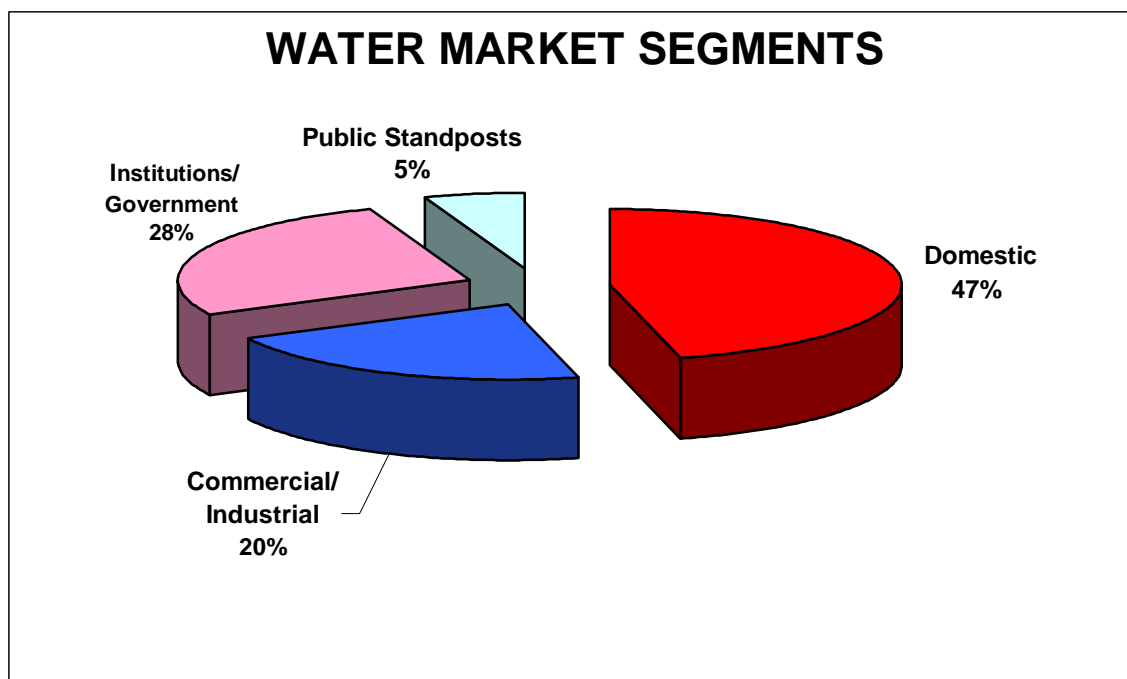
Month	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Total
New Connections	1,211	1,284	1,584	1,706	1,635	1,988	1,824	1,605	2,320	2,486	2,503	2,072	22,218



This brings the total number of connections to 123,046 connections broken down in the customer categories as follows.

Table 6: NWSC Water Market Segments

Consumer Category	Connections (Nos)	%	Volume Sold (cubic meters)	%	Revenue (shs millions)	%
Public Standposts	3,949	3.2%	2,140,484	5.6%	1,224	2.5%
Domestic	99,080	80.5%	17,620,773	46.1%	17,038	34.8%
Institutions/ Government	5,035	4.1%	10,320,192	27.0%	15,325	31.3%
Industrial/ Commercial	14,982	12.2%	8,141,485	21.3%	15,374	31.4%
Total	123,046	100%	38,222,936	100%	48,961	100%



2.9 Metering Status.

As at June 2005, a total of 120,054 accounts were metered out of 123,046. This represents 98% meter coverage. 99% of all active accounts in all areas were metered by the same date. The details of water subscribers and meterage are given in Appendix 7.

3.0 Flagship Investments

Of key importance, during the FY 2004/05, the NWSC commenced funding of major investments from its internally generated resources. Notable among these were the project to extend water to Mukono. Works for this project commenced in June 2004 and will cost about Shs 6.4 billion. The project will be implemented in a phases so as to fit within the overall NWSC financial cash flow. The project will entail the extension of 7.5km of pipeline from Namanve to Mukono via Seeta. It is expected that actual water supply in Mukono will be affected by February 2005.

The second major project funded wholly by the NWSC is the rehabilitation of the Gulu Water and Sewerage Systems. The NWSC is currently financing the feasibility study at a total cost of shs 2 billion. However funds will be sourced for the downstream activities after the final designs have been prepared.

4.0 CONSTRAINTS ENCOUNTERED DURING 2004/2005

4.0.1 Accumulation of Arrears

Accumulation of arrears undermines the Corporation's ability to expand and improve services. During the year the arrears increased from Shs 21,028 million to Shs 26,004 million as at June 2005. The break down in arrears is shown in the table below. The Government arrears amounted to Shs 8.1 billion (31% of total arrears), while the domestic arrears amounted to shs 9.9 billion (38% of total arrears)

Table: 7
ARREARS BY CATEGORY JUNE 2005 Shs 000'

CATEGORY	Arrears June 2004	ARREARS June 2005	Arrears as a % of total June 2005
MINISTRIES	4,810,947	8,114,111	31%
PARASTATALS	721,091	598,880	2%
INSTITUTIONS	1,068,098	1,163,861	4%
COMMERCIAL	5,522,536	5,813,424	22%
LOCAL AUTHORITIES	344,350	335,675	>1%
DOMESTIC	8,503,224	9,909,251	38%
FOREIGN EMBASSIES	58,054	68,702	<1%
TOTAL	21,028,300	26,003,905	100%

4.0.2 High levels of Unaccounted for Water in Kampala

The high level of Unaccounted for water in Kampala, (40.6%), still undermines the performance of the Corporation. The principal cause of high water losses is the age of the network (estimated to account for 50% of the losses) and the high administrative losses (estimated to account for 50% of the losses). It is however expected that this problem will be addressed by the new connection policy of NWSC buying the materials for the customers. This management strategy is meant to reduce on leaks and bursts that occur due to poor quality materials/pipes used by customers to connect to our water service lines. The Kampala Network Rehabilitation project, which is being implemented by the now Kampala Water is hoped also to reduce on the problem of UFW for Kampala.

4.0.3 Sewerage Coverage

The low sewerage network coverage impairs the ability of the Corporation to adequately provide sewerage services. The coverage for sewerage is currently estimated at about 8%, the low coverage is a result of the lack of funding to carry out a comprehensive extension of the sewerage network, which is highly capital intensive and thus requires large sums of funds for investment. However, a Sanitation Master Plan for Kampala has been carried out and the study for the project was completed in April 2004. The feasibility study for the other 14 towns is also underway and the progress report is complete.

4.0.4 High level of suppressed Accounts

The number of suppressed accounts continues to grow as the customer base of the Corporation increases. The number of suppressed accounts has however reduced by a small margin (544) for the year under review. The number of suppressed accounts has reduced from 17,455 accounts as at June 2004 to 17,173 as at June 2005. It should however be noted that the suppressed accounts as a percentage of total accounts have reduced from 17% as at June 2004 to 14% as at June 2005. Management considers this good performance compared to last financial year 2004/2005.

4.0.5 Non-Viable Towns.

The non-viability of some towns, which is a result of the low level of economic activity and hence the low demand for water services, has strained the financial performance of the Corporation since these towns have to be subsidized by viable towns such as Kampala, Entebbe and Jinja. This was compounded by the addition of the new towns of Arua, Soroti, Bushenyi/ishaka have also resulted into extra towns for subsidization.

4.0.6 VAT Policy on Water/Sewerage Services

The current VAT policy where VAT is paid on billings as opposed to actual collections impairs the cash flow status of the Corporation. Furthermore, VAT was increased to 18% effective 1st July 2005.

5.0 STATUS OF CAPITAL DEVELOPMENT PROJECTS AS AT JUNE 2005.

The following section gives the status of projects currently being undertaken by the Corporation as at June 2005.

5.1 GABA 1 REHABILITATION PROJECT

Project Objectives: The objectives of the project is to rehabilitate the Gaba 1 plant which will include the restoration of the treatment plant to its original capacity of 72,500 cubic meters of water per day. The project was undertaken in two phases, phase 1 and 2, at a cost of 2.0 million and, 4.5 million Euros respectively.

Project Area: Gaba 1 Waterworks Kampala

Project Cost: 6.5 million Euros (US\$ 13.6 billion)

Funding Agency: European Union (EU) and NWSC/GoU.

Consultant: Typsa

Contractor: Spencon

Project Status: Phase I works were completed in March 2002 and commissioned in May 2002. This Phase included the refurbishment of the plant, resulting in the increase of water production from 30,000 cu.m to 40,000 per day.

