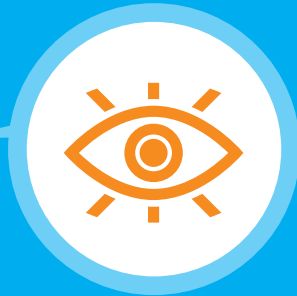




National Water and Sewerage Corporation
Integrated Annual Report
2020/21

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Our Vision

**To be the Leading Customer
Service Oriented Utility in the
World**



Our Mission

**To sustainably and equitably
provide cost effective
quality water and sewerage
services to the delight of
all stakeholders, while
conserving the environment**



List of Acronyms and Abbreviations

ACORD	Agency for Cooperation and Research in Development
AFD	French Development Agency
AfDB	African Development Bank
AfWA	African Water Association
BOD	Biological Oxygen Demand
BOU	Bank of Uganda
BSc	Bachelor of Science
CEO	Chief Executive Officer
Covid-19	Corona Virus Disease
CRM	Customer Relationship Module
CSR	Corporate Social Responsibility
DANIDA	Danish International Development Agency
DFCU	Development Finance Company of Uganda
Dr	Doctor
DMA	District Meter Area
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
ECL	Expected Credit Loss
EIB	European Investment Bank
ESAMI	Eastern and Southern Africa Management Institute
ES	External Services
Eng	Engineer
EU	European Union
FY	Financial Year
FIRE	Financial Reporting
GIS	Geographic Information System
GKMA	Greater Kampala Metropolitan Area
GR14	Global Reporting Standard 14
GoU	Government of Uganda
IAS	International Accounting Standards
ICT	Information and Communications Technology
IFRS	International Financial Reporting Standards
IPILC	Intergraded Program to Improve the Living Conditions in Gulu
IREC	International Resource Centre
IWMDP	Integrated Water Management Development Program
KCCA	Kampala City Council Authority
KfW	Kreditanstalt Fur Wiederaufbau
kms	kilometers
KSP	Kampala Sanitation Project
KSWSP	Kampala South Water and Sanitation Project
KW	Kampala Water
LSA	Long Service Award
LVWATSAN	Lake Victoria Water and Sanitation Project
m³	Cubic meters
MD	Managing Director

Mgt	Management
MTAC	Management Training and Advisory Centre
MWE	Ministry of Water and Environment
NDP	National Development Plan
NEMA	National Environment Management Authority (NEMA)
NFA	National Forestry Authority
Nos.	Numbers
NRM	National Resistance Movement
NRW	Non-Revenue Water
NSSF	National Social Security Fund
NWSC	National Water and Sewerage Corporation
PC	Performance Contract
PhD	Doctor of Philosophy
pH	Potential of Hydrogen
PPP	Public-Private Partnership
PSPs	Public Stand Posts
SAP	Sanitation Acceleration Plan
SCAP 100	100% Service Coverage Acceleration Project
SC	Sub-county
SDGs	Sustainable Development Goals
SIP	Sanitation Investment Plan
SOPs	Standard Operating Procedures
STC	Scientific and Technical Council
SWAS	School Water and Sanitation Clubs
SWC	South Western Cluster Project (Isingiro, Mbarara and Masaka)
TB	Town Board
TC	Town Council or Trading Centre
TSS	Total Suspended Solids
UGX	Uganda Shillings
UIPE	Uganda Institution of Professional Engineers
UNBS	Uganda National Bureau of Standards
UK	United Kingdom
URA	Uganda Revenue Authority
USD	United States Dollar
VAT	Value Added Tax
VEI	Vitens Evides International
VSDF	Vocational Skills Development Facility
WACOCO	Water Community Communication Clubs
WATSAN	Water and Sanitation
WEDC	Water Engineering and Development Centre
WHO	World Health Organization
WMDP	Water Management and Development Project (Gulu, Arua and Bushenyi)
WTP	Water Treatment Plant
YWPs	Young Water Professionals



About NWSC



Manafwa Water Treatment Plant



The Legal Framework

National Water and Sewerage Corporation (NWSC) is a Government Parastatal which was established by Decree No. 34 of 1972, following a study on the need to improve water and sanitation services in the large Urban Centres of Uganda. The Corporation was re-established by the National Water and Sewerage Corporation Act of 1995.

The Legal Framework governing the operations of the Corporation is defined by the NWSC Act, 1995, Cap. 317, Laws of Uganda. The principal business of the Corporation is to manage and provide water and sewerage services in areas entrusted to it. As at 30th June 2021, the Corporation was operating in 258 towns across the country.



Our Customers

The Corporation served 775,794 water subscribers during the reporting period, of which approximately 24,000 are pro-poor Public Stand Posts (PSPs) whose tariff is subsidized.



Our Employees

NWSC is endowed with **4,244** skilled, experienced, and motivated staff.



Our Concern for the Environment

The business of the Corporation is directly dependent on the environment. We are conscious about the threat posed by climate change to our business and to the society in which we operate. We have incorporated environmental protection strategies in our business model. Our environmental concern goes beyond mere compliance with laws and regulations, but also includes voluntary measures.



Our Products & Services

The core business of the Corporation is the provision of water and sewerage services in Urban Centres in Uganda. Our services are consumed by the following categories of consumers, namely: Domestic, Commercial/Industrial, Institutions/Government and Public Stand Posts/Kiosks. NWSC also provides Consultancy Services to other utilities and entities across the globe.

● Water

NWSC extracts raw water from various sources (lakes, streams, rivers, swamps and wells). It is subjected to various treatment processes to ensure it complies with the WHO Quality Standards before it is distributed to our customers.

● Sewerage

The Corporation collects wastewater from some consumers and ensures that it is treated before being discharged into the environment.

● Consultancy Services

NWSC provides consultancy and advisory services to other utilities and entities. These services include; Laboratory Services, GIS Surveying & Mapping, ICT services, Billing & Customer Care, Vocational Training, Capacity Development and International Conference Facilities. We offer our services to utilities and entities in Uganda, and other parts of the globe.



Caring for our Customers

The customer is the reason the Corporation exists. We have put in place a number of mechanisms through which consumers can engage with us. We take customer feedback seriously and endeavor to offer timely solutions to their concerns



Listening to Our Customers

● Customer Relationship Module

The Corporation has designed a Customer Relationship Module, (CRM) to receive complaints or comments from all sources. Complaints can be through walk-ins, emails, phone calls and social media platforms. NWSC gives feedback to the customers on how their complaints have been addressed.

During the FY 2020/21, 199,746 complaints were received and 196,220 were resolved (98% resolution rate). The rest of the complaints were handled at the beginning of FY 2021/22.

24/7 Customer care free toll line at NWSC Call Centre



● Stakeholder Engagements

Members of Executive Management make visits to various Areas of Operation, and engage with Local Leaders, Customers, and the Public. During these engagements, Management shares with the public the challenges in the Area, what NWSC is doing to address them and makes appeals to the local leaders and the community to own and support those Projects. This is also an opportunity for the public to speak directly to NWSC Management about the quality of services they are getting.

● Water Committees

Water Committees have been set up in all our Areas of Operation. They consist of the NWSC Area Management, Local Council and Municipal leaders. The Committees assist the Corporation in addressing the key challenges affecting the provision of water and sewerage services in their respective Areas.

Through these Committees, NWSC updates local leaders about the upcoming development programs (Water Extensions and other Infrastructure Projects) and asks for their participation and support. The leaders also give their feedback on the NWSC services in their Areas.

● Tariff structure

NWSC has a well-defined tariff structure, which is approved by the Minister of Water and Environment. The tariff is adjusted periodically whenever there are significant changes in the macro-economic dynamics that affect the cost of inputs. Table 1 below shows the NWSC tariffs as at June 2021.

Table 1: NWSC tariff structure as at June 2021

Category	Charges Per m ³ (UGX)
Public standpipes	1,060
Domestic	3,516
Institutional/Government	3,558
Commercial;	
· First 500 m ³ per month	4,220
· 501 – 1500 m ³ per month	4,220
· Over 1500 m ³ per month	3,373
Industrial	
· Under 1,000 m ³ per month	4,220
· Above 1,000 m ³ per month	2,500
Sewerage Tariff	
For Domestic Category	75% of water charge
For Other Categories	100% of water charge

Stakeholder Engagement; Through Water Committees-NWSC MD-Dr. Silver Mugisha handover a packet of clean water to one of the water committee members.

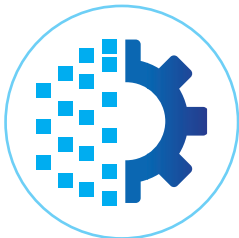




Taking Services Closer to the People

We have opened more Branches Countrywide, to enable our customers access our services easily. Under Kampala Service Area, we have 60 Branches, Northern & Eastern Region has 44 Branches, Central Region has 29 Branches, Western and South Western Region has 41 Branches.

The services offered under these Branches include the following; New Water Connections, extending water services, service reliability, network maintenance, billing, revenue collections, complaints resolutions or any other inquiries.



Improving Customer Service Through Digital Transformation

The Corporation started the Digital Transformation more than 20 years ago in the bid to improve provision of services. The impact of COVID-19 has made it more urgent to transfer our services online. At the moment, our customers can enjoy a number of our services by simply visiting the NWSC website. These services include;

● On spot billing

Whenever customers' meters are read, bills are issued to them instantly. This has improved the time it takes for the customer to receive his/her bill and make arrangements for payments.

● Online payments platforms

NWSC provides many options to make it convenient and comfortable for our customers to pay for their water bills. These include; Electronic Funds Transfer, Mobile Banking, Mobile Money Payments and Direct Debit. The above payment options enable customers to pay their bills from anywhere at any time.

● New connections application

The new connections module is a recently launched application in Kampala that enables customers to apply for new water connections through the NWSC website, by clicking on the new connections module and following the prompts. All the new connection processes can be completed without the need for the customer to visit our offices.

● The Waterman (Customer service and feedback platforms)

Through our online presence on Twitter, WhatsApp, NWSC website and Facebook, NWSC is able to receive real time customer complaints and provide feedback. The water man is available 24/7.

● Electronic-Medical Treatment Order

A system designed for internal use to manage staff treatment at selected Hospitals and Health Centers. The system is integrated with the Human Resource System that has all staff records. It provides online application and authorization of treatment of staff and their dependants 24/7.

● NWSC Mobile App

The NWSC Mobile app is a handy tool designed to improve customer experience. It is integrated with the Customer Database, Billing and Collections Systems. It can be installed on any mobile devices and provides customers with their real time balances, bills and any other information relating to their accounts. The app also enables customers to pay their water bills through the various online payment platforms.





Customer Charter

NWSC has developed a Customer Charter that sets out the respective obligations of the Corporation and the Customers relating to our services, as summarized here below;

NWSC Commitments to the Customers

- To treat all the Customers with Courtesy and respect
- To ensure that the quality of water supplied and the sewerage effluent discharged meet the WHO standards.
- To uphold good work ethics and professionalism while serving our Customers.
- To deal with all customer issues with efficiency, fairness, integrity and give timely feedback.
- To provide customers with all the necessary information to solve their complaints
- To continuously ascertain the level of satisfaction of our customers for service improvement.

Our Customer Service Standards

- Ensure water supply 24/7.
- Inform customers at least three days in advance in case of planned supply disruptions.
- Address any sewer overflows within 6 hours of reporting.
- Connect new consumers within three days of payment.
- Read and bill all meters every month.
- Ensure that every customer gets their bill on time.
- Reconnect consumers on the day of payment.
- Resolve leaks within three hours of detection.
- Resolve all customer complaints promptly.
- Update Customers' accounts within 24 hours of making payments.

New Connection Procedures

Requirements

1. Proof of ownership of the property or authority of the land lord.
2. A copy of a national ID and a passport size photograph.
3. Official stamp if applicant is a Corporate body.
4. Permission from third party where pipes will be laid.
5. Pay new connection fees, as assessed by the Corporation.
6. Be connected within three days of payment.

Customer Obligations

To facilitate the provision of the services in a sustainable manner, we expect our customers to do the following:

- Pay for the service rendered upon receipt of the bill.
- Allow access to meters for accurate reading and billing.
- Raise complaints, concerns and queries promptly.
- Update NWSC with any changes of customer and property details promptly.
- Avail all the information requested by the Corporation for the execution of services.
- Desist from illegal usage of water
- Report leaks and bursts and any Illegal water connections.

Details of the Charter are published on our **website: www.nwsc.co.ug**



Unveiling the Katosi Water Treatment Plant



The water service Area for the Greater Kampala covers the districts of Kampala, Parts of Wakiso and Mukono. The Area covers over 1,300 villages with an estimated population of over 6 million. The water demand for the Area about 300 million litres per day but the Corporation was only able to supply about 200 million litres a day as at June 2021. The Kampala Area is one of the fastest growing Metropolitan Regions in Africa.

The main source of water is Lake Victoria with treatment plants at Ggaba I (constructed in 1928), Ggaba II (constructed in 1992) & Ggaba III (completed in 2006). The combined production capacity of the three plants is about 200 million litres per day. This led to water shortages in many Areas, with the most affected being Bweyogerere, Namugongo, Mukono, Kanyanya, Kasangati, Gayaza and Mpererwe.

In view of the water supply shortfalls indicated above, the Corporation commissioned a study to come up with ways of addressing the water crisis in the short, medium and long term. The study predicted that the water demand within the Greater Kampala Metropolitan Area (GKMA) would increase from the current 300 million liters per day to over 530 million liters by the year 2040, and yet the existing infrastructure could not sufficiently meet this demand.

The Corporation developed the Kampala Water Lake Victoria Water and Sanitation Project to address the above challenge. The Project is being funded by the Government of Uganda, National Water and Sewerage Corporation, European Union Africa Infrastructure Trust Fund (EU-ITF), European Investment Bank, Agence Francaise de Development and Kreditanstalt fur Wiederaufbau.

The first phase of the Project involved the Refurbishment of the Gaba I Treatment Plant, which was completed in 2003. It involved the Upgrading & Rehabilitation of Ggaba I & II, Construction of new 8,000 m³ storage capacity reservoir at Namasuba, Laying 9.6km of Transmission mains from Ggaba to Namasuba and Modifications at Muyenga reservoirs.

In order to address the medium term water needs of Kampala Metropolitan Area, the Government embarked on constructing a new Water Treatment Plant at Katosi, East of Kampala. The Project faced initial delays at the procurement stage. It was expected to commence in 2017 and be completed by June 2020, but it did not start until 2018.

The implementation also suffered a number of setbacks, mainly due to the lockdown measures which the Government imposed in order to stop the spread of COVID-19 pandemic. The Project was also delayed by challenges relating to land acquisition.

Despite the challenges faced, the Board is pleased to unveil a Modern Water Treatment Plant at Katosi which was completed by 30th June 2021. The Plant has a capacity to produce 160 million liters of water per day, which is sufficient to meet the water demand for the next 15 years. In addition, a 10 Km transmission main was constructed from the Plant to Nsumba Hill, where a 10,000 m³ capacity reservoir was constructed. An administration office block, laboratory, workshop and staff houses have also been constructed.

Our esteemed customers in Mukono, Seeta, Sonde, Namugongo, Kyaliwajala, Kira, Bulindo, Naguru, Buwate, Kasangati, Gayaza, Namanve, Bweyogerere, Kisaasi, Kulambilo and Kirinya who were not receiving sufficient water supply are now enjoying improved water supply.

The Corporation appreciates the support rendered by the Government and the Development Partners (European Union Africa Infrastructure Trust Fund, European Investment Bank, Agence Francaise de Development and Kreditanstalt fur Wiederaufbau) in ensuring the successful completion of the Project. We also sincerely thank our esteemed customers for their patience in the past 10 years. NWSC would like to assure our customers of our commitment to serve them better.



Aerial photo of part of the newly constructed Water Treatment facilities at Katosi.



The Minister of Water, Hon. Sam Cheptoris (2nd right) inspects the completed Katosi Water Treatment Plant. Looking on is the Board Chairman, Eng. Dr. Badru Kiggundu (3rd right), the MD, Dr. Eng. Silver Mugisha (3rd left), NWSC Board Member, Ms. Sarah Onyiru (2nd left) and other members of the Board and Management.



Our Nationwide Footprint





NWSC Journey Since 1972

The NWSC was established in 1972 with operations in the 3 towns of Kampala, Jinja and Entebbe. Over the years, we have expanded our geographical coverage to reach more Ugandans. By 2013, the Corporation was operating in 27 towns. The period 2013 to 2020, witnessed a rapid growth in coverage from 27 to 258 towns. NWSC took over 5 additional towns in the current Financial Year. Illustrated below, is our geographical expansion since 1972.

June 2020 (5 New Towns)

Kiziba, Rukooko, Ntoroko, Rwebisengo-Kanara, Bukomero

June 2019 (17 New Towns)

Najjembe, Magale, Bukwiri, Banda, Kasambya, Misango, Kyankwanzi, Kashaka, Nyakinoni, Nyanga, Kirima, Bigodi, Katallyeba, Shuuku, Nyamunuka, Itojo and Kanyareru

June 2018 (18 New Towns)

Lutuuku, Kyambi, Namibirizi, Mateete, Mitete, Ntuusi, Lwebitakuli, Lugushuru, Gombe, Kyabadaaza, Okollo, Koboko, Mayanga-Omurihiri, Kanyabwanga-Omukabanda, Bitereko-Iramira, Kati-Rwempungu, Kisiizi-Kengyera and Sheema.

June 2017 (48 New Towns)

Nkonkonjeru, Buikwe, Busembatya, Luuka, Kisozi, Nakasongola, Kayei Landing Site, Omogo, Kubala, Okpkotani, Butebo, Anaka, Amach, Dokolo, Serere, Patongo, Kalongo, Sipi, Pallisa, Ngora, Kumi, Yumbe, Moyo, Kotido, Kaabong, Katerera, Kabira, Nyeihanga, Kagongi, Mugusu, Kijura, Kamwezi, Rwenkobwa, Kahunge, Kabuga, Kasagama, Kaliro, Katovu, Kinuka, Nyabihoko, Sanga, Kikatsi, Katwe, Harukungu, Rukoni, Kyazanga, Lwengo and Lwengo-Kinoni.

June 2016 (60 New Towns)

Kira Municipality, Nansana TC, Buloba, Kawuku, Abaita ababiri, Bugembe, Bukakata, Mpugwe, Sembabule, Mpigi, Rakai, Bukedea, Kachumbala, Unyama, Nagongera, Bubuto SC, Bunanbwana SC, Sisuni SC, Butiru TB, Manafwa, Lirima, Lwakhakha, Buwoni SC, Kwapa SC, Mella SC, Osukuru SC, Pajule, Nyapea, Pakwach, Busia, Kapchorwa, Kyabugimbi,



NWSC Staff inspecting the functionality of one of our New Installations

Kyenjojo, Kashenshero, Mitooma, Kinoni, Kibiito, Rwimi, Rubona, Katebwa, Kicucu, Rugendabara, Kasunga-nyanja, Hima, Nyakigumba, Muhanga, Ishongororo, Omungyenye, Rubaare, Kagarama, Rwentobo, Rwashemeire, Ruhama, Kitwe, Kikagati, Mirama hills, Irembezi, Rutookye, Buhweju/Nsiika, Kabale-Kabarole.

June 2015 (44 New Towns)

Kakiri, Buwenge, Kagoma, Bugiri, Naluwerere, Buwuni, Kalungu, Lukaya, Buwama/Kayabwe, Ziobwe, Semuto, Kapeeka, Nakaseke, Kiganda, Kamuli, Mbulamuti, Kyotera, Sanje, Kakuuto, Mutukula, Ibuje, Wandi, Budadiri, Sironko, Atiriri, Kalaki, Moroto, Matany, Kangole, Adjumani, Ryeru, Magambo, Bugongi, Rubirizi, Rubindi, Bwizibwera, Biharwe, Kaberebere, Kichwamba, Ntungamo, Rushere, Kiruhura, Kazo and Mpondwe.

June 2014 (39 New Towns)

Wakiso TC, Mayuge, Kaliro, Mityana, Luweero, Wobulenzi, Bombo, Kigumba, Bweyale, Kiryandongo, Kalisizo, Apac, Aduku, Otuboi, Kitgum, Pader, Nebbi, Paidha, Itendero, Kabwohe, Kitagata, Kisoro, Rukungiri, Kyangyenye, Kebisoni, Buyanja, Rwerere, Nyakagyeme, Kanungu, Kihhi, Kambuga, Butogota, Kanyampanga, Kanyantoro, Nyamirama, Kateete, Ibanda, Kamwenge and Lyantonde.

1972-2013 (27 Towns)

Kampala City, Mukono Municipality, Entebbe, Kajjansi, Jinja, Njeru, Lugazi, Iganga, Masaka, Mubende, Arua, Mbale, Gulu, Lira, Tororo, Malaba, Soroti, Kaberamaido, Amuria, Hoima, Bushenyi, Ishaka, Mbarara, Fort Portal, Kasese, Masindi and Kabale.

Our Core Values



Professionalism: We focus on developing staff competence, efficiency and effectiveness.



Teamwork: We invest our time and efforts in developing team spirit to achieve our common goals.



Innovation: We continuously develop and apply creative solutions towards improved service delivery.



Result-Oriented: We strongly believe in effectiveness and efficiency in service delivery.



Integrity: We embrace honesty, fairness and openness in everything we do.



Reliability: We emphasize consistency and timeliness in all aspects of our business.



Excellence: We look for and promote proficiency in all aspects of service delivery.



Our Strategy (2018-2021)

Our Strategy is broadly guided by our Vision and Mission which is focused on Customer Service, Cost Effectiveness, Quality Water and Conservation of the Environment.

The Board of Directors approved the Corporate Plan to guide our planning and operations for the period 2018-2021 with the theme; "Accelerated sustainable growth and service reliability through innovation". The FY 2020/21 is the third and last year of implementation of the Corporate Plan 2018-2021. A number of achievements were registered in that period.



i. Infrastructure Projects implemented

Several Infrastructure Projects were successfully completed;

- a) Arua Water Supply Project
- b) Gulu Water Supply Project
- c) Bushenyi Water Supply Project
- d) Kampala Sanitation Project (KSP)
- e) Katosi Water Treatment Plant
- f) Kapchorwa Water Project
- g) Sembabule Water Project, and
- h) Construction of Office blocks at Nakasero, Bushenyi, Lira, Rukungiri and Kasese.

In the same vein, the following Projects were initiated across the Country;

- a) **The Karuma Water Treatment Plant and the Bulk Transfer of water to Gulu** and six other enroute towns to address their long term water needs. The intake was completed and the remaining works that include construction of a Water Treatment Plant and Bulk Transfer of Water to Gulu are expected to commence in 2022.
- b) **Network Restructuring and Rehabilitation** to improve water supply reliability in Kampala Metropolitan Region.
- c) **South Western Cluster Water and Sanitation Project** that will draw water from R. Kagera and supply areas of Isingiro and Mbarara. The project also entails improvement of Water and Sanitation infrastructure in Masaka City and the surrounding towns.
- d) **Upgrading and Rehabilitation of Water and Sanitation Infrastructure** in Mbale and Adjumani.
- e) **Kapeeka Water Supply Project** to address the current water supply challenges in Kapeeka Community and the Industrial Park.
- f) **Hoima Water Supply Improvement Project** to improve water supply reliability in Hoima City.
- g) **Lyantonde Water Supply Project** to improve water supply reliability in Lyantonde Town and the surrounding areas of Rushere Industrial Park.
- h) **Kiruddu Waste Water Treatment Plant** to provide solutions to the wastewater management challenges experienced by Kiruddu Referral Hospital and the surrounding Community.



ii. Geographical Expansion

NWSC had expected to grow the number of Towns under its jurisdiction from 236 in 2018 to 251 by June 2021. The Corporation took over management of all the towns and urban centers which were handed over during the past three years, **bringing the total number of Towns under NWSC to 258 Towns as at 30th June 2021, a growth of 23%.**



iii. Network Expansion

The Corporation planned to grow the water pipe network from 14,466 Km in 2018 to 16,233Km by June 2021. **The actual total length achieved was 20,495 Km by June 2021, representing a growth of 42%.**



iv. Growth in Customer Base

The Corporation planned to grow the consumer base from 584,210 in June 2018 to 770,340 by June 2021. **The actual total number of customers was 775,794 by June 2021, representing a growth of 33%.**



v. Growth in Turnover

The Corporation planned to grow the Turnover from UGX 327 billion in June 2018 to UGX 406 billion by June 2021. **The actual total Turnover was UGX 461 billion in June 2021, representing a growth of 41%.**



vi. Corporate Plan 2021-2024

NWSC has developed a successor Corporate Plan covering the period 2021-2024 which is in line with the National Development Planning Framework (NDPIII) – 2020-2025 and focuses on the following Key Strategic Areas;

- a) Supporting Industrialization, by increasing water and sewerage service coverage to the Industrial Parks.
- b) Developing a strong Infrastructure base to meet the current and future demand for Water and sewerage services across the Country.
- c) Skilling and workforce development.
- d) Encouraging and promoting the participation of the Private Sector in the Development and operation of the business of the Corporation.
- e) Strengthening the Corporation's asset and financial base to ensure long term sustainability.