Phase II construction works involved the modification and upgrading of the processing units. Project works were completed in June 2004. Phase II increased water production from 40,000 to 50,000 cu.m per day. With some minor modifications on the clarification process, production has increased to 65,000 cu.m. Production is slated to increase to 72,000 cu.m per day after installation of some new pumps.

5.2 ENTEBBE WATER SUPPLY AND SEWERAGE EXPANSION PROJECT

Project Objectives: The project is aimed at rehabilitating and expanding both the Water and Sewerage systems in Entebbe.

Project Area; Entebbe.

Project Cost: Euro 17.9 million (US\$ 40.5 billion).

Funding Agency: KfW/NWSC/GoU

Consultant: Beller Consult GMBH/ M & E Associates/CES Consulting Engineers

Project Status: The project works commenced in January 2005. Site office was completed and was occupied by May 2005. The contractor has mobilised on all site. Works are in progress at water treatment plant, reservoir sites and sewerage treatment plants. The project will result in the expansion of water and sewerage systems, which will be able to serve the target population up to 2015.

5.3 REHABILITATION AND EXPANSION OF GULU WATER SUPPLY AND SEWERAGE SYSTEM

Project Objectives: The project is aimed at rehabilitating and expanding the water and Sewerage systems in Gulu.

Project Area: Gulu

Project Cost: The estimated total cost of the project is US \$ 11 million (shs 19.6 billion).

Consultant: M/S Gauff consultants M & E Associates.

Funding Agency: NWSC is financing the Consultancy services.

Funding to be sought for major Civil Works.
Estimated at about 7 billion

Project Status: Detailed design for the project commenced on 7th June 2004. The draft and final design report and tender documents were submitted on 21st July 2005. A workshop to review the design report has been scheduled for 3rd August 2005.

5.4 KAMPALA SANITATION MASTER PLAN

Project Objectives: To develop Sewerage Master Plan and Sanitation Strategy for Kampala and establish rational and planned approaches to the provision of either on-site sanitation or water borne Sewerage in the city.

Project Area: Kampala Water Supply Service Area

Project Cost: US\$: 900,000 (UShs. 1.6 billion)

Funding Agency: KfW

Consultant: RR Beller, Mott McDonald & M & E Associates

Status: Draft Master Plan was submitted in June 2004. The study for the project provides the framework for improvement and increase in coverage of sanitation services to the population. Findings were presented at the Joint Sector Review for GoU/Donor Conference held on 21st -23rd of September 2004. Recommendations have been adopted and down stream funding for the project is being sought.

5.5 KAMPALA WATER SUPPLY NETWORK REHABILITATION PROJECT

Project Objectives: The project aims at supporting Kampala Water Supply Service Area. The key objectives include;

- ✍ Reduction of unaccounted for water (UfW) to less than 40%
- ✍ Increasing the customer base
- ✍ Strengthening the network in order to boost pressures in the remote areas and increase the viability of the Peri- Urban Extensions

Project Area: Kampala

Project Cost: Euro: 3.32 million (U shs. 7.5 billion)

Funding Agency: KfW

Consultant: Kampala Water Partnership.

Status: During the month of June 2005, the Contractor completed installation of most of the major fittings along the trunk main. The trunk main was first pressurised and the process of identifying and rectification of defects were undertaken. The commissioning of the line is expected in June 2005.

Under the Illegal use reduction program, contract is expected to expire on 15th July 2005. However, there is need to extend the contract for Illegal Use Reduction in effort to consolidate the fight against UfW. A formal request for a no objection to extend the Contract was prepared and submitted during June 2005, and a no objection to extend the Contract up to February 2006.

5.6 LAKE VICTORIA ENVIRONMENTAL MANAGEMENT PROJECT (INDUSTRIAL AND MUNICIPAL WASTE WATER MANAGEMENT COMPONENT)

Project Objectives:

- ? Improve the management of industrial and municipal waste, assess the contribution of urban run off to lake pollution, and alleviate the overall environmental degradation.
- ? Investigate the viability of using constructed wetlands in the tertiary treatment of industrial wastes under a pilot scheme.
- ? Investigate the viability of using a well managed natural wetland in the tertiary treatment of Industrial wastes.
- ? Rehabilitate the Bugolobi Sewage Treatment Works.

Project Area: Lake Victoria and its Catchment.

Project Cost: US\$: 2.97million (UShs. 5.3 billion)

Funding Agency: World Bank through (IDA).

Status:

Phase I of the project is complete and the activities taking place are for the bridging period between Phase I and II (June 2002 and December 2005). Phase II of the project is expected to begin after December 2005. The following are the activities being carried out during the bridging gap period July 2002-December 2005):

- ? Up-dating mapping of pollution hotspot locations within the lake basin using GIS.
- ? Implementation of cleaner production in selected industries and encourage use of the pollution control manual.
- ? Upgrade the hydraulic Model for monitoring of dispersion of pollutants at flash points at Kiyindi and Inner Murchison Bay.
- ? Quantification of diffuse pollution loading and urban run-off from identified pollution hotspots.
- ? Monitor the use and sustainability of the micro-projects initiated by the components and consolidate efforts to improve management of Nakivubo Wetland with key stakeholders.
- ? Short-term training of industrialists and component staff among others

5.7 GABA III WATER PLANT

Project objectives: The Project objective is to increase water in Kampala that will be sufficient up to the year 2015.

Project area: Gaba, Kampala.

Project cost: The estimated total cost of the project 13.8 million Euros (UShs 31.2 billion).

Funding Agency: KfW/GoU/NWSC

Consultant: GkW in association with Aqua (Consult) U Ltd.

Project status: Contract for construction of new water works was awarded to Dywadag International in October 2004. Detailed designs were completed in February 2005. Residences, 4 semi-detached units (8 No.) are complete. Ground breaking ceremony was on 25th March 2005. Site has been fully mobilized. Construction of new pump lines, new sedimentation, flocculators and filters is in progress.

5.8 SUBSIDY OF ARUA, SOROTI & BUSHENYI/ISHAKA TOWNS

Project objectives

- ✍ To Rehabilitate and Expand Water and Sewerage Systems in the three towns of Arua, Soroti and Bushenyi/Ishaka.
- ✍ To improve operations of the water and sewerage systems in the Arua, Soroti and Bushenyi/Ishaka.
- ✍ Increase Revenue and financial viability of the three Towns.

Project Area: Arua, Bushenyi/Ishaka and Soroti Areas.

Project Cost: GoU, Shs 390 million/annum

Funding Agency: GoU

Project Achievements:

- ? Extended piped water supply coverage in all three Areas of Bushenyi, Soroti and Arua.
- ? Refurbished water reservoirs in Soroti and Bushenyi
- ? Replaced high lift pumps Soroti and Bushenyi/Ishaka.
- ? Improved service delivery to the poor community
- ? Reduced UfW especially Soroti, UfW before NWSC took over it was over 50% currently UfW, for Soroti is 33.7%
- ? Increased number of water subscribers, water production and revenue among others. The project is still on going with minor works being carried out in Bushenyi/Ishaka and Arua only.

5.9 MUKONO-SEETA WATER SUPPLY AND SANITATION PROJECT

Project Objectives: Main objective is to improve the health and

socio-economic situation and thereby the productivity of the people of Mukono/Seeta through the provision of safe drinking water and promotion of sanitation.

Project Area: Mukono-Seeta

Project Scope: Project to be implemented in three phases.
Phase one will involve laying of 10Km of 400mm/300mm diameter transmission main and 35km of distribution pipeline
Phase two will involve construction of two reservoirs at Gulama Hill and Tucker Hill and booster pump station at Seeta.
Phase three will concentrate on sanitation aspects and the intensification of the distribution network.

Project Cost: Ushs.6.4 billion.

Funding Agency: NWSC

Status: Project works commenced in June 2004. Phase I of the project is substantially complete (97%). This involved laying of the distribution mains, service connections and transmission main. Phase II of the project will include laying of a main from Mutungo to Namanve. Procurement of consultancy services for phase II will commence in July 2005.

5.10 14 TOWNS SEWERAGE/SANITATION STUDY

Project Objectives: To develop Sewerage and Sanitation Master Plans for the 14 other NWSC towns other than Kampala.

Project Area: 14 NWSC Towns.

Project Cost: US\$: 375,000 (Ushs.667 million)

Funding Agency: CIDA Canadian International Development Agency)/Cowater

Status: The study commenced in October

2003. The feasibility studies for 12 towns were received. The full Master Plans for Kasese and Arua towns were also received. A dissemination workshop is to be organised, where stakeholders will be invited to agree on the way forward for the project.

5.11 KAMPALA URBAN POOR PROJECT

Project Objectives:

- ? To improve the living conditions of the urban residing living in informal settlements in and around Kampala.
- ? Develop effective delivery systems and sustainable management systems for the public stand posts for the urban poor.

Project Area: Kampala.

Project Cost: Ushs.400 m and Euro 2.5 million (Ushs. 5.7 billion)

Funding Agency: GoU and NWSC.

Status: The feasibility study was completed in 2004. Pre-qualification of firms for detailed design and supervision of works commenced in March 2005 and the tendering process for works will commence in November 2005.

The Ugandan component of 400m, purchased pipes in May 2005, and they are being installed by labour hired by NWSC. While 2.5 m, short listed consultants for the urban poor. Pre-tender meeting was held on 2nd August 2005 and tender opening will be on 23rd August 2005. Construction of infrastructure is on going in Kiseenyi and Ndeeba I & II suburbs.

5.12 KAMPALA PERI-URBAN PROJECT

Project Objectives:

- ? To improve the living conditions of the urban poor in and around Kampala.

- ? Develop effective delivery systems and sustainable management systems for the public standposts for the urban poor.

Project Area: Kampala.

Project Cost: Ushs. 1.5 billion.

Funding Agency: NWSC's internally generated funds.

Status: Water mains extensions have been made in the areas of Kyengera- Wakimese , Kisinyi, Buziga, Bukasa, Buziga-Upper Konge, Buziga-Katuso, Lukuli-Kiwempe, Biina, Kirombe and Butabiika among others.

Table 8

BUDGETARY PERFORMANCE OF DONOR ASSISTED PROJECTS

FOR THE PERIOD JULY. 2004 – JUNE 2005 - (shs '000)

PROJECT NAME		NOTE	(a)			(b)					(c)					
			NWSC			GOU					DONORS			TOTAL		
			BUDGET	ACTUAL	%	BUDGET		ACTUAL		%	BUDGET	ACTUAL	%	BUDGET	ACTUAL	%
						NWSC Submission	GoU Revised	GoU Actual Release	Actual expenditure							
Kampala Network Rehabilitation	KfW	1	750,000	272,183	36%	468,000	453,291	213,837	111,804	25%	0	0	0%	1,203,291	383,987	32%
Gaba 1 Rehabilitation Phase 11	EDF	2	0	0	0%	100,000	96,859	90,671	68,715	71%	0	0	0%	96,859	68,715	71%
Entebbe Water Supply Expansion	KfW	3	200,000	65,855	33%	2,400,000	2,324,620	2,941,375	2,940,769	127%	14,152,000	7,351,991	52%	16,676,620	10,358,615	62%
Gaba III WaterProject	KfW	4	150,000	12,969	9%	2,700,000	2,615,198	1,277,196	589,662	23%	15,994,000	8,347,846	52%	18,759,198	8,950,476	48%
Water & Sanitation for Urban Poor	GOU	5	100,000	1,283	1%	400,000	387,437	384,650	384,650	99%	3,877,000	0	0%	4,364,437	385,933	9%
Kampala Sanitation Project	KfW	6	150,000	11,910	8%	102,000	98,796	0	0	-	659,000	252,591	38%	907,796	264,501	29%
Inv. Subsidy Arua, Soroti, Bushenyi	GOU	7	0	0	0	200,000	290,578	266,238	256,664	88%	0	0	0%	290,578	256,664	88%
Lake Victoria Environmental Management	IDA	8	0	0	-	47,000	47,000	0	2,500	5%	886,000	127,483	14%	933,000	129,983	14%
Project																
Kabale Accompanying Measures	KfW	9	0	0	-	0	0	0	0	0%	1,736,000	803,083	46%	1,736,000	803,083	46%
TOTALS			1,350,000	364,200	27%	6,417,000	6,313,779	5,173,966	4,354,763	69%	37,304,000	16,882,994	45%	44,967,779	21,601,957	48%

Table 9: BUDGETARY PERFORMANCE OF PROJECTS FULLY FINANCED BY NWSC**FOR THE PERIOD July 2004 - June 2005 - (In shs '000)**

PROJECT NAME		NOTE	NWSC		
			BUDGET	ACTUAL	%
Mukono - Seeta Water Supply	NWSC	1	3,000,000	3,684,009	123%
Bushenyi Water Supply	NWSC	2	250,000	0	0%
Design Gaba Pumping Main	NWSC	3	500,000	493,205	99%
Katigondo Water Supply	NWSC	4	400,000	0	0%
Arua Water Supply	NWSC	5	350,000	0	0%
Gulu Water Supply	NWSC	6	700,000	392,002	56%
TOTALS			5,200,000	4,569,216	88%

NOTES TO THE PERFORMANCE REPORT-DONOR ASSISTED PROJECTS

1. Gaba I Rehabilitation Phase II

Phase II Construction works involved modification and upgrading of the intake units. Project works were completed in June 2004. Phase II increased water production from 40,000 to 50,000 cu.m per day. Production is expected to increase to 72,000 cu.m per day after installation of new pumps due by December 2004.

2. Entebbe Water Supply Expansion

Detailed design was completed and pre-qualification of Contractors was finalized. Bids for tender works were invited from pre-qualified contractors on the 12th May 2004 and they are to be submitted on 12th August 2004. The project will result in expansion of water and sewerage systems, which will serve the population to 2015.

3. Kampala Network Rehabilitation

A contractor for illegal use reduction code named CODA was cleared in May 2004. A contractor to expand the 3 transmission mains along Kitante Road was also cleared. This will improve water pressure in Northern Kampala. The project is to be extended for the third year in FY 2004/05. Negotiations for financing by German Government is presently in progress.

4. Kampala Sanitation Master Plan

Draft Master Plan has been submitted. The study for the project provides the framework for improvement and increase in coverage of sanitation services to the population. Findings will be submitted to the donor conference due September 2004 for implementation of down stream activities.

5. Peri-Urban Extensions

Water has already been extended to Areas of Aeguku, Bunamwaya, Lubowa, Bweyogerere, and Gayaza. In addition water services have also been extended to Buddo, Nabbingo, Bulenga, Kitezi, Kirinya (Akright project) and Kwaliwajala. Many applications have been received from beneficiaries have been received to connect water to their respective residencies and people are already connected to the system.

6. Lake Victoria Environment Management

Phase I of the project is complete and the activities taking place are for bridging period between Phase I and II (June 2002-December 2005). Phase II of the project is expected to begin after December 2005.

7. Gaba III Water Project (KFW)

Construction will follow Plant Design and Build process. Evaluation of tender was completed in Mid July 2004 and contract is due to be signed in August 2004.

8. Kampala Urban Poor Project.

Pipes equivalent to 117 kms were procured for the project. Evaluation report was made to the Ministry of Finance Planning and Economic Development for acquisition of additional pipes equivalent to 100 kms. Construction work has started in the slum areas of Kamwokya and it will extend in other areas.

9. Investment Subsidy-Arua, Soroti, Bushenyi

SUMMARY OF OVERALL PERFORMANCE FOR THE PERIOD JULY 2004 - JUNE 2005

Table 10: SUMMARY OF PERFORMANCE as at end June 2005.

No.	Target/Activity for FY. 2004/2005	Status of Outputs/Achievements:	Remarks/Constraints
1	Raise operating income to Shs. 48.3 billion, an average of Shs. 4.0 billion per month.	Operating income for FY 2004/05 was Shs. 51.7 billion which exceeds the annual target of 48.3 billion.	Annual target was achieved and surpassed by 7%.
2	Reduce overall unaccounted for water from 38% to 37.3%.	Overall unaccounted for water at 33.8% by year-end.	Kampala UfW 40.6%, other areas 16.8%. Target for both Kampala and other Areas was achieved.
3	Water production	Water production was an average of 158,186 cu.m per day.	This marked an increase in water production per day of 7,917 cu.m/day from the previous year 2003/2004.
4	Capacity utilisation of at least 69%	Capacity utilisation was about 72% for the year.	
5	Maintain staff to not more than 1,010 and achieve staff per thousand connection ratio of 9	Staff level increased from 949 in June 2003 to 990 by end of FY 2003/2004. As at June 2005, 1,051	Staff increase due to increase in commercial activities and expansion in area coverage.
6	Increase collection efficiency (C.E.) from 100% to 103%	Collection efficiency for the FY 2004/05 was 89%	Collection efficiency for the year was below the target.
7	Install, 170 water kiosks, 35 in Kampala.	Total of 269 water kiosks installed by end of year, 52 in Kampala, and 217 in other areas.	This translates into an overall achievement 158%.
8	Extend mains by 284.6 kms, 70.9 kms in Kampala.	A total extension of 294.5 kms extended by end of year.	Achievement of about 103%. This is due to mains extended during the IDAMCs contracts .
9	Increase water connections by 12,000 or an average of 1000 per month.	A total of 22,218 new connections made, average of 1,852 per month.	Achievement equivalent to 185% of target.
10	Increase active connections from 83,020 to 94,890.	Total active connections were 105,873 by year-end.	Achievement equivalent to 112% of target.
11	Reduce Suppressed accounts to 16,607	Suppressed accounts were 17,173 by year end or 14% of total accounts	Noted that inactive connections have reduced from 17455 as at end of June 2004 to 17,173 as at June 2005. % of inactive accounts to total accounts reduced from 17% to 14%.
12	Carry out universal metering of 98% and 100% for Active Accounts.	98% of total accounts were metered. Most active accounts i.e. about 100% were metered.	100% of all active accounts were metered.
13	Reduce the level of arrears from Shs 21billion to Shs. 16 billion	Arrears were Shs 21.028 billion at the beginning of FY 2004/2005 as at June 2005 arrears stood at 26.003	Arrears have increased by about 5 billion.