Hon. Minister Sam Chiptoris (Center); On his left is NWSC Board Chairman (Eng. Dr. Badru M. Kiggundu) and Dr. Eng. Silver Mugisha at the Podium during the Launch of the NWSC Corporate Plan 2021-2024





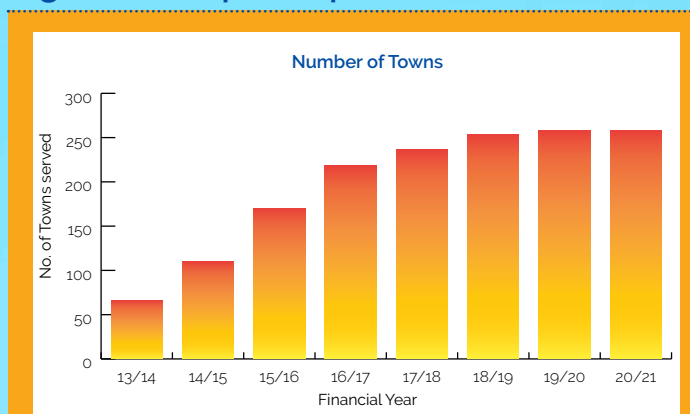
Our Performance Trend for the Past Eight Years

The Corporation developed Key Indicators together with the Ministry of Water and Environment to guide us in gauging our performance. NWSC has registered consistent improvements in all the Key Indicators over time as illustrated in the summary table below. The detailed performance of the Corporation in the FY2020/21 is explained from page 59 to page 107.

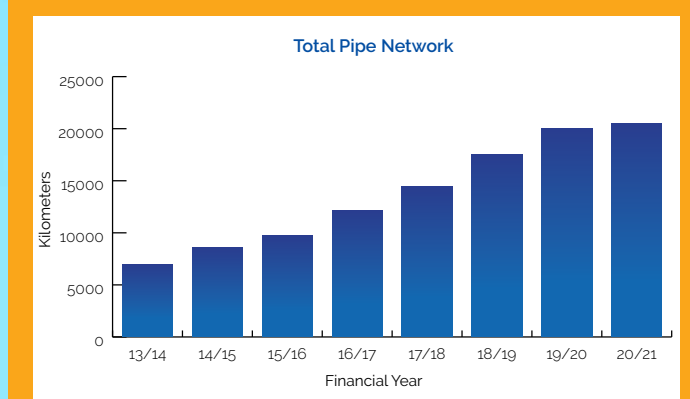
Table 2: Key Performance Indicators (KPIs)

Key Performance Indicator	Financial Years							
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Water Services								
Number of Towns (Nos.)	66	110	170	218	236	253	258	258
Water Service Coverage (%)	77	76	78	78.2	83.7	83.7	84	84
Water Production (Million m ³)	93.8	99.6	106	120.7	126.2	134.9	140	144
Water supply (Million m ³)	92.5	96.4	102.7	116.2	120.1	127.8	132	137
Water Sales (Million m ³)	61.1	66.4	73.9	80.2	82.9	90.5	87	90
Non-Revenue Water (NRW, %)	33.7	31.2	28	30.9	31	29	34	35
New Water Connections (Nos.)	28,068	33,982	38,836	40,712	50,341	69,215	61,521	51,788
Connections taken over with New Towns	20,970	17,626	15,419	11,752	12,865	2,079	3,328	-
Total Water Connections (Nos.)	366,330	417,938	472,193	529,709	582,863	659,157	724,006	775,794
New Public Stand Pipes (Nos.)	921	924	1,129	1,164	3,342	3,550	4,429	3,267
Total Public Stand Pipes (Nos.)	9,638	10,562	10,841	10,424	12,305	17,186	21,600	24,867
New water mains extensions (km)	470	1,341	888	911	2,021	2,727	2,135	
Extensions taken over in New Towns (km)	854	190	547	1,221	700	430	216	77
Total water pipe network (km)	6,994	8,525	9,960	12,113	14,466	17,556	19,974	20,495
Sewerage Services								
Sewerage Service coverage (%)	6.4	6.4	6.4	6.4	21.5	21.5	23	23
New Sewer Connection (Nos.)	360	235	388	316	272	368	280	277
Total Sewer Connections (Nos.)	18,810	19,045	20,355	21,072	21,616	22,606	23,914	25,180
New Sewer extensions (km)	16.8	38.2	18.5	22.3	24.0	59	30	23
Financial Performance								
Turnover (Billion) - (UGX) (Net VAT)	184.5	211.8	276.06	320.96	388	442	463	461
Billing (Billion) - (UGX) -VAT Inc.	196.4	225.9	292.3	346.81	390.2	437.4	424	430
Collections (Billion) - (UGX) - VAT Inc.	154.4	198.5	284.1	322.72	384.7	437	391	435
Collection Efficiency (%)	96	105	97	93	99	100%	92	101%
Debt Age (Months)	4	2.8	2.6	3	2.9	2.3	3.6	3.3
EBITDA (Billion) - (UGX)	10	8	34	38	92	96	103	106
Staff Number (Nos.)	2,263	2,752	2,860	3,131	3,443	3,778	4,082	4,244
Staff Productivity (Nos.)	6	6	6	6	6	6	6	5.5

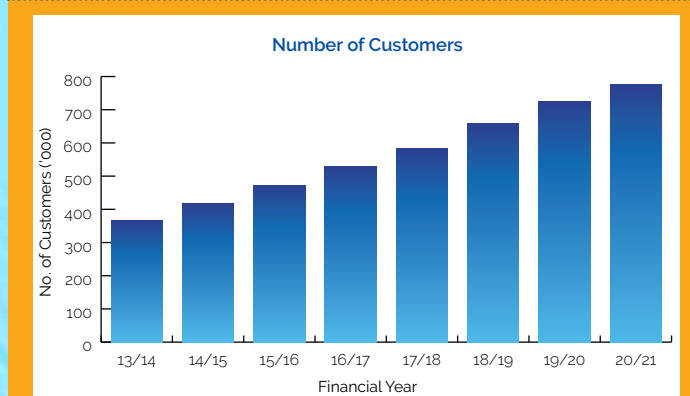
Figure 1 : Graphical presentation of some selected Key Performance Indicators



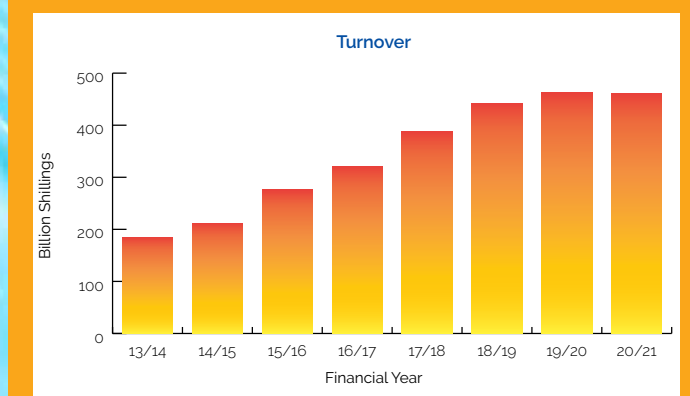
258
Towns covered



20,495
Total water pipe network (km)



775,794
Customers



461 Bn
Turnover (UGX)



Awards and Recognition

NWSC is a customer-centered Organization. Over the years we have invested heavily to improve and expand the infrastructure. The Corporation has taken over new towns and improved the internal systems. These are intended to offer quality and affordable services to our consumers. Our efforts have earned us recognition and awards from several local and international bodies.

Award	Awarding Body/Event
Distinguished excellence in utility management	World Confederation of Businesses, St. Thomas in USA
Best Government Agency on Social media and Best Customer Service	Digital Impact Awards, 2017
Intellectual development of today's society	International Socrates Award of Intellectual Development (Paris, France)
Water Leaders Award 2017	World CSR Congress in Mauritius.
Utility Water Leader Award	Global Water Awards, UK
Bizz 2017 Award	World Confederation of Business awards, USA
Outstanding business results, best practices, quality awareness and achievements in regional and global markets	European Society for Quality Research Award (London, UK)
Financial Reporting Award, 2017	FiRE Awards, Kampala
Best Utilities' Services Brand on Social Media and Best Digital Customer Experience Brand	Digital Impact Awards, 2018
Utility Distinction Water Leader	Global Water Awards 2019 ceremony
Service Delivery Excellence Award, 2019	World Confederation of Businesses, San Francisco, California
Glory Award, 2019	
Visionary Leader Extraordinary Award, to the Board Chairman, Eng. Dr. Christopher Ebal, 2019	
IDRICA Circular Economy Water Project of the year 2020.	WEX global conference in Valencia, Spain
African Public Leadership Excellence Award	African leadership award, Sandton South Africa
Best users of the Sri Global GIS System	Global Special Achievement in GIS (SAG) Awards, December 2021
Outstanding Brand in Sustainability Reporting	Integrated Financial Reporting (FiRe) Awards, 2021.
2 nd runner up in the Public Sector Category	





About this Report

This report is presented in accordance with the Global Reporting Initiatives 4 (GRI4) Guidelines on reporting. It is prepared in line with applicable Accounting Standards, the National Water and Sewerage Corporation Act 1995, Cap. 317, Laws of Uganda; the Water Act 1997, Cap. 152, Laws of Uganda and the Public Finance Management Act, 2015. **The report has 2 key Sections; the Annual Report and the Financial Statements.**

The First Section contains a message from the Board Chairman; a message from the Managing Director and insights into the governance and leadership of the Corporation. It also contains the Sustainability Report, which measures, discloses and gives accountability about our commitment to meet our present obligations, without compromising the ability of the future generations to meet their own needs. We have also highlighted in this Section, our various stakeholders and role of the Board in balancing their competing needs.

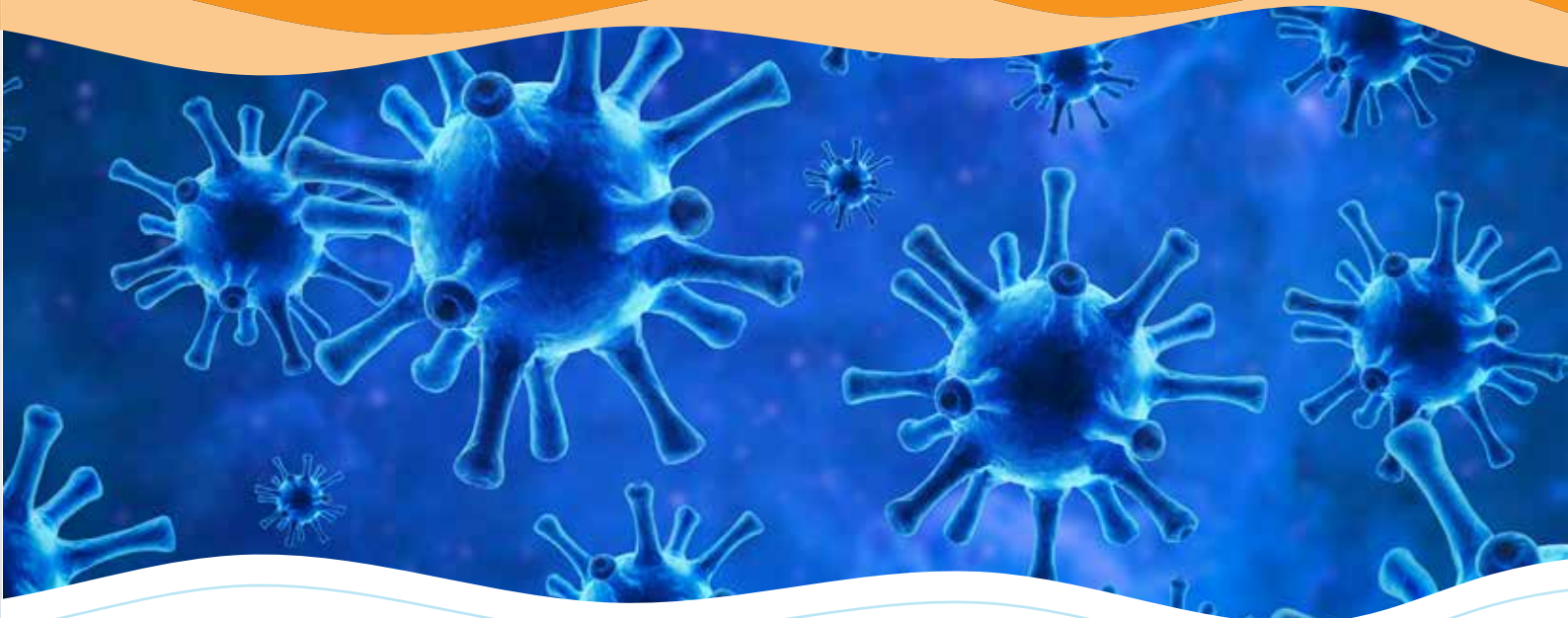
The Section further highlights the key Areas of focus for the Board over the next 3 years, which include: Supporting Industrialization, Developing a strong Infrastructure base, Skilling and workforce development, Promoting the participation of the Private Sector and Strengthening the Corporation's financial base to ensure long term sustainability.