APPENDICES TO ANNUAL REPORT

ANNEX

ITEM

1. Water Production, Water Sold, Billing efficiency and Unaccounted for water July 2004 –June 2005.
2. Capacity Utilisation July 2004 - June 2005.
3. Staffing Levels as at June 30th 2005.
4. Water Kiosks/Public Stand posts Installed: July 2004 – June 2005.
- 5.a. Water Mains Extensions: July 2004 – June 2005.
5. b Sewer Extensions July 2004 - June 2005.
- 6.a. New Water Connections July 2004 - June 2005.
- 6.b. New Sewer Connections July 2004 - June 2005.
7. Status of Water Accounts: Total, Active, Inactive, Metered, as at June 2005.
8. Status of Sewer accounts: Total, Active, Inactive as at June 2005.
9. Connections by Tariff, Total, Inactive , Active
- 10.a Status of Arrears as at June 30th June 2005.
- 10.b. Arrears at 30th June 2005 by Tariff Segment.

Annex 1

Water Production and Billing Efficiency July 2004- June 2005.

Area	Water Produced m3	Water Sold m3	Billing Efficiency %	UfW %
Kampala	41,194,784	24,465,126	59.4%	40.6%
Jinja/Njeru	3,937,000	3,094,000	78.6%	21.4%
Entebbe	2,683,756	2,043,156	76.1%	23.9%
Tororo	990,303	881,364	89.0%	11.0%
Mbale	1,548,000	1,362,000	88.0%	12.0%
Masaka	993,001	866,701	87.3%	12.7%
Mbarara	1,801,157	1,662,864	92.3%	7.7%
Lira	898,000	823,474	91.7%	8.3%
Gulu	719,845	666,065	92.5%	7.5%
Kasese	529,865	411,061	77.6%	22.4%
Fort Portal	550,667	506,614	92.0%	8.0%
Kabale	474,710	347,564	73.2%	26.8%
Arua	534,790	478,825	89.5%	10.5%
Bushenyi/Ishaka	255,462	196,124	76.8%	23.2%
Soroti	626,376	417,998	66.7%	33.3%
Total NWSC	57,737,716	38,222,936	66.2%	33.8%
Total other Areas	16,542,932	13,757,810	83.2%	16.8%

Annex 2.

Capacity Utilization As At June 2005

AREA	Practical capacity m3/day	Total water produced m3	Capacity Utilisation%
Kampala	117,270	112,862	96%
Jinja/Njeru	26,000	10,786	41%
Entebbe	8,855	7,353	83%
Tororo	5,914	2,713	46%
Mbale	14,408	4,241	29%
Masaka	6,382	2,721	43%
Mbarara	10,197	4,935	48%
Lira	8,586	2,460	29%
Gulu	1,871	1,972	105%
Kasese	2,368	1,452	61%
Fort Portal	2,171	1,509	69%
Kabale	3,600	1,301	36%
Arua	5,400	1,465	27%
Bushenyi/Ishaka	960	700	73%
Soroti	5,529	1,716	31%
Total NWSC	219,511	158,186	72%
Total Other Areas	102,241	45,323	44%

Annex 3
Detailed Staff Levels as at 30th June 2005

Area	Staff Permanent	Staff Contract	Male	Female	Female/Total Staff Ratios %	Total Staff
Head quarters	97	87	127	57	30%	184
Kampala Water	206	238	351	93	13%	444
Jinja/Njeru	58	22	66	14	18%	80
Entebbe	33	13	34	12	28%	46
Tororo	21	9	26	4	15%	30
Mbale	44	8	44	8	17%	52
Masaka	26	12	33	5	11%	38
Mbarara	32	13	41	4	6%	45
Lira	13	9	21	1	8%	22
Gulu	10	14	21	3	4%	24
Kasese	15	5	17	3	15%	20
Fort Portal	13	10	18	5	17%	23
Kabale	2	20	19	3	10%	22
Arua	2	21	17	6	26%	23
Bushenyi/Ishaka	3	14	13	4	18%	17
Soroti	2	21	16	7	17%	23
Total	577	515	428	849	20%	1,108

Annex 4.**Water Kiosks/Public Stand Posts Installed July 2004 - June 2005**

AREA	Budgeted (Nos.)	July-June 2005 (Nos.)	% Achieved
Kampala	35	52	149%
Jinja/Njeru	7	8	114%
Entebbe	7	25	357%
Mbale	7	24	343%
Mbarara	7	4	57%
Tororo	14	10	71%
Masaka	21	11	52%
Kasese	8	6	75%
Fort Portal	7	8	114%
Lira	7	43	614%
Gulu	7	19	271%
Kabale	12	12	100%
Arua	17	26	153%
Bushenyi/Ishaka	7	7	100%
Soroti	7	14	200%
TOTAL	170	269	158%

Annex 5 a
Water Mains Extensions In FY 2004/2005 as at 30th June 2005.

AREA	Budgeted (kms)	July-June 2005 (kms)	% Achieved
Kampala	70.9	95.9	135%
Jinja	21.7	22.3	103%
Entebbe	17.8	22.3	125%
Mbale	15.9	16.9	106%
Mbarara	20.0	13.4	67%
Tororo	3.8	11.8	311%
Masaka	19.7	15.7	78%
Kasese	18.0	4.7	26%
FortPortal	9.0	20.0	222%
Lira	16.2	13.3	82%
Gulu	1.8	8.8	489%
Kabale	18.0	13.3	74%
Arua	21.9	8.2	37%
Bushenyi/Ishaka	22.0	12.9	59%
Soroti	8.0	15.1	189%
Total	284.6	294.6	104%

Annex 5.b
Sewer Mains Extensions FY 2004/2005 as at 30th June 2005.

AREA	Budgeted (km)	Actual (km)	% Achievement
KAMPALA	3.7	0.0	0%
JINJA	1.5	0.2	13%
ENTEBBE	2.0	1.3	65%
TORORO	2.7	0.0	0%
MBALE	1.0	0.0	0%
LIRA	1.0	0.09	9%
GULU	4.1	2.135	51%
MASAKA	1.5	0.732	47%
MBARARA	0.0	1.2	120%
KASESE	1.0	0	0%
FORTPORTAL	0.0	0	0%
KABALE	2.0	1.57	80%
Arua	0.0	0	0%
Bushenyi/Ishaka	0.0	0	0%
Soroti	0.0	0	0%
TOTAL	19.5	7.227	37%

Annex 6 (a)
New Water Connections July 2004 – June 2005

Area	Budgeted 2004/2005	Total number of new water connections July- June 2005	Average/ month	% of Budget achieved
Kampala	7,266	12,174	1,015	168%
Jinja	702	1,138	95	162%
Entebbe	489	1,897	158	388%
Mbale	576	714	60	124%
Mbarara	401	917	76	229%
Tororo	136	329	27	242%
Masaka	539	859	72	159%
Kasese	150	450	38	139%
Fort Portal	140	533	44	381%
Lira	438	906	76	207%
Gulu	163	571	18	350%
Kabale	271	435	36	197%
Arua	265	681	57	257%
Bushenyi	213	215	18	101%
Soroti	251	399	33	159%
TOTAL	12,000	22,218	1,852	185%

Annex 6 (b)**New Sewer Connections July 2004 to June 2005**

Area	New Connections Year to date July – June 2005	Average/ Month	Years Target 2004/2005	% Achieved
Kampala	52	4	44	118%
Jinja/Njeru	6	<1	12	50%
Entebbe	42	3	5	840%
Mbale	29	2	17	171%
Mbarara	2	>0	8	25%
Tororo	12	1	2	600%
Masaka	11	<1	5	220%
Kasese	0	0	0	-
Fort Portal	0	0	4	0%
Lira	26	2	9	289%
Gulu	62	5	11	564%
Kabale	10	<1	3	333%
Bushenyi/Ishaka	0	0	0	-
Soroti	10	<1	6	167%
Arua	0	0	0	-
Total	262	21	126	208%

Annex 7

Status of Water Accounts as at 30th June 2005

AREA	TOTAL NO. OF ACCOUNTS	ACTIVE ACCCOUNTS	INACTIVE ACCOUNTS	METERED ACCOUNTS	% INACTIVE	Metered a/c's as a % of total a/c's
Kampala	74,777	62,356	12,421	72,231	17%	97%
Jinja/Njeru	9,158	7,066	2,092	9,158	23%	100%
Entebbe	6,375	5,974	401	6,375	6%	100%
Tororo	2,414	2,318	96	2,414	4%	100%
Mbale	4,756	4,688	68	4,756	1%	100%
Masaka	3,601	3,363	238	3,558	7%	99%
Mbarara	4,956	4,664	292	4,956	6%	100%
Lira	2,908	2,550	358	2,908	12%	100%
Gulu	2,166	1,973	193	2,062	9%	95%
Kasese	2,123	2,020	103	2,123	5%	100%
Fort Portal	2,373	2,305	68	2,373	3%	100%
Kabale	2,063	2,009	54	2,063	3%	100%
Arua	2,218	2,098	120	2,167	5%	98%
Bushenyi/Isha ka	1,011	1,000	11	1,000	1%	99%
Soroti	2,147	1,489	658	1,910	31%	89%
TOTAL	123,046	105,873	17,173	120,054	14%	98%

Annex 8

Status of Sewer Accounts as at 30th June 2005

Area	Active Accounts	Inactive Accounts	Total
Kampala	5,452	1,623	7,075
Jinja/Njeru	2,092	679	2,771
Entebbe	137	7	144
Tororo	159	9	168
Mbale	1,380	41	1,421
Masaka	275	36	311
Mbarara	215	37	252
Lira	173	62	235
Gulu	407	21	428
Kasese	N/A	N/A	0
Fort Portal	65	1	66
Kabale	399	84	483
Arua	N/A	N/A	0
Bushenyi/Ishaka	N/A	N/A	0
Soroti	166	104	270
Total NWSC	10,920	2,704	13,624

Annex 9
Status of Connections By Tariff As at June 2005

Area	Active Domestic	Inactive Domestic	Total Domestic	Active Indu./Comm	Inactive Indu./Comm	Total Ind./Comm	Active Instit./Govt	Inactive Instit./Govt	Total Instit./Govt	Active PSP/Kiosks	Inactive PSP/Kiosks	Total PSP/Kiosks	Total(ALL)
Kampala	53,003	9,471	62,474	6,409	1,912	8,321	1,511	322	1,833	1,433	716	2,149	74,777
Jinja/Njeru	5,386	1,497	6,883	850	336	1,186	465	78	543	365	181	546	9,151
Entebbe	4,918	289	5,207	629	83	712	352	14	366	75	15	90	6,377
Tororo	1,219	80	1,299	959	12	971	63	-	63	77	4	81	2,411
Mbale	3,955	54	4,009	279	6	285	295	6	301	159	2	161	4,756
Masaka	2,640	141	2,781	290	45	335	332	39	371	101	13	114	3,607
Mbarara	3,638	172	3,810	695	86	781	256	34	290	75	-	75	4,951
Lira	1,641	153	1,794	394	89	483	256	48	304	259	68	327	2,901
Gulu	1,316	107	1,423	395	36	431	195	47	242	67	3	70	2,161
Kasese	1,607	79	1,686	266	20	286	78	4	82	69	-	69	2,122
Fort Portal	1,850	52	1,902	289	7	296	133	4	137	33	5	38	2,377
Kabale	1,682	44	1,726	142	8	150	141	2	143	44	-	44	2,066
Arua	1,720	111	1,831	159	5	164	133	1	134	86	3	89	2,211
Bushenyi/Ishaka	718	6	724	166	2	168	85	3	88	31	-	31	1,011
Soroti	1,079	452	1,531	278	135	413	104	34	138	28	37	65	2,147
Total	86,372	12,708	99,080	12,200	2,782	14,982	4,399	636	5,035	2,902	1,047	3,949	123,041

Annex 10 (a).

NATIONAL WATER AND SEWERAGE CORPORATION**WATER/SEWERAGE BILLINGS, COLLECTIONS AND ARREARS STATUS
AS AT JUNE 2005**

All figures in shs 000'

Billings and collections are VAT inclusive

AREA	ARREARS AT 01/7/04	2004/2005 BILLINGS	2004/2005 COLLECTIONS	ARREARS AT 30/06/2005	COLLECTION EFFICIENCY
KAMPALA	15,331,441	38,029,536	34,808,890	18,124,657	92%
JINJA	2,160,679	4,782,529	3,871,911	2,779,458	81%
ENTEBBE	558,825	2,850,617	2,530,465	867,600	89%
MBALE	733,353	2,112,875	1,673,820	971,900	79%
TORORO	226,861	1,080,625	956,891	325,341	86%
MASAKA	352,806	1,196,378	938,364	433,375	78%
MBARARA	410,058	2,310,740	2,281,234	433,375	99%
LIRA	211,083	939,919	740,554	385,770	79%
GULU	297,500	915,837	665,072	521,630	73%
KASESE	75,137	514,299	485,385	103,184	94%
FORT/PORTAL	106,063	650,899	596,030	150,726	92%
KABALE	82,107	511,786	481,578	106,309	94%
BUSHENYI	34,823	247,451	244,501	36,549	99%
ARUA	99,838	545,158	456,230	172,586	84%
SOROTI	348,091	535,613	417,441	422,187	78%
TOTAL	21,028,666	57,224,262	51,148,366	26,003,905	89%

Annex 10 b.

WATER/SEWERAGE BILLINGS, COLLECTIONS AND ARREARS STATUS AT JUNE 2004.**All figures in Shs.000'****Billings and collections are VAT inclusive****Billings comprise of water sales, sewerage and service charge**

CUSTOMER SEGMWNT	ARREARS AT 01/07/04	%	BILLINGS	%	COLLECTIONS	%	ARREARS AT 31/6/05	%
MINISTRIES	4,811,610	23%	12,467,527	22%	9,272,375	18%	8,114,111	31%
PARASTATALS	709,796	3%	2,782,692	5%	2,820,730	6%	598,880	2%
INSTITUTIONS	1,066,981	5%	4,923,362	7%	4,795,805	9%	1,163,861	4%
COMMERCIAL	5,535,352	26%	18,734,327	33%	17,687,175	35%	5,813,424	22%
LOCAL AUTHORITY	344,966	2%	373,999	<1%	332,901	<1%	335,675	>1%
DOMESTIC	8,501,258	40%	17,578,668	31%	15,889,330	31%	9,909,251	38%
FOREIGN EMBASSY	58,703	<1%	363,684	<1	350,048	<1%	68,702	<1
TOTAL	21,028,666	100 %	57,224,259	100%	51,148,364	100%	26,003,904	100 %

NATIONAL WATER AND SEWERAGE CORPORATION
SUMMARY INCOME STATEMENT FOR THE PERIOD JULY 2004 – JUNE 2005

All amounts in Ushs.'000

ITEM	ACTUAL YEAR TO DATE July 2004 – Jun-05	BUDGET YEAR TO DATE July 2004 - Jun-05	ACTUAL AS % OF BUDGET	VARIANCE
INCOME				
Water Charges	40,531,714	37,726,698	107%	7%
Sewerage Charges	10,552,394	10,144,399	104%	4%
Other Incomes	666,905	426,527	156%	56%
TOTAL OPERATING INCOME	51,789,517	48,336,128	107%	7%
Government Grants	-	250,000	0%	-100%
TOTAL INCOME	51,789,517	48,586,128	107%	7%
OPERATING EXPENSES				
Staff Costs	15,694,727	12,623,058	124%	-24%
Premises Maintenance	1,766,595	1,755,904	101%	-1%
Static Plant & Pipe Network	6,449,049	8,037,784	80%	20%
Transport & Mobile Plant	1,477,927	1,308,182	113%	-13%
Supplies & Services	3,436,514	3,823,130	90%	10%
Administrative Expenses	4,904,818	4,220,635	116%	-16%
Financial Costs	153,808	171,091	90%	10%
TOTAL OPERATING EXPENSES	33,883,438	31,939,784	106%	-6%
OPERATING PROFITS(LOSS) BEFORE DEPRECIATION AND INTEREST(EBITDA)	17,906,079	16,646,344	108%	8%
DEPRECIATION EXPENSES	8,751,296	8,757,000	100%	0%
OPERATING PROFIT (EBIT)	9,154,783	7,889,344	116%	16%