The section ends with an overview of the Operational Performance in line with the key indicators which include: service coverage, water production, growth of connections, non-revenue water and performance on capital projects.

The Second Section contains the Financial Statements, which were prepared in accordance with the International Financial Reporting Standards. They include the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the Notes to the Financial Statements. The key accounting policies that have been adopted and applied are also explained.



Addressing Our Biggest Challenges



The Corporation has registered significant progress over the last 8 years. The services have improved, more customers are being served and the infrastructure base has been revamped and expanded across the Country. Despite these achievements, a number of challenges still affect delivery of services to our esteemed customers and they include; Non-revenue Water, environmental degradation and climate change, financing challenges and low sewerage coverage.

● COVID-19 Pandemic

The outbreak of the COVID-19 pandemic brought new challenges in 2020. This problem continued in 2021. The Impact of COVID-19 has been felt by the Corporation. The Revenues have stagnated for the past two years while Operating Costs have been increasing as the Corporation had to institute Standard Operating Procedures to safeguard the health, safety of her Staff and their families.

The COVID-19 pandemic has had a severe impact on our investment plans. Some Projects have not taken off while others are taking longer to complete.

In response to the pandemic, the Corporation adopted the following mitigation measures;

- a) The Operational and Capital Expenditure Budgets for the past two Financial Years have been revised to give priority to providing uninterrupted services to the population during the pandemic.
- b) Infrastructure Projects that have been affected by the pandemic have been shifted from the FY 2020/21 and FY 2021/22 to FY 2022/23. The Corporation is also pursuing a second market finance facility of UGX 95 Billion to bridge the Capital Investment Financing gap created by COVID-19.
- c) The Corporation adopted standard operating procedures in all our offices. Majority of the staff were encouraged to work from home to avoid spreading the virus.
- d) The Corporation strengthened the use of the online platforms (e-payments, e-new connection applications and Customer Relationship Model for addressing complaints) as a means of providing services to the consumers.

● Non-Revenue Water (NRW)

NWSC is faced with a problem of water losses that currently stand at about 35% of water supplied. The problem is more acute in Kampala Water, where NRW stands at about 41%. The water losses are mainly attributed to: old water networks that are prone to leaks and bursts; illegal water use by some customers and old water meters which under register consumption. The measures that Management is undertaking to address the NRW challenges have been explained on Page 64 of this Report.

● Environmental Degradation

Our business is dependent on the environment. The impact of climate change adversely affects our water sources. Prolonged dry spells have been felt across the Country over the past 5 years especially in Mbarara, Arua, Gulu, Mbale, Mityana and Mpigi Areas. Floods have also ravaged many parts of the Country and disrupted water production at our plants in Manafwa, Tororo, Entebbe, Kasese, Mpondwe and Lira.

The quality of the raw water continues to decline due to unregulated human activities in the water catchment areas, which has resulted into increased costs of water treatment. NWSC is sinking production wells to provide alternative water sources in the Towns which are prone to drought. We are also implementing a number of initiatives, which are designed to address the environmental concerns. They include source protection, tree planting, community engagement and involving school children in water and sanitation issues. Our detailed approach to addressing environment issues is on Page 54 of this Report.

● Gaps in Investment Financing

The Corporation puts a lot of emphasis on infrastructure growth and development. This is intended to meet the growing demand for water and sanitation services. The funds for Capital Investment are mainly provided by the Government of Uganda and the Development Partners. The Corporation also sets aside funds from her annual savings for minor Capital Investments.

There has been a gap in infrastructure funding over the years. This is because the Government and Development Partners have many other priorities to address. The investment funds from the Corporation are limited because the tariffs are not full cost recovery. As a result, many planned Projects have not taken off.

The Corporation is dealing with the above challenge in the following ways:

- Continuous engagement with Government and the Development Partners for their support to the water sector.
- During the FY2019/20, the Corporation took a medium-term bank loan to solve immediate water supply challenges in eleven (11) Towns. The Board will continue to pursue this option in a bid to augment efforts by Government and Development Partners.
- The Corporation is exploring the possibility of raising long-term infrastructure financing by issuing Bonds through the Capital Market.
- The Board is exploring the possibility of entering into Public Private Partnership (PPP) arrangements for financing future projects.

● Sewerage Coverage

The sewerage coverage in towns where we operate still stands at 23% compared to 84% for water, which is still below the desired levels. The main reason for the low sewerage coverage lies in the high cost of investing in sewerage infrastructure. The Corporation continues to make deliberate efforts to increase sewerage coverage to 30% by 2024. The measures which are being taken to improve and increase sewerage coverage are elaborated on pages 92-93.

● Power Supply

The Corporation relies heavily on electricity from the National Grid for Water Production and treatment of sewage. Unfortunately, the power supply is unreliable at many of our installations especially in the up country Areas. The Corporation is therefore forced to rely on generators whenever power is not available from the National Grid. The cost of electricity is another serious challenge, which consumes approximately 40% of our revenues. The Corporation is investing in power generators and solar systems to provide alternative energy sources for water production.



Addressing the climate change challenges; NWSC MD-Dr. Silver Mugisha on a local boat on his way to Mpondwe in Kasese after the floods hit the Area.





Statement of the Board Chairman



Eng. Dr. Badru M. Kiggundu
Chairman, NWSC Board of Directors

The NWSC was set up in 1972, with the mandate to provide safe and reliable water and sewerage services to all Ugandans in Urban Centers. Over 16 million Ugandans in 258 towns spread across the Country rely on the Corporation for Water services on a daily basis, which is a huge task.

While delivering on our mandate, we are mindful of the fact that we continue to make provision for the under privileged members of society through affordable tariffs, installation of Public Stand Pipes and extension of water mains to the peri-urban Areas

The Board has over the years put emphasis on rehabilitating, revamping and expanding the water facilities across the Country as the cornerstone for sustainable service delivery. We assure our Stakeholders of our unwavering commitment to serving the population to our best abilities despite the challenges facing the Corporation.

It is my pleasure once again to present to our Stakeholders the Financial Statements and Annual Report of the National Water and Sewerage Corporation for the Financial Year 2020/21. Our mandate is to provide safe and reliable water and sewerage services to all Ugandans in Urban Centers entrusted to us.

The previous year, FY 2019/20 was grossly affected by the outbreak of the COVID-19 pandemic in the Country. There was a lot of hope that FY 2020/21 would be a period of recovery. The Corporation anticipated to generate more revenue from our major consumers like Schools, Universities, Tertiary Institutions and entertainment places, which had been expected to fully open their businesses in FY 2020/21. Instead, the Country was hit by a second wave of the virus which left the Government with no choice but to announce a second lockdown in June 2021.

The pandemic affected a number of Ugandans due to infections and even death. On this note, I would like to extend our deepest condolences to our countrymen who bore the biggest blunt of the virus. We wish everybody who is suffering from this disease a full and speedy recovery. We join hands with Government in fighting to eradicate COVID from our mother land.

In recognition of the essential work that NWSC does, the Government allowed our business to remain open even during the lockdown period to guarantee uninterrupted provision of our services to the population. The Board instituted strict measures to comply with the Standard Operating Procedures (SOPs) in all our offices. This has minimized the cases of COVID-19 infections among the staff and their families. We sincerely thank Allah for keeping us safe during the peak period of this pandemic.

The pandemic had a serious impact on the Corporation, the Country and the World at large. Our plans were severely affected. The revenues fell by 5% of the Budget and yet the Corporation had to contend with increased expenditure of complying with the SOPs. We were therefore not able to implement all our planned investments.

In addition to COVID-19, the Corporation faced a number of other challenges during the year ended June 2021. a) Non-Revenue Water stands at about 35% of water supplied, caused mainly

by the old pipe network and illegal water connections, b) The impact of climate change adversely affected our water supply in the dry seasons in many Towns, c) financing gaps, which delayed the implementation of our Projects. The Board has come up with measures to address the major challenges, which are hampering the delivery of services to our esteemed customers.

The Board is sourcing for funds to replace the Kampala Water Pipe Network to reduce NRW. Climate adaptation measures have been put in place in all Operational Areas. The Board continues to engage the Government, Development Partners and other Stakeholders to continue supporting our investment plans.

Notwithstanding the above challenges, the Board remained focused on its stewardship and oversight roles and I am pleased to inform the Stakeholders that the Corporation registered a number of achievements during the Financial Year 2020/21. The Corporation generated Total Income of UGX 461 billion, a decline of 0.5% from UGX 463.2 billion in the FY 2019/20. The revenues had been expected to decline by 10%. The Board instituted Expenditure control measures which led to a reduction in Operating Expenditure by UGX6 billion from UGX 360 billion in the FY2019/20 to UGX 354 billion in the current year. The Operating Profit increased by UGX 3 billion from UGX 103 billion in the FY2019/20 to UGX 106 billion in the current year.

Water production grew by 3% to 144 million cubic meters, a reflection of the investments made in revamping the water facilities across the Country. The water and sewer networks were extended by 444 Km and 23 Km respectively, in a bid to serve more Ugandans. We connected 52,012 new consumers, bringing the total number of consumers to 775,794 in 258 towns.

UGX 461 bn

Total Income generated

Reduction in Operating Expenditure of

UGX 6 bn

Operating Profit increased by

UGX 3 bn

Water production grew by

3% to 144 million m³

Water and sewer networks were extended by

444 Km & 23 Km

respectively

52,012

new consumers connected

Developing a strong Infrastructure base is the cornerstone of our Strategic Plan. It gives me great pleasure therefore, to inform the Country that despite the procurement delays, land acquisition challenges and the impact of COVID-19, the Board completed the construction of the Katosi Water Treatment Plant during the year. It will add 160,000,000 liters of water each day for our consumers in the Kampala Metropolitan Area. This is a big relief to the residents of Kampala East, Mukono and surrounding Areas, which have been experiencing intermittent water supply for many years.

With the increased supply, the focus is now on ensuring that we identify and resolve any isolated water challenges that may still exist in the above areas. Arrangements are underway to officially unveil the project to the Country. Every Ugandan will be invited to a virtual tour of the magnificent Katosi Water Treatment Plant, to take pride and ownership in the Project.

The Board is also implementing a number of other Infrastructure Water Projects across the Country and they include the following;

- **The Integrated Program for Improving Living Conditions of People in Gulu** which will draw water from River Nile at Karuma and transmit it for a distance of 80 km to Gulu City. Six other towns enroute will also benefit from the project. The contracts for construction of the Water Treatment Plant and the Transmission Mains are expected to be signed by 31st March 2022.
- **The Water and Sanitation Infrastructure Project for the Isingiro, Mbarara and Masaka Areas** will draw water from River Kagera for production and domestic use in the mentioned towns. The existing infrastructure will also be rehabilitated. The Project will serve additional 75,000 people. Construction works are expected to commence in March 2022.
- **The rehabilitation and expansion of the Mbale Water Supply Schemes** under the Integrated Water Management Development Project (IWMDP). The tenders for construction works are expected to be issued out in March 2022.
- **Feasibility study for the development of the water facility for Adjumani** is in the final stages. The design stage has commenced and is expected to be completed in March 2022.
- The rehabilitation and expansion of the Kapeeka Water Supply Project

will be completed by the end of March 2022 and is expected to improve production from 2,500 m³/day to 5,000 m³/day.

- The rehabilitation and expansion of the Sembabule Water Supply Project has been substantially completed. The Plant is able to produce 30,000,000 liters of water each day up from the current 300,000 liters.
- The continued implementation of the Service Coverage Acceleration Project (SCAP 100) in all the 258 towns.

Significant progress was registered on the above projects and the Board remains committed to completing the ongoing Projects in time. The above investments are in line with the theme of our Corporate Plan, which is focusing on Infrastructure Growth and Improved customer services. This is consistent with NDP III, the SDGs and the NRM Manifesto.

The Board will not lose sight of the need for equity in the provision of Water and Sanitation services. We are giving considerable attention to developing Public Stand Posts, extending water to the urban poor population, geographical expansion across the Country and maintaining a pro-poor tariff equivalent to UGX 50 per 20 liter jerrican of water. 24,867 public standpipes have been installed across the Country to increase access to water by the under privileged Ugandans.

The FY 2020/21 marked the end of the Corporate Plan, 2018-21. The Corporation is proud of the many achievements that were registered during that past three years despite the challenges encountered. The Board has developed a successor Corporate Plan covering the period 2021-24, which takes account of the lessons learned and promises to be transformative, accountable and deliver services sustainably.

The Corporate Plan, 2021-24 will focus on; a) Revamping, expanding and developing new Water and Sanitation

Infrastructure across the Country, b) Supporting Industrialization, c) Strengthening the Financial Sustainability of the Corporation, d) Developing a more skilled, motivated and healthier workforce, and e) putting emphasis on Green Economy.

I take this opportunity to pay tribute to Mrs. Faridah Mayanja Mpiima, who retired from the Board after serving the Corporation for many years. She will be remembered for her distinguished service to the Corporation and to the people of Uganda for the time she was on the Board. She will be missed by the Board, Management and the entire Staff of NWSC. We wish her success in her new endeavors. Faridah will forever remain part of the NWSC family.

I would also like to congratulate Ms. Josephine Kasya and Eng. Joseph Oriono Eyatu upon their appointment to the NWSC Board. I sincerely thank them for accepting to serve and have no doubt that their wealth of experience will enrich the Board. I warmly welcome them to the NWSC family.

On behalf of the Board of Directors, I take this opportunity to thank the Government of Uganda, our Development Partners, our Esteemed Customers, the Management and staff of NWSC, and all other Key Stakeholders for their contributions made during the year. We hope that this partnership will continue to flourish and we pledge to do our best and ensure that we take the Corporation to greater heights.

For GOD and my Country.



Eng. Dr. Badru M. Kiggundu
Chairman, NWSC Board of Directors





Statement of the Managing Director



Dr. Eng. Silver Mugisha
Managing Director

Throughout the FY 2020/21, the Board and Management of National Water and Sewerage Corporation has shared with our stakeholders, through a variety of fora, many of the things we have done, and continue to do in response to the COVID 19 Pandemic. All these efforts have been undertaken to keep the Corporation operationally and fiscally strong, to promote and meet the expectations of our customers as well as the employees who deliver the service. Because of these operational efforts and the related engagements we have had, I do not intend to make the Pandemic and our related response a prominent focus of this message.

I would however like to draw attention to what we do at NWSC to help ensure our preparedness, our resilience and our overall sustainability under emergency conditions of all types. As you might expect, any efforts we undertake in these areas are all about assessing and managing risks associated with our operations as effectively as we can.

We have strengthened our risk management function creating a fully-fledged department within our structure. Regular reports are provided to the Board Committee responsible for overseeing the effective implementation of relevant systems and processes for managing risk. In addition, we have engendered the risk management in our budgeting and planning function, and the various performance improvement programmes aimed at effective service delivery. Therefore, our Risk Management Program continues to be at the heart of our ability to effectively anticipate, and therefore mitigate the effect of emergencies of various types.

● Infrastructure expansion and upgrade

Our commitment to emergency preparedness and its impact on business continuity is significant. That commitment is not just a matter of preparing for emergencies in the near term, but also, designing and constructing infrastructure to mitigate potential threats relative to water supply and distribution well into the future. To step up water and improve supply reliability and service coverage, we continued with implementation of the 100% Service Acceleration Project (SCAP100), with focus on mains extensions to the virgin areas, installation of Public Stand Posts (PSPs), commonly known as Public Taps in various villages and strengthening the existing water infrastructure to support the increased water demand. Over 3,700 PSPs were installed in the various locations. The PSPs are relatively affordable given their lower tariff compared to other consumer categories, with the vendor price per jerrican going for UGX 50/-. In addition, 444 km of water mains extensions were implemented to reach out to more virgin areas in the various NWSC towns. The performance in water mains extensions was relatively low compared to last FY 2019/20. This is because, with limited cash flows arising from the effect of the COVID 19 Pandemic, more focus was put on availing connections to people and ensure the existing lines are fully charged.

The SCAP100 project implementation period is expiring in June 2022, but with good feedback so far received from the various communities where the project has been implemented, we're are working with the Board to secure extension of the project implementation period to reach more Ugandans.

In addition to SCAP100, the Corporation made substantial progress in implementation of other Water and Sanitation investment projects, notably the completion of; a) Katosi – Kampala Drinking Water Treatment Plant with capacity of 160 million liters per day project and a 52 km transmission main from Katosi to Kampala; b) Fort portal water production improvement and c) Sembabule water supply improvement projects. The completion of these projects has greatly augmented the efforts made under the SCAP100 of ensuring

sustainable supply in the project areas. As at 30th June 2021, a number of projects were in progress and at planning stage. We shall continue working closely with the Government, Development Partners and other stakeholders to ensure that the ongoing projects are fast-tracked and completed on time, and also secure funding and approval for all the projects that are still at the planning stage.

● Customer Growth

Other significant developments included robust customer Growth in our various areas of operation. The addition of 52, 0000 connections to our customer base, with over 3700 pro-poor connections is a clear demonstration of our commitment and relentlessness to serve more Ugandans. We shall continue reaching out to more Ugandans, while ensuring affordability and willingness to pay through intensification of the pro-poor Public Tap Connections.

In addition to water supply, we are also committed to raising the Sanitation profile. Management, together with the Board are working out modalities to ensure NWSC has increased presence in areas of Sanitation. We have prepared a Sanitation Investment Plan (SIP) with focus on Sewer Expansions and extensions, improvements on sewer treatment facilities, construction of communal and public toilets, construction of faecal sludge systems and procurement and deployment of cesspool emptiers. In line with the SIP, we shall ensure a well-developed, financed and implemented Sanitation Acceleration Plan (SAP45).

● Financial Resilience and Sustainability

Although the ongoing pandemic has severely impacted many businesses, we are fortunate that the Corporation continued to register progress on the financial axis. With implementation of cost optimisation measures, we managed to register Earnings before depreciation of UGX 106 billion compared to UGX 103 billion registered in the FY 2019/20. Our billings grew by UGX 6 billion, from UGX 424 billion in the FY 2019/20 to UGX 430 billion, notwithstanding the shortfall in our target of UGX 465 billion. We shall continue implementing frugal measures that aim at delivering sustainable and reliable services to our customers

● Going forward

The FY 2020/21 marks the end of the Corporate Plan 2018-2021. As we edge forward, first I would like to thank the Board, Management and staff for the valuable contribution towards the development of the Successor Plan 2021-2024. The Corporate Plan 2021-2024 clearly articulates our strategy and plans for our customers and stakeholders. It's a well thought plan that engenders the current challenges related to the impact of COVID 19 pandemic, growth in

geographical coverage that has created pressure on the existing infrastructure and the environmental degradation that has greatly affected the water sources. Our strategic intent includes the following five strategic priorities:

- a) Support industrialization as a critical driver for economic development and transformation.
- b) Development of Water and Sanitation Infrastructure to accelerate service coverage and to promote production and productivity.
- c) Effectively contribute to a more skilled, better motivated and healthier workforce. Human capital is the most important resource for the Corporation.
- d) Support the strengthening of the private sector given the need for a private-sector-led economy.
- e) Enhance the Corporation's health and sustainability as a going concern.

The Plan has been structured in such a way that it covers a three year period in line with NWSC Act. However, the Goals, targets, strategies and key deliverables span for five years to effectively align NWSC strategic intent with the overarching National Strategy and Policy Framework of the National Development Plan (NDPIII). On behalf of Management, I pledge our commitment to the successful implementation of the Plan and its aspirations.

● Acknowledgement and Appreciation

Allow me to take this opportunity to extend my gratitude to the Ministry of water and environment as well as Ministry of Finance, Planning and Economic Development for their unwavering support, especially during the financial year ended June 2021. The guidance that these Ministries provide is invaluable in improving water and sewerage services in Uganda.

On behalf of NWSC, let me also take this opportunity to congratulate our Ministers; the Minister of Water and Environment and State Minister for Environment for the reappointments. I wish also to welcome the newly appointed State Minister for Water, Hon. Aisha Ssekindi. As a Corporation, we pledge our total cooperation, and we look forward to your continuous support and guidance.

In the same breadth, I wish to thank our development partners who are always willing to augment our resources. We wish to thank the Parliamentary Committee on natural resources for providing the necessary guidance on complex

matters that form part of the water sector. We give absolute assurance that we shall continue upholding the mandate of the Corporation.

We also wish to acknowledge the contribution that we get from members of the public, especially the innumerable stakeholders in the water and sanitation sector. It is through your feedback, partnerships and progressive association that the NWSC continues to make enormous strides in the Sector.

A special word of thanks goes to the Board for the dedicated strategic guidance over the last financial year. We are indeed grateful to all the Board members for their collective guidance on matters critical to the Corporation and for mapping our Strategy for the next three years.

Last and certainly not least, I wish to thank management and staff for the continued dedication and drive to contribute towards the NWSC's success and aspiration of being the Leading Customer Service Oriented Utility in the world.

I thank you all, and I am looking forward to a more fruitful and successful financial year 2021/22.



Dr. Eng. Silver Mugisha
Managing Director

Leading by example; Dr. Eng. Silver Mugisha at one of our Industrial consumers (UMEME) in Kampala.





Our Governance and Leadership



● Overview

There are two layers of leadership that govern the affairs of the Corporation; The Board of Directors and Executive Management. These bodies complement each other in the execution of our mandate.

● The Board of Directors

The NWSC Board is comprised of eight (8) Non-Executive members and one (1) Executive member, the Managing Director. According to the NWSC Act CAP, 317 Section 8 (1), appointment of the Board of Directors (except for the Managing Director who is appointed by the Board) shall be done by "the Minister of Water and Environment" and this appointment will be for three years, with eligibility for reappointment for another term. The Board is accountable to the Minister of Water and Environment.

The Board plays the following key Roles;

- Developing policies to guide the operations of the Corporation, taking into account the interests of the various stakeholders.
- Putting in place the Corporate Plan that serves as a broad framework for guiding Management in the medium and long- term, including development of strategy for Major Investments, Acquisitions and Disposal of Assets.
- Approval of Major Capital Expenditure in the Corporation.
- Risk Management and monitoring of operational and financial performance.

- Reviewing and approving Accounting Policies, Financial Statements and Annual Reports.
- Reviewing and approving the Corporation's Annual Budgets and Forecasts.
- Authorizing material borrowings and changes to the Corporation's Capital Structure.
- Appointment of the Managing Director, Management and staff.
- Overseeing and reviewing the effectiveness of the Risk Management and Internal Control Systems.

The Board has constituted five different Committees to enable it discharge its mandate in a more efficient and timely manner. The recommendations of the Board Committees are presented to the full Board for review and final approval. The Board Committees in place include;

Audit Committee

Oversight and integrity of the financial statements and performance reports.

Risk Management Committee

Overseeing the identification, classification and management of risks.

Human Resources, Legal and Administration Committee

Oversight of the human resource policies, health and safety, corporate structure, recruitments, retention, exit and legal affairs.

Finance and Planning Committee

Oversight of resource mobilization and allocation, Annual Budgets, Corporate Plans and Financial Reporting.

Technical Services Committee

Oversight on infrastructure planning, development and operational efficiency.

● Key Board Achievements for the FY 2019/20

During the year, the Board oversaw the completion of the Katosi Water Treatment Plant, which will produce additional 16 million liters per day as explained on Page 12-13.