NATIONAL WATER AND SEWERAGE CORPORATION
DETAILED INCOME STATEMENT FOR THE PERIOD JULY 2004 - JUNE 2005

All amounts in Ushs.'000

ITEM	ACTUAL YEAR TO DATE July 2004 - Jun-05	BUDGET YEAR TO DATE July 2004 - Jun-05	ACTUAL AS % OF BUDGET	VARIANCE
INCOME				
Water Sales	36,805,295	34,642,930	106%	6%
Sewerage Services	10,552,394	10,144,399	104%	4%
Connection Fees	1,680,707	979,644	172%	72%
Reconnection Fees	93,656	133,148	70%	-30%
Service Charge	1,952,056	1,970,976	99%	-1%
Other Incomes	666,905	426,527	156%	56%
TOTAL OPERATING INCOME	51,751,013	48,297,624	107%	7%
Government grants	-	250,000	0%	-100%
TOTAL INCOME	51,751,013	48,547,624	107%	7%
OPERATING EXPENSES				
STAFF COSTS				
Basic Pay	5,552,569	4,028,362	138%	-38%
Work Bonus	2,043,419	1,531,523	133%	-33%
Shift Allowance	49,658	53,021	94%	6%
Attendance/ Performance Allowance	454,025	375,601	121%	-21%

Car and cycle Allowance	1,067,381	924,480	115%	-15%
Housing Allowance	1,622,542	1,750,153	93%	7%
National Social Security Fund (NSSF)	1,132,185	856,292	132%	-32%
Medical Expenses	1,011,725	707,405	143%	-43%
Leave Transport Allowance	204,571	294,296	70%	30%
Funeral Expenses	19,660	57,147	34%	66%
Workmen's Compesantion	88,493	102,939	86%	14%
Gratuities	407,519	169,647	240%	-140%
Lunch & Transport Allowance	766,268	1,004,418	76%	24%
Servants Allowance	199,937	200,210	100%	0%
Responsibility Allowance	352,222	297,484	118%	-18%
Water Allowance	44,714	44,157	101%	-1%
Salary Arrears	436,512	-	0%	100%
Telephone Allowance	82,251	78,162	105%	-5%
Electricity Allowance	159,076	147,761	108%	-8%
	15,694,727	12,623,058	124%	-24%

PREMISES MAINTENANCE

Repairs & Maintanance	707,292	469,651	151%	-51%
Fixtures & Fittings	84,834	72,137	118%	-18%
Water	27,433	29,471	93%	7%

Electricity	116,261	190,411	61%	39%
Telephone	409,331	270,790	151%	-51%
Cleaning Materials	119,403	140,464	85%	15%
Property Insurance	112,198	210,673	53%	47%
Ground Rent & Rates	114,443	276,967	41%	59%
Office Rent	75,400	95,340	79%	21%
	1,766,595	1,755,904	101%	-1%

STATIC PLANT AND PIPE NETWORK MAINTENANCE

Fuel and Lubricants	236,585	355,538	67%	33%
Media (sand)	18,278	202,891	9%	91%
Repairs & Maintenance	1,005,020	1,144,583	88%	12%
Electricity for Production	4,183,829	4,909,361	85%	15%
Plant Insurance	102,114	109,870	93%	7%
Pipe Network Repairs	837,648	1,238,041	68%	32%
Discharge Permits	-	-	0%	0%
Disludging Aerobic Ponds	65,575	77,500	85%	15%
	6,449,049	8,037,784	80%	20%

Annex 9A

ITEM	ACTUAL YEAR TO DATE July 2004 - Jun-05	BUDGET YEAR TO DATE July 2004 - Jun-05	ACTUAL AS % OF BUDGET	VARIANCE
TRANSPORT AND MOBILE PLANT				
Fuel & Lubricants	714,223	708,149	101%	-1%
Motor vehicle Insurance	203,760	86,657	235%	-135%
Repairs & Maintenance	431,646	351,597	123%	-23%
Hire of Transport	68,199	132,032	52%	48%
Licenses, Road toll and Taxes	60,099	29,747	202%	-102%
	1,477,927	1,308,182	113%	-13%
SUPPLIES AND SERVICES				
Water Treatment Chemicals	1,964,549	2,260,465	87%	13%
Tools & Light Plant	128,576	78,509	164%	-64%
Equipment Repairs & Minor Purchases	433,839	312,218	139%	-39%
Uniforms and Protective Clothing	90,563	149,777	60%	40%
Computer Licences & Fees	51,534	108,927	47%	53%
Printing, Stationery & Publications	412,504	498,879	83%	17%
Fax, Courier Services & IT connectivity	132,929	238,321	56%	44%
Office supplies	222,020	176,034	126%	-26%
	3,436,514	3,823,130	90%	10%

ADMINISTRATIVE EXPENSES

Directors' Expenses	257,785	252,000	102%	-2%
Meeting Expenses	265,738	465,248	57%	43%
Travelling Expenses- Local	1,059,469	808,516	131%	-31%
Entertainment	80,271	40,662	197%	-97%
Publicity & Announcements	376,225	289,807	130%	-30%
General Insurance	161,397	196,673	82%	18%
Legal & Professional	85,601	69,534	123%	-23%
Training Expenses	157,717	224,864	70%	30%
Audit Fees	65,716	120,000	55%	45%
Donations & Subscriptions	218,248	63,618	343%	-243%
Foreign Travel Expenses	565,459	234,239	241%	-141%
Staff Sporting Activities	39,499	37,688	105%	-5%
Subsistence-Lunch & Transport	843,908	615,281	137%	-37%
Process Bench Marking	72,107	60,000	120%	-20%
Security Guard Expenses	566,929	659,925	86%	14%
External Service Expenses	2,882	-	0%	100%
Staff Transfer Expenses	12,577	22,580	56%	44%
Other Professional Charges	73,290	60,000	122%	-22%
	4,904,818	4,220,635	116%	-16%

FINANCIAL EXPENSES

Bank Charges	153,808	151,091	102%	-2%
Commission on Debt Recovery	-	20,000	0%	100%
	153,808	171,091	90%	10%
TOTAL OPERATING EXPENSES	33,883,438	31,939,784	106%	-6%

OPERATING PROFIT BEFORE DEPRECIATION

INTERESTS AND TAX (EBITDA)	17,867,575	16,607,840	108%	8%
DEPRECIATION	8,751,296	8,757,000	100%	0%
OPERATING PROFIT (EBIT)	9,116,279	7,850,840	116%	16%

**NATIONAL WATER AND SEWERAGE CORPORATION
SUMMARY OF INCOME STATEMENT ON AREA BASIS
FOR THE PERIOD JULY 2004 - JUNE 2005**

All amounts in Ushs '000

HEADQUARTERS				
ITEM	ACTUAL YEAR TO DATE JUL 2004- JUNE 2005	BUDGET YEAR TO DATE JUL 2004- JUNE 2005	ACTUAL AS % OF BUDGET	VARIANCE
INCOME				
Water Charges	-	-	-	-
Sewerage Charges	-	-	-	-
Other Income	519,760	367,500	141%	-41%
TOTAL OPERATING INCOME	519,760	367,500	141%	41%
GOU GRANTS	-	250,000	0%	-100%
TOTAL INCOME	519,760	617,500	84%	-16%
OPERATING EXPENSES				
Staff costs	4,358,880	3,702,330	118%	-18%
Premises Maintenance	553,200	649,597	85%	15%
Static Plant & Pipe Network	212,297	726,205	29%	71%
Transport & Mobile Plant Supplies & Services	577,018	497,627	116% 95%	-16% 5%

	804,169	850,920		
Administrative Expenses	3,196,046	3,196,046	100%	0%
Financial Costs	27,569	20,000	138%	-38%
TOTAL OPERATING EXPENSES	9,729,179	9,642,725	101%	-1%
OPERATING PROFIT (LOSS)	-9,209,419	-9,025,225	98%	-2%

KAMPALA TREATMENT WORKS

ITEM	ACTUAL YEAR TO DATE JUL 2004- JUNE 2005	BUDGET YEAR TO DATE JUL 2004- JUNE 2005	ACTUAL AS % OF BUDGET	VARIANCE
INCOME				
Water Charges	-	-	-	-
Sewerage Charges	-	-	-	-
Other Income	-	-	-	-
TOTAL OPERATING INCOME	-	-	-	-