The Board is also implementing a number of other Infrastructure Water Projects across the Country and they include the following;

- **The Integrated Program for Improving Living Conditions of People in Gulu** which will draw water from River Nile at Karuma and transmit it for a distance of 80 km to Gulu City.
- **The Water and Sanitation Infrastructure Project for the Isingiro, Mbarara and Masaka Areas** will draw water from River Kagera for production and domestic use in the mentioned towns.
- **The rehabilitation and expansion of the Mbale Water Supply Schemes** under the Integrated Water Management Development Project (IWMDP). The Project is at the design stage.
- **The development of the water facility for Adjumani** is in the final design stage.
- **The rehabilitation and expansion of the Kapeeka Water Supply Project** will be completed by the end of March 2022 and is expected to double production to 5,000m³/day.
- **The rehabilitation and expansion of the Sembabule Water Supply Project** is substantially completed and will produce 30 million liters of water each day from the current 0.3 million liters per day.
- The continued implementation of the **Service Coverage Acceleration Project (SCAP 100)** in all the 258 towns across the Country.

Significant progress was registered on all the above Projects and the Board is determined to deliver them in time.

● Key Priority Areas for the Board over the next 3 Years

NWSC has developed a Corporate Plan covering the period 2021-2024, which is in line with the National Development Planning Framework (NDPIII) – 2020-2025 and will focus on; Supporting Industrialization, expanding the Infrastructure base, skilling and developing the workforce, collaboration with the Private Sector, Green Economy and strengthening the Corporation's asset and financial base.

● Board Skills, Experience, Gender and Age

The Board has appropriate balance of skills, experience and diversity of expertise to enable it discharge its duties and responsibilities effectively. Table 3 below shows the individuals that served on the Board during the FY 2019/20.

● Directors Remuneration

The total remuneration paid to the Board of Directors during the period under review is summarized in Table 4 below

Table 3: Directors Remuneration (UGX)

Directors	2021	2020
Managing Director	561,848	635,650
Non-Executive Directors	204,900	300,785
Total	766,748	936,435

The Managing Director is an Executive Director and full time staff who is entitled to monthly salaries and allowances. All other Directors are Non-Executive Directors and receive only retainer fees and allowances.

Table 4: Board Skills, Experience, Gender and Age

Name	Professional Background	Occupation	Gender	Age Range
Eng. Dr. Badru Kiggundu Malimbo (Board Chairman)	Civil Engineer	Senior Presidential Advisor (Infrastructure and Works), Associate Professor, Dept. of Civil Engineering, Makerere University, former Chairperson of the Electoral Commission of Uganda.	M	>70
Rt. Hon. Daniel Kidega (Board Member)	International Trade Policy and Law	Vice Chairman of the Makerere University Council, Chairman Board of Directors of Horyal Investment Holdings Ltd (Atiak Sugar), former Speaker East African Legislative Assembly.	M	45-50
Ms. Rachel Ciconco Mbabazi (Board Member)	Business Administration	Board Member Rice Association of Uganda, Africa Infrastructure Development, Hong Kong and East African Community Rice Platform.	F	45-50
Col. (Rtd) Stephen Mwesige Basaliza (Board Member)	Military Officer, Lawyer, Teacher	Retired Military Officer	M	60-65
Ms. Onyiru Sarah (Board Member)	Social Worker	Project officer, Civic Education Project with the Centre for Basic Research	F	40-45
Mr. Runge George Muzungyo (Board Member)	Accountant	Tax Manager, Nexia HMS Associates-Certified Public Accountants of Uganda	M	55-60
Josephine Kasya (Board Member)	Teacher	Former District Chairperson – Kanungu District	F	60-65
Eng. Joseph Oriono Eyatu (Board Member)	Civil Engineer	Director, Directorate of Water Development, Ministry of Water and Environment	M	55-60
Dr. Eng. Silver Mugisha (Managing Director)	Civil Engineer	Managing Director, NWSC	M	51-55

NWSC Board of Directors





Our Board Of Directors



Eng. Dr. Badru M. Kiggundu

Chairman Board of Directors

Eng. Kiggundu holds a PhD in Geotechnical/Bituminous Materials from the University of New Mexico (USA), Masters in Civil Engineering and a BSc. Civil Engineering, both from Carnegie-Mellon University (USA).

He is a registered civil engineer and a fellow of the Uganda Institution of Professional Engineers with over 50 years' experience in the field of Civil Engineering. He is formally affiliated with the American Society of Civil Engineers, Association of Asphalt Paving Technologies (AAPT).

He is currently a Senior Presidential Advisor (Infrastructure and Works), An Associate Professor, Dept. of Civil Engineering, Makerere University and the Chairperson, Projects Steering Committee for the Karuma and Isimba Hydro Power Projects under the Ministry of Energy and Minerals Development, among others. He previously served as the Chairperson, Electoral Commission of Uganda (2002-2016) and Dean, Faculty of Technology, Makerere University (1999-2002).



Rt. Hon. Daniel F. Kidega

Board Member

Rt. Hon. Kidega holds Masters of Science and post graduate Diploma in International Trade Policy and Law, Lund University, Sweden in collaboration with Eastern and South Africa Management Institute (ESAMI), Arusha and a Bachelor of Business Administration (Marketing) from Uganda Christian University.

He is currently the Vice Chairman of the Makerere University Council and the Chairman Board of Directors of Horyal Investment Holdings Ltd (Atiak Sugar). He previously served as a Member and Speaker of the East African Legislative Assembly (EALA, 2014-2017) and a Youth Member of Parliament (North) in the Uganda National Parliament (2006-2011), among others.



Ms. Rachel Mbabazi Ciconco

Board Member

Ms. Mbabazi holds a Bachelor of Science in Business Administration from Strayer University, Washington, DC, USA. She has vast experience in Management and sits on several Boards of various companies in the Country, including but not limited to; Rice Association of Uganda (Chairperson), Africa Infrastructure Development, Hong Kong and East African Community Rice Platform.

Our Board of Directors cont'd



Col.(Rtd) Stephen Mwesige Basaliza
Board Member

Col. Basaliza holds a Masters of Arts in Human Rights and a Bachelor's degree in Social Sciences, both from Makerere University. He also holds a Bachelors of Law degree from Uganda Pentecostal University and a Diploma in Education, Business Studies from Makerere University. Col. Basaliza is a graduate of the prestigious Senior and Command Staff College, Kimaka where he attained the award of Passed Staff College, PSC(U).

Col. Basaliza possesses vast Management experience having previously represented the people of Burahya County in the Uganda National Parliament (2001-06), served as the Commissioner Uganda Human Rights Commission (2012-18) and served in Uganda Revenue Authority under the Anti-Smuggling Unit, among other key Management positions.



Ms. Sarah Onyiru
Board Member

Ms. Onyiru holds a Master of Arts in Development Studies from Uganda Martyrs University, Nkozi, a post graduate Diploma in Project Planning and Management from Uganda Management Institute and Bachelors of Arts degree in Social Sciences from Makerere University.

Ms. Onyiru is an experienced Manager having served on different Boards, namely; Board of Directors, Arua Diocese Media Centre (2014-17) and Community Resource Enterprise Activity Management (CREAM), (2015-2019).

She has previously served as a Presidential Advisor on West Nile region under the Office of the President and a Project Officer, Civic Education Project with the Centre for Basic Research, among others.



Mr. George Runge Muzungyo
Board Member

Mr. Muzungyo is a Chartered Certified Accountant with over 15 years experience in Tax and Revenue Administration at both Technical and Management levels. He is a fellow of the Association of Chartered Certified Accountants (ACCA), UK. He holds a Bachelor of Science degree of Economics/Geography and a post graduate diploma in Tax and Revenue Administration. He is also a member of the Institute of the Certified Public Accountants of Uganda (ICPAU).

He currently works as a Revenue Advisory consultant for the Oxford Policy Management (OPM). He previously worked as a Manager Audits, Uganda Revenue Authority.

Our Board of Directors cont'd



Eng. Joseph Oriono Eyatu
Board Member

Eng. Eyatu holds a Masters in Business Administration specializing in Strategic Planning from Herriot-Watt University, Edinburgh, Scotland, UK, Masters in Urban Engineering from Loughborough University, UK and a BSc. Civil Engineering from Makerere University. He is a registered Civil Engineer and a member of the Uganda Institute of Professional Engineers (UIPE). He currently serves as the Ag. Director, Directorate of Water Development. He is also the Commissioner, Rural Water Supply and Sanitation Department.

Eng. Eyatu also serves as a member of the Engineers Registration Board (ERB). He previously served as a chairman Regional Project Steering Committee Member for Uganda (2006-2013).



Ms. Josephine Kasya
Board Member

Ms. Kasya is a teacher by profession, with a Grade 3 Certificate in Education, who has been involved in local governance for over three decades, with a strong bias in community development and gender equality.

She possesses a Certificate in good governance, Certificate in Information and Communication Technology 2021 from Ifrane, Morocco and a Certificate in Women Leadership 2008, from Dares Salaam, Tanzania.

She previously served as the District Chairperson (July 2001- July 2021) where she was awarded as the first woman Local Government Chairperson in Uganda. Prior to that she had served as the Vice Chairperson for Rukungiri District (1998-2001). She is passionate about empowering rural women to achieve their potential.



Dr. Eng. Silver Mugisha
Managing Director

Dr Mugisha holds a PhD. in Engineering and Economics of Makerere University, Uganda. His PhD research, which was carried out in collaboration with PURC University of Florida, USA, focused on areas of performance monitoring, incentive design and productivity analysis. Dr Mugisha who is currently the Managing Director of NWSC, was previously a Chief Manager in charge of Institutional Development and External Services, at the National Water and Sewerage Corporation (NWSC).

Dr. Mugisha has been with NWSC since 1994 and has risen through the ranks of the Corporation. He has worked on external consultancies, in various organizations in Uganda, Kenya, Tanzania, Zambia, Nigeria, Ethiopia, Rwanda, India, Trinidad and Tobago among others. He has been a Board Member of the International Water Association (IWA) since 2014 and later become the Vice President of IWA. He is also the Vice President of the African Water Association (AfWA). He is a Fellow of the International Water Association and Sense Research School of the Netherlands.







Our Executive Management



Dr. Eng. Silver Mugisha
Managing Director



Eng. Johnson Amayo
Deputy Managing Director Technical
Services



Ms. Sylvia A. Tumuheirwe
Deputy Managing Director Finance
and Corporate Strategy



Ms. Edith Kateete
Deputy Managing Director Board
Affairs and Management



Eng. Alex Gisagara
Director Engineering Services



Mrs. Prossy A. Lubowa
Director Internal Audit



Mr. George E. Okol
Director Commercial and Customer
Services



Mr. Paddy Twesigye
Director Planning and Capital
Development



Mr. Francis Owot
Director Finance, Accounts and
Revenue.