OPERATING EXPENSES

Staff costs	1,041,496	1,170,192	89%	11%
Premises Maintenance	111,293	123,828	90%	10%
Static Plant & Pipe Network	2,694,685	3,373,697	80%	20%
Transport & Mobile Plant Supplies & Services	25,309	47,420	53% 70%	47% 30%

	1,159,675	1,662,539		
Administrative Expenses	54,611	59,358	92%	8%
Financial Costs	2,044	1,500	136%	-36%
TOTAL OPERATING EXPENSES	5,089,113	6,438,534	79%	21%
OPERATING PROFIT (LOSS)	-5,089,113	-6,438,534	121%	21%

KAMPALA DISTRIBUTION / REVENUE				
ITEM	ACTUAL YEAR TO DATE JUL 2004- JUNE 2005	BUDGET YEAR TO DATE JUL 2004- JUNE 2005	ACTUAL AS % OF BUDGET	VARIANCE
INCOME				
Water Charges	25,621,173	22,864,880	112%	12%
Sewerage Charges	7,805,481	7,363,253	106%	6%
Other Income	1,067,443	839,545	127%	27%
TOTAL OPERATING INCOME	34,494,097	31,067,678	111%	11%
OPERATING EXPENSES				
Staff costs	4,738,443	3,807,681	124%	-24%
Premises Maintenance	331,428	252,332	131%	-31%
Static Plant & Pipe Network	473,011	627,800	75%	25%
Transport & Mobile Plant	356,904	324,014	110%	-10%

Supplies & Services	236,273	224,487	105%	-5%
Administrative Expenses	322,366	294,430	109%	-9%
Financial Costs	55,201	14,000	394%	-294%
TOTAL OPERATING EXPENSES	6,513,626	5,544,744	117%	-17%
OPERATING PROFIT (LOSS)	27,980,471	25,522,934	110%	10%

ENTEBBE AREA				
ITEM	ACTUAL YEAR TO DATE JUL 2004- JUNE 2005	BUDGET YEAR TO DATE JUL 2004- JUNE 2005	ACTUAL AS % OF BUDGET	VARIANCE
INCOME				
Water Charges	2,102,747	1,945,028	108%	8%
Sewerage Charges	326,656	247,305	132%	32%
Other Income	131,577	58,181	>100%	>100%
TOTAL OPERATING INCOME	2,560,980	2,250,514	114%	14%

OPERATING EXPENSES

Staff costs	590,107	445,829	132%	-32%
Premises Maintenance	65,964	59,070	112%	-12%
Static Plant & Pipe Network	301,747	440,011	69%	31%

Transport & Mobile Plant	33,007	34,956	94%	6%
Supplies & Services	61,707	55,447	111%	-11%
Administrative Expenses	110,045	93,760	117%	-17%
Financial Costs	937	1,800	52%	48%
TOTAL OPERATING EXPENSES	1,163,514	1,130,873	103%	-3%
OPERATING PROFIT (LOSS)	1,397,466	1,119,641	125%	25%

JINJA AREA				
ITEM	ACTUAL YEAR TO DATE JUL 2004- JUNE 2005	BUDGET YEAR TO DATE JUL 2004- JUNE 2005	ACTUAL AS % OF BUDGET	VARIANCE
INCOME				
Water Charges	2,962,705	3,088,806	96%	-4%
Sewerage Charges	1,107,817	1,075,951	103%	3%
Other Income	92,140	85,523	108%	8%
TOTAL OPERATING INCOME	4,162,662	4,250,280	98%	-2%

OPERATING EXPENSES

Staff costs	767,703	675,558	114%	-14%
Premises Maintenance	254,734	160,584	159%	-59%
Static Plant & Pipe Network	589,336	771,960	76%	24%

Transport & Mobile Plant	140,633	105,966	133%	-33%
Supplies & Services	186,073	154,438	120%	-20%
Administrative Expenses	280,660	194,051	145%	-45%
Financial Costs	5,750	6,000	96%	4%
TOTAL OPERATING EXPENSES	2,224,889	2,068,557	108%	-8%
OPERATING PROFIT (LOSS)	1,937,773	2,181,723	89%	-11%

MBALE AREA				
ITEM	ACTUAL YEAR TO DATE JUL 2004- JUNE 2005	BUDGET YEAR TO DATE JUL 2004- JUNE 2005	ACTUAL AS % OF BUDGET	VARIANCE
INCOME				
Water Charges	1,115,095	1,503,823	74%	-26%
Sewerage Charges	462,463	582,020	79%	-21%
Other Income	63,325	32,519	195%	95%
TOTAL OPERATING INCOME	1,640,883	2,118,362	77%	-23%

OPERATING EXPENSES

Staff costs	553,011	456,685	121%	-21%
Premises Maintenance	78,680	53,401	147%	-47%
Static Plant & Pipe Network	347,219	301,349	115%	-15%

Transport & Mobile Plant	88,561	65,470	135%	-35%
Supplies & Services	166,802	132,529	126%	-26%
Administrative Expenses	156,777	129,174	121%	-21%
Financial Costs	6,062	4,800	126%	-26%
TOTAL OPERATING EXPENSES	1,397,112	1,143,408	122%	-22%
OPERATING PROFIT (LOSS)	243,771	974,954	25%	-75%

TORORO AREA				
ITEM	ACTUAL YEAR TO DATE JUL 2004- JUNE 2005	BUDGET YEAR TO DATE JUL 2004- JUNE 2005	ACTUAL AS % OF BUDGET	VARIANCE
INCOME				
Water Charges	873,922	833,087	105%	5%
Sewerage Charges	41,144	33,913	121%	21%
Other Income	3,812	1,247	306%	206%
TOTAL OPERATING INCOME	918,878	868,247	106%	6%
OPERATING EXPENSES				
Staff costs	342,134	206,783	165%	-65%
Premises Maintenance	68,462	60,907	112%	-12%
Static Plant & Pipe Network	172,808	211,951	82%	18%

Transport & Mobile Plant	24,485	25,230	97%	3%
Supplies & Services	105,268	99,588	106%	-6%
Administrative Expenses	85,733	81,754	105%	-5%
Financial Costs	3,545	3,000	118%	-18%
TOTAL OPERATING EXPENSES	802,435	689,213	116%	-16%
OPERATING PROFIT (LOSS)	116,443	179,034	65%	-35%

MASAKA AREA				
ITEM	ACTUAL YEAR TO DATE JUL 2004- JUNE 2005	BUDGET YEAR TO DATE JUL 2004- JUNE 2005	ACTUAL AS % OF BUDGET	VARIANCE
INCOME				
Water Charges	856,281	789,457	108%	8%
Sewerage Charges	145,035	135,498	107%	7%
Other Income	69,040	47,868	144%	44%
TOTAL OPERATING INCOME	1,070,356	972,823	110%	10%

OPERATING EXPENSES

Staff costs	381,195	311,493	122%	-22%
Premises Maintenance	38,531	40,424	95%	5%
Static Plant & Pipe Network	222,705	140,699	158%	-58%
Transport & Mobile Plant			78%	22%

	18,855	24,066		
Supplies & Services	152,380	105,576	144%	-44%
Administrative Expenses	91,979	93,569	98%	2%
Financial Costs	4,729	3,600	131%	-31%
TOTAL OPERATING EXPENSES	910,374	719,427	127%	-27%
OPERATING PROFIT (LOSS)	159,982	253,396	63%	-37%

MBARARA AREA				
ITEM	ACTUAL YEAR TO DATE JUL 2004- JUNE 2005	BUDGET YEAR TO DATE JUL 2004- JUNE 2005	ACTUAL AS % OF BUDGET	VARIANCE
INCOME				
Water Charges	1,776,584	1,788,659	99%	-1%
Sewerage Charges	191,697	194,533	99%	-1%
Other Income	106,370	90,456	118%	18%
TOTAL OPERATING INCOME	2,074,651	2,073,648	100%	0%
OPERATING EXPENSES				
Staff costs	601,276	415,876	145%	-45%
Premises Maintenance	34,811	59,167	59%	41%
Static Plant & Pipe Network	355,099	414,823	86%	14%

Transport & Mobile Plant	37,022	34,588	107%	-7%
Supplies & Services	188,653	149,347	126%	-26%
Administrative Expenses	126,753	106,758	119%	-19%
Financial Costs	7,411	5,424	137%	-37%
TOTAL OPERATING EXPENSES	1,351,025	1,185,983	114%	-14%
OPERATING PROFIT (LOSS)	723,626	887,665	82%	-18%