Dr. Rose Christine Kaggwa
Director Business and Scientific
Services



Mahmood Lutaaya
General Manager Kampala Water



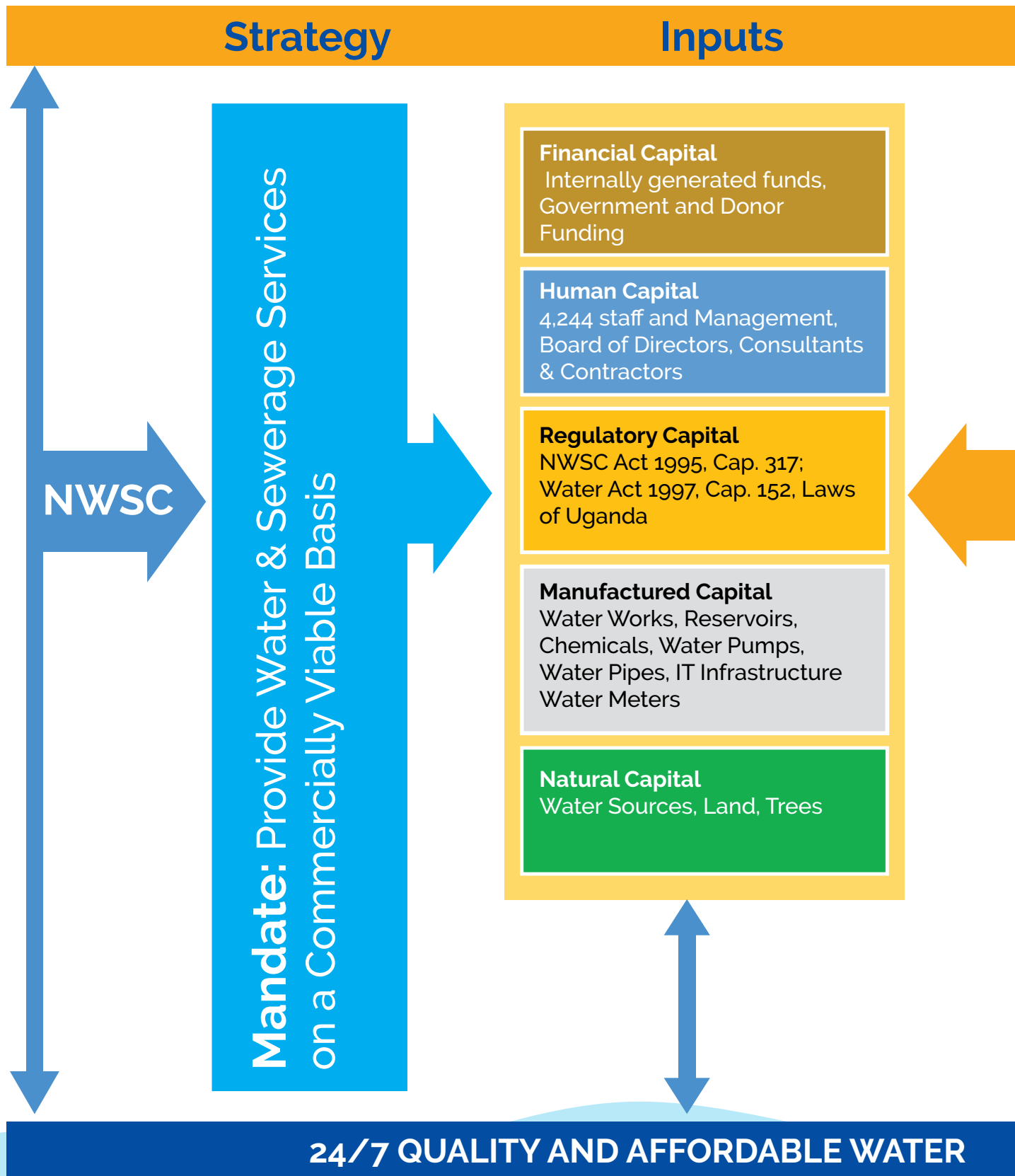
Ms. Christine Amucu
Director Human Resources.



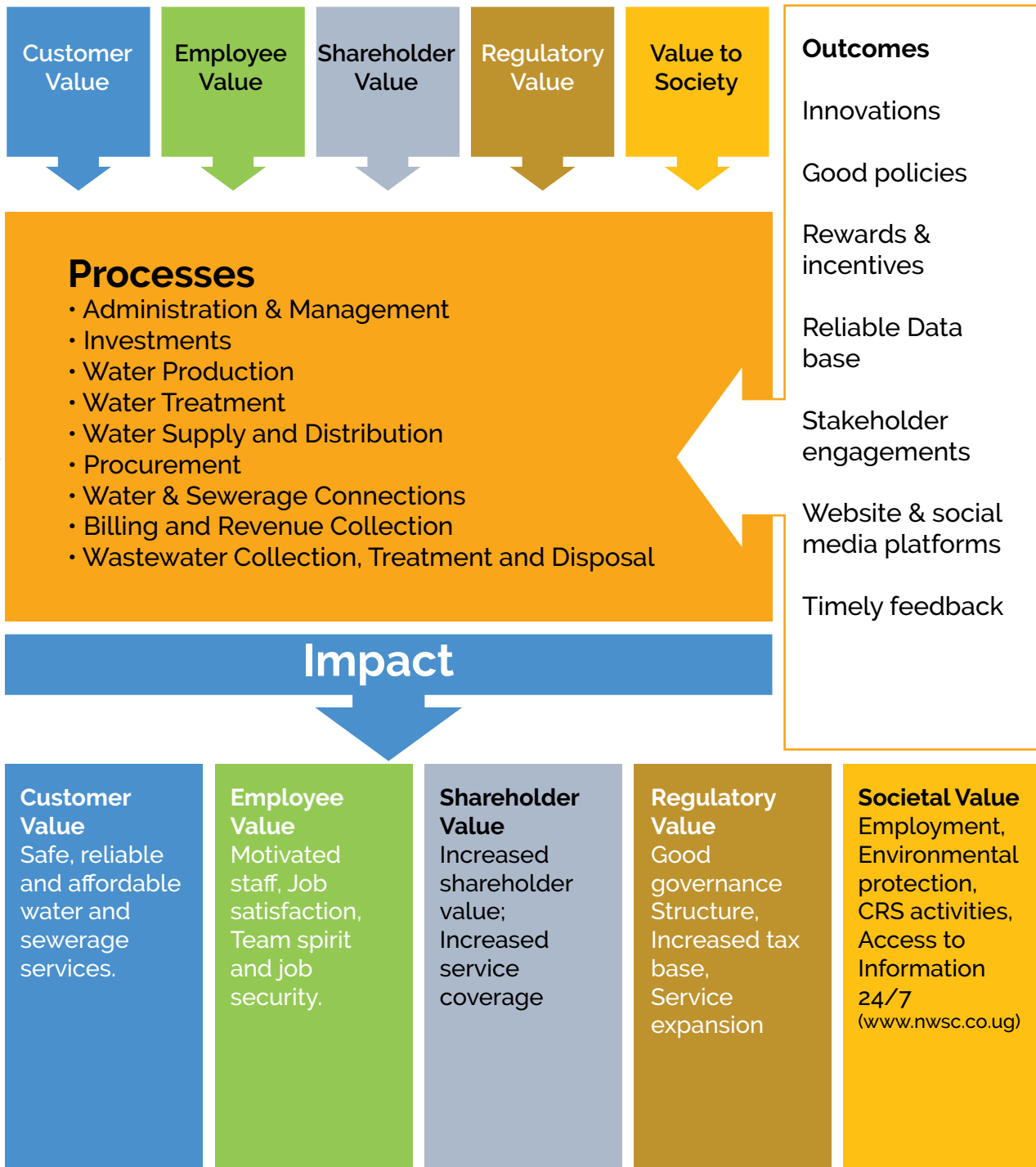
Mr. Jude Mwoga
Director Information and Business
Solutions



Our Value Creation Model



Outcomes and Impact



AND SEWERAGE SERVICES



Our Sustainability

The Corporation has adopted a Sustainability approach which is in line with the Mission “To sustainably and equitably provide cost effective and quality Water and Sewerage services to the delight of all stakeholders while conserving the environment”.



NWSC takes account of the need to meet our present development needs without compromising the ability of future generations to meet their own needs. In our business, we are conscious of the fact that there is interdependence of economic, social and environmental factors. The interests of the poor are always provided for in our planning. The measures that have been put in place to address sustainability issues go beyond the legal requirements and industry standards.

We measure our success in terms of financial performance, the quality and range of products and services we offer and how we impact on the environment and the communities in which we operate. The responsibility for implementing sustainability policies rests with the responsible Heads of Directorates. The Risk Management Department is charged with monitoring and reporting on the status of compliance with the sustainability framework.

This report measures, discloses and gives accountability to our stakeholders on the Corporation's performance towards sustainable development in line with the guidelines issued by the Global Reporting Council. We are also guided by the United Nations Sustainable Development Goals (SDGs), Agenda 2030 on Social and Economic Development, especially on clean water and sanitation, achieving food security, eradication of poverty, good health, social justice and minimizing the negative impact of climate change on the environment.

The report provides a balanced presentation of the sustainability performance, results and outcomes of NWSC for the FY 2020/21 and they are summarized under Economic, Environmental and Social Sustainability

● Economic Sustainability

The Corporation's aim is to use, safeguard and sustain resources to create long-term sustainable values. NWSC therefore, takes keen interest in supporting private sector and industries to foster economic growth of the Country.

Sustainability of the Corporation

The NWSC Act 1995, requires the Corporation to operate on a sound commercial basis with a reasonable return on investment. In line with this requirement, the Corporation made the following progress during the FY 2020/21;

Our turnover has been growing by an average of 9% annually over the last five years. This is a result of the steps taken to extend the water networks, stabilize water supply in the existing towns and growth in the number of towns from 218 to 258.

The main source of revenue for the Corporation is derived from the provision of water and sewerage services. However, we have diversified our income sources to include revenues from Consultancy Services, hire of Training facilities and provision of laboratory services in the bid to strengthen our Balance Sheet. Over the past 5 years, UGX 30 billion, (approximately USD 8 million) has been generated from consultancy services.

NWSC continues to emphasize cost optimization to improve on the efficiency in providing services. This has led to a reduction in operating expenditure by UGX 5 billion in the FY 2020/21 from UGX 360 billion in the previous year. The reduction in expenditure was achieved despite the growth in operating capacity.

The Operating Profits increased by an average of 6 percent per annum for the past 5 years. All the profits made by the Corporation have been reinvested in the refurbishment and expansion of the infrastructure. The total amount of money invested in the expansion of infrastructure, was approximately UGX 3,400 billion over the past 5 years (approximately USD. 1 billion)..

Our Impact on the General Economy

Our Contribution to the National Coffers

The Corporation is proud of its contribution to the National Treasury. We paid UGX 234 billion in taxes in the past 5 years. NWSC was recognized as one of the most compliant taxpayers in 2017, 2018, 2019 and 2020.

NWSC Supporting Industrialisation and Economic Growth

Our business directly impacts industrialization and economic development of our Country. We provide water and sewerage services to several small, medium and large enterprises which are engaged in business, agriculture, manufacturing, tourism and hospitality.

The tourism industry is the leading foreign exchange earner, and relies heavily on NWSC water and sewerage services for the comfort of their guests. Agriculture is the backbone of the Ugandan economy but it faces the challenge of unreliable rainfall patterns. The Corporation is embarking on developing affordable water schemes which will provide water for human consumption and also support agricultural production in the Country side.

Reliable and sufficient water supply is critical for the steady growth of the manufacturing sector. The Corporation is therefore implementing a number of interventions which directly benefit the industrial sector.

- a) **Provision of Water and Sewerage Services in Industrial Parks.** NWSC has been working closely with the Uganda Investment Authority (UIA), to extend water to the twelve (12) established Industrial and Business Parks in Kampala, Kapeeka, Jinja, Mbale, Soroti, Karamoja, Kasese, Mbarara and Nshara.
- b) **Creation of an industrial tariff.** NWSC reduced the unit price of industrial grade water by 42% from UGX 4,300 to UGX 2,500 per unit to support industrial development.
- c) **Supporting Local Businesses.** The Corporation traded with over 450 suppliers providing various inputs sourced from within and from outside Uganda. We fully embrace the Government Policy on "Buy Uganda and Build Uganda" (BUBU).

The industrial sector is a key priority sector in the Ugandan Economy and occupies an integral part of the Governments Social and Economic Development Plan, "Vision 2040". NWSC is mindful of this, and commits to continuous improvement in service delivery to the sector.





Gender Equality – Female KW and Head Office staff at the field visit of the Katosi Water Treatment Plant.

● Social Sustainability

The Corporation has a social obligation to both the internal and external stakeholders. We seek to balance the competing interests of all our stakeholders. NWSC goes beyond its legal mandate and obligations to extend her outreach through Corporate Social Responsibility.

Looking after the Interests of Our Staff

We aim at having a highly trained, skilled, healthy and motivated workforce at all times. The Corporation has put in place transparent recruitment, development and retention programs, which offer opportunities to all. We have a policy of Non-Discrimination on the basis of tribe, religion, gender, disability or political views. During the year under review, 162 staff were recruited bringing the total number of employees to 4,244 as at June 2021.

Gender Composition

The Corporation is an equal opportunities employer employing staff of diverse backgrounds. Table 5 below shows the gender composition in the Corporation.

Table 5: Gender Composition of Staff and Board of Directors

Category	Female	Male	Total
Board of Directors	3	6	9
Employees			
Executive Management	5	8	13
Other Staff	1,360	2,871	4,231
Total Number of Staff	1,365	2,879	4,244

Compensation and Reward

NWSC has competitive remuneration schemes. The staff are paid monthly salaries, annual gratuities and incentives based on performance. UGX 150 billion was spent on staff in the FY 2020/21 compared to UGX 151 billion in FY 2019/20. Each staff supports an average of 6 other people. NWSC therefore impacts on the welfare of over 25,000 people.