LIRA AREA				
ITEM	ACTUAL YEAR TO DATE JUL 2004- JUNE 2005	BUDGET YEAR TO DATE JUL 2004- JUNE 2005	ACTUAL AS % OF BUDGET	VARIANCE
INCOME				
Water Charges	713,290	606,815	118%	18%
Sewerage Charges	79,226	125,874	63%	-37%
Other Income	65,775	30,342	217%	117%
TOTAL OPERATING INCOME	858,291	763,031	112%	12%
OPERATING EXPENSES				
Staff costs	266,216	218,388	122%	-22%
Premises Maintenance	51,448	36,072	143%	-43%
Static Plant & Pipe Network			138%	-38%

	251,278	182,142		
Transport & Mobile Plant	17,000	19,246	88%	12%
Supplies & Services	36,047	48,534	74%	26%
Administrative Expenses	69,761	58,978	118%	-18%
Financial Costs	2,374	3,000	79%	21%
TOTAL OPERATING EXPENSES	694,124	566,360	123%	-23%
OPERATING PROFIT (LOSS)	164,167	196,671	83%	-17%

GULU AREA				
ITEM	ACTUAL YEAR TO DATE JUL 2004- JUNE 2005	BUDGET YEAR TO DATE JUL 2004- JUNE 2005	ACTUAL AS % OF BUDGET	VARIANCE
INCOME				
Water Charges	628,808	576,474	109%	9%
Sewerage Charges	136,129	148,670	92%	-8%
Other Income	37,915	19,455	195%	95%
TOTAL OPERATING INCOME	802,852	744,599	108%	8%
OPERATING EXPENSES				
Staff costs	234,885	191,642	123%	-23%
Premises Maintenance	53,390	54,919	97%	3%
Static Plant & Pipe Network	176,473	218,337	81%	19%

Transport & Mobile Plant	20,463	13,520	151%	-51%
Supplies & Services	71,097	90,850	78%	22%
Administrative Expenses	86,435	66,403	130%	-30%
Financial Costs	3,851	2,760	140%	-40%
TOTAL OPERATING EXPENSES	646,594	638,431	101%	-1%
OPERATING PROFIT (LOSS)	156,258	106,168	147%	47%

KASESE AREA				
ITEM	ACTUAL YEAR TO DATE JUL 2004- JUNE 2005	BUDGET YEAR TO DATE JUL 2004- JUNE 2005	ACTUAL AS % OF BUDGET	VARIANCE
INCOME				
Water Charges	406,833	413,443	98%	-2%
Sewerage Charges	-	-	-	
Other Income	6,176	34,417	18%	-82%
TOTAL OPERATING INCOME	413,009	447,860	92%	-8%
OPERATING EXPENSES				
Staff costs	187,033	168,832	111%	-11%
Premises Maintenance	20,822	30,091	69%	31%
Static Plant & Pipe Network			112%	-12%

	68,351	61,238		
Transport & Mobile Plant	35,290	21,594	163%	-63%
Supplies & Services	54,622	33,362	164%	-64%
Administrative Expenses	58,038	57,848	100%	0%
Financial Costs	3,399	3,060	111%	-11%
TOTAL OPERATING EXPENSES	427,555	376,025	114%	-14%
OPERATING PROFIT (LOSS)	-14,546	71,835	-20%	-120%

FORT PORTAL AREA				
ITEM	ACTUAL YEAR TO DATE JUL 2004- JUNE 2005	BUDGET YEAR TO DATE JUL 2004- JUNE 2005	ACTUAL AS % OF BUDGET	VARIANCE
INCOME				
Water Charges	543,676	536,782	101%	1%
Sewerage Charges	17,785	16,978	105%	5%
Other Income	38,497	35,446	109%	9%
TOTAL OPERATING INCOME	599,958	589,206	102%	2%
OPERATING EXPENSES				
Staff costs	253,380	183,217	138%	-38%
Premises Maintenance	31,536	54,624	58%	42%
Static Plant & Pipe Network			58%	42%

	77,163	134,096		
Transport & Mobile Plant	26,309	26,396	100%	0%
Supplies & Services	35,839	36,054	99%	1%
Administrative Expenses	53,969	48,650	111%	-11%
Financial Costs	2,916	2,028	144%	-44%
TOTAL OPERATING EXPENSES	481,112	485,065	99%	1%
OPERATING PROFIT (LOSS)	118,846	104,141	114%	14%

BUSHENYI- ISHAKA AREA				
ITEM	ACTUAL YEAR TO DATE JUL 2004- JUNE 2005	BUDGET YEAR TO DATE JUL 2004- JUNE 2005	ACTUAL AS % OF BUDGET	VARIANCE
INCOME				
Water Charges	209,070	293,790	71%	-29%
Sewerage Charges	-	-	-	-
Other Income	14,056	20,000	70%	-30%
TOTAL OPERATING INCOME	223,126	313,790	71%	-29%

OPERATING EXPENSES

Staff costs	169,295	142,763	119%	-19%
Premises Maintenance	10,314	24,166	43%	57%
Static Plant & Pipe Network	71,487	102,099	70%	30%

Transport & Mobile Plant	14,648	11,621	126%	-26%
Supplies & Services	41,823	59,368	70%	30%
Administrative Expenses	44,521	31,325	142%	-42%
Financial Costs	2,018	1,512	133%	-33%
TOTAL OPERATING EXPENSES	354,106	372,854	95%	5%
OPERATING PROFIT (LOSS)	-130,980	-59,064	-22%	-122%

KABALE AREA				
ITEM	ACTUAL YEAR TO DATE JUL 2004- JUNE 2005	BUDGET YEAR TO DATE JUL 2004- JUNE 2005	ACTUAL AS % OF BUDGET	VARIANCE
INCOME				
Water Charges	360,319	350,928	103%	3%
Sewerage Charges	74,263	66,405	112%	12%
Other Income	39,362	40,975	96%	-4%
TOTAL OPERATING INCOME	473,944	458,308	103%	3%

OPERATING EXPENSES

Staff costs	201,011	202,530	99%	1%
Premises Maintenance	17,797	26,520	67%	33%
Static Plant & Pipe Network	76,695	118,976	64%	36%

Transport & Mobile Plant	25,179	26,584	95%	5%
Supplies & Services	16,207	22,286	73%	27%
Administrative Expenses	65,648	78,305	84%	16%
Financial Costs	2,393	3,000	80%	20%
TOTAL OPERATING EXPENSES	404,930	478,201	85%	15%
OPERATING PROFIT (LOSS)	69,014	-19,893	547%	447%

SOROTI AREA				
ITEM	ACTUAL YEAR TO DATE JUL 2004- JUNE 2005	BUDGET YEAR TO DATE JUL 2004- JUNE 2005	ACTUAL AS % OF BUDGET	VARIANCE
INCOME				
Water Charges	391,567	499,016	78%	-22%
Sewerage Charges	51,618	56,565	91%	-9%
Other Income	31,020	28,740	108%	8%
TOTAL OPERATING INCOME	474,205	584,321	81%	-19%
OPERATING EXPENSES				
Staff costs	214,595	165,885	129%	-29%
Premises Maintenance	29,251	35,715	82%	18%
Static Plant & Pipe Network	211,848	146,897	144%	-44%

Transport & Mobile Plant	10,917	14,269	77%	23%
Supplies & Services	65,850	56,354	117%	-17%
Administrative Expenses	55,712	63,160	88%	12%
Financial Costs	3,040	1,350	225%	-125%
TOTAL OPERATING EXPENSES	591,213	483,630	122%	-22%
OPERATING PROFIT (LOSS)	-117,008	100,691	-47%	-147%

ARUA AREA				
ITEM	ACTUAL YEAR TO DATE JUL 2004- JUNE 2005	BUDGET YEAR TO DATE JUL 2004- JUNE 2005	ACTUAL AS % OF BUDGET	VARIANCE
INCOME				
Water Charges	412,324	383,361	108%	8%
Sewerage Charges	-	-	-	
Other Income	51,000	43,988	116%	16%
TOTAL OPERATING INCOME	463,324	427,349	108%	8%
OPERATING EXPENSES				
Staff costs	242,300	157,385	154%	-54%
Premises Maintenance	14,933	34,487	43%	57%
Static Plant & Pipe Network	117,232	163,884	72%	28%

Transport & Mobile Plant	18,599	15,615	119%	-19%
Supplies & Services	51,130	41,451	123%	-23%
Administrative Expenses	43,563	45,228	96%	4%
Financial Costs	2,568	2,500	103%	-3%
TOTAL OPERATING EXPENSES	490,325	460,550	106%	-6%
OPERATING PROFIT (LOSS)	-27,001	-33,201	119%	19%