Staff Welfare

The Corporation has in place attractive welfare schemes to cater for our staff and their families. The Medical scheme is designed to treat the employees and their immediate family members. All our staff are insured under the workers' compensation plan. We have activities for sports and recreation for staff including Water Football Club. The Corporation caters fully for the funeral arrangements and expenses for the fallen employees and their immediate family members.

Thinking about the Welfare of Our Staff in Retirement

The Corporation makes prompt payments of NSSF contributions to the fund to ensure that our staff accumulate savings for their retirement. NWSC has set up a Provident Fund which is over and above the mandatory requirement of NSSF. Contributions to the fund commenced on 1st October 2019. These schemes are aimed at ensuring that the Corporation continues to attract and retain a committed workforce and that adequate provisions are made towards their retirement.

Health and Safety at work

The health and safety of our employees, customers and the general public is our greatest priority. Occupational safety and health guidelines have been developed and are monitored for compliance.

Field staff are provided with protective wear and work uniforms. Our offices are equipped with firefighting equipment. Staff are entitled to annual leave of up to 40 days, compassionate leave of 7 days and maternity leave for female staff of 60 working days.

NWSC has also put in place mechanisms to ensure security of the office premises and installations. The Corporation is concerned about the safety of the general public. We have installed Fire Hydrants at several locations across the Country from which the police fire brigade draws water for firefighting. The Corporation ensures full compliance with the COVID-19 Standard Operating Procedures which have been issued by the Government at all our premises across the Country.

Long Service Award

We have a policy of Long Service Award (LSA) scheme to reward employees who have diligently served the Corporation for over 20 years before retirement.

Such employees are rewarded with building materials to enable them put up shelters where they can settle after retirement. During the Financial Year 2020/21, UGX 32 million was spent on long service awards compared to UGX 45 million for the FY 2019/20

Trade Unions

NWSC allows freedom of association for its staff. Regular discussions are held with the unions to negotiate terms of employment and other issues affecting staff which has led to harmonious industrial relations and increased productivity over the years.

Giving Opportunities to the Senior Citizens

The Corporation increased the retirement age of staff from 55 to 60 years to ensure that it does not lose the benefit of experience and skills that senior citizens possess. This extension is also meant to give reassurance to employees that they will continue to enjoy full salary and employment benefits for the additional five years, thereby giving them more time and resources to prepare for their retirement.

Training and Capacity Development

The Corporation ensures that value adding trainings are conducted, with the view of imparting relevant knowledge and skills aimed at enhancing staff productivity. NWSC continued embarking on the journey of re-skilling and re-tooling technicians and artisan staff, through Vocational Skills Training and Development. A fully- fledged Vocational Skills Development Facility (VSDF) was constructed at Gaba with support from the German International Cooperation (GIZ).

The Gaba VSDF school offers courses for Industrial Plumbers, Electro-Mechanical Technicians, Industrial Welders, Water Quality Technicians, Sewerage Services Technicians, Photo Voltaic and Solar Energy Technicians, Customer Service Advisors, Vocational Training Instructors and Heavy Equipment Operators.

The onset of Covid-19 greatly affected the implementation of the NWSC training plans. This new reality has compelled the Corporation to rethink and refocus on how best learning could be conducted, by coming up with new innovative ways of delivering training using digital tools like zoom, skype and other online technologies.

NWSC has purchased a property in Bushenyi (Western Uganda), and is in the process of converting it into a Regional Training Center. Another training facility will be constructed in Lira City to serve our staff in the North and Eastern Regions.

Customer Engagement

The Corporation serves a diverse range of consumers categorized under; Domestic, Commercial, Institutional and Public Stand Posts. NWSC values every consumer and takes it as an obligation to supply all of them with clean and reliable water and sewerage services.

We carry out regular water quality tests to ensure that water supplied to our consumers is safe for human consumption and meets the WHO standards. We have invested in programmes aimed at taking services nearer to the people including mains extensions, water infrastructure projects and geographical coverage expansion.

NWSC aims at making water affordable to all. The Corporation has deliberately kept the tariff for the PSPs at UGX 21 per 20-litre jerrycan for over 5 years to aid access to clean water by the urban poor and rural population, benefiting more than 4 million PSP consumers across the Country.

We have set up many avenues for customers to communicate with us, including a toll free telephone line, social media platforms, NWSC website and annual customer satisfaction surveys. We make every effort to ensure that all customer complaints are promptly addressed and feedback given.

Engagement with Government

We are proud of the contribution that the Government is making in the water sector. The Government objective is to ensure 100% access to water by every Ugandan. The Corporation is committed to making a positive contribution towards that goal. The Government and the Corporation are implementing the SCAP 100 Project (100% Service Coverage Acceleration Project) which will take water to 12,000 villages from July 2017. The Government is also responsible for providing counterpart funding for Major Capital Infrastructure.

Engagement with Development Partners

The Corporation has over the years been supported by Development Partners, especially with the Infrastructure Financing. The key Development Partners include; KfW, AfDB, AFD, the World Bank, EU, EIB and the Royal Danish Embassy. We have developed good working relationships with the Development Partners and we take keen interest in ensuring that donor funds are handled with the highest level of transparency and accountability and that the funds are fully absorbed. In the past five years, Development Partners have supported the Corporation up to a tune of UGX 2,600 billion (approximately USD.705 million)

Corporate Social Responsibility (CSR)

The Corporations' core mandate is to provide water and sewerage services in Areas entrusted to it by Government. Over and above that mandate, we believe that we have a duty to make our Country a better place to live in. We also extend a helping hand to those who are underprivileged in the society.

NWSC has developed a Corporate Social Responsibility Agenda which aims at supporting religious institutions, those who are terminally ill, the youth, women groups, disabled and urban poor.

During the Financial Year, UGX 1 billion was spent on Corporate Social Responsibility compared to UGX1.5 billion the year before. In addition, our staff physically participated in activities like cleaning public places, re-painting zebra crossings, blood donations and Tree planting.

The GM-KW, Mr. Mahmood Lutaaya (extreme left), hands over donations to the Moslem community to mark the end of the Ramathan period.





DMD-Mrs. Sylvia A. Tumuhirwe (third from left) on a follow up of the trees planted during the 'One Million Campaign' exercise. Mr. Sudhir Ruparelia (left), a prominent businessman waters one of the trees planted.

● Environmental Sustainability

The prolonged droughts, flooding and encroachment on the catchment areas have presented enormous challenges to our operations. NWSC works closely with NEMA to ensure full compliance with the environmental laws. The Corporation is implementing a number of programs which are aimed at protecting the environment and they include; catchment protection measures, involving school children in water and sanitation activities and tree planting campaigns. These measures go beyond the requirement to comply with environmental laws to include voluntary measures.

Adherence to the Permit System

The NWSC adheres to the permit system as spelt out in the Water Abstraction and Wastewater Discharge Regulations, 1998. Water abstraction and discharge permits are obtained from the Ministry of Water and Environment to make sure that the use of water resources is environmentally friendly and encourages sustainable development. These controls also ensure that water is not treated as a free good but as a good with a value to be paid for.

Catchment Protection Measures

The Corporation has deep commitment to protecting our water sources and restoring the degraded water catchment areas to ensure that the quality and quantity of raw water is guaranteed for the future generations. The measures that the Corporation has put in place include; Involving the local population in catchment protection activities and incorporating catchment protection measures in all future projects.

Sensitization of communities and local leaders

Through our Area and Branch offices throughout the Country, we sensitize the local communities and their leadership about the dangers of damaging the water catchment areas, through activities like; farming, human settlement, industrial establishments, sand mining, logging. Local Source Protection Committees have been set up to coordinate the source protection activities in all the Areas. Sensitization activities are carried out through meetings, local radios, televisions, places of worship, public address systems and local markets.

Supporting Income generating activities for local communities

The Corporation realizes that the people who derive their livelihood from the catchment area tend to lose out due to regulation of activities there. We therefore involve the local

people in the catchment restoration works like planting of trees, papyrus and other grasses. The Corporation also gives financial support to the communities to engage in economic activities that do not negatively impact the catchment areas for example fishing and other regulated farming activities.

Incorporating catchment protection measures in all future projects

The Corporation has made it a policy to include catchment protection in all the major water projects that will be undertaken. We have already implemented this policy under the KW LV WATSAN Project (Katosi), Protection of Water Catchment in Gulu, Arua and Bushenyi.

The following activities have already been undertaken;

- A buffer protection through tree planting within the Katosi and Ggaba catchment areas has been set up.
- NFA donated forty-two (42) hectares of land near the Katosi Water Treatment Plant, on which NWSC has already planted 18,000 trees, for the restoration of the biodiversity lost and to maintain the catchment as a restricted area.
- 10,000 trees were distributed to local communities and have been planted in the catchment area in Arua and Bushenyi during the implementation of the water projects there.

The corporation will ensure that all water projects have components for catchment protection and restoration.

School Water and Sanitation (SWAS)

The Corporation launched the School Water & Sanitation (SWAS) Clubs in October 2014. This was after NWSC realized that School children are a critical segment of our society and need to be involved in water, sanitation and environmental issues at an early



NWSC SWAS Club members at a catchment protection campaigning exercise

age, to ensure sustainability of our business. They are the future leaders and decision makers for the Country.

SWAS started off with over 50 schools in the FY 2014/15 and currently has over 293 schools participating. The membership of the Clubs is drawn from urban and rural schools from all the four regions of the Country as per the table below;

Table 6: NWSC SWAS Club regional membership

Region	No. of Schools
Central Region	114
Eastern Region	28
Northern Region	50
Western Region	101
Total	293

The number of SWAS clubs did not increase from the previous year due to the COVID-19 lockdown

The main activities of the Clubs include; tree planting, debating, essay and poem competitions relating to water, sanitation and environmental issues and Public exhibitions. These activities are financed by the Corporation through the Annual Budgets. In the period 2014/15 to FY 2020/21, over 1 million trees were planted by the SWAS clubs across the Country. Water wells and drainages were cleaned by the clubs in the many parts of the Country. The SWAS activities were launched in Fort Portal in 8th May 2021, at St Leos College, Kyegobe by the NWSC SWAS

Patron, Mrs. Sylvia A.Tumuheirwe. Two schools participated in the launch, St Leos College, Kyegobe and Buhinga Primary School. 6,000 trees have been planted in Fort Portal by the two Schools since the launch.

The Tree Planting Campaign

The Corporation had a target of planting a million trees by 30th June 2020, which has been achieved. A new target of ten million trees has been set to be completed over the next three years. The program involves planting trees and grass along the catchment areas. It is spearheaded by the Young Water Professionals (an association of NWSC Staff who are under 35 years of age). The seedlings are provided by the National Forestry Authority (NFA) and the planting is undertaken by the Corporation across the Country.

The Corporation also plans to dedicate a tree-planting day every year for our staff to engage in environmental protection and restoration activities.

Due to the restrictions on public gatherings, activities stalled. However, members of the public who have demonstrated the ability and interest in planting trees were provided with seedlings

The NWSC Board Chairman (with hat) -Prepares to plant a tree aimed at catchment protection of the Katosi Water Treatment Plant.





Mpondwe Primary school SWAS club members preparing to plant trees.



Hon. Rebekah Kadaga with Kampala Water Young Water Professionals at the 'one million tree planting campaign' exercise



Table 7: Summary of NWSC Sustainability Performance

Category	FY 2020/21	FY 2019/20
Economic Sustainability		
Turnover (UGX '000)	461,000,000	463,000,000
Operating Expenditure (UGX '000)	355,000,000	360,000,000
Operating Profits (UGX '000)	106,000,000	103,000,000
Investment made (UGX '000)	373,000,000	365,000,000
Asset base (UGX '000)	3,800,000,000	3,500,000,000
Number of Towns	258	258
Environmental & Ecological Sustainability		
Number of Towns using Solar Pumps (Nos)	28	28
Number of towns using electrolysis instead of Chlorination	25	25
Volume of Sewerage treated and Discharged (Million litres)	141	135
Expenditure on Energy (In UGX Billions)	70.3	70.1
Social Sustainability		
Domestic Customers served	622,855	584,236
Commercial/ Industrial customers served	102,022	98,787
Institutional/Government customers served	20,135	19,383
PSP consumers served	24,892	21,600
Total number of consumers served	775,794	724,006
Water Mains Extension (kms)	444	2,135
Sewer Mains Extension (kms)	23	30
Number of customer complaints received	199,746	166,942
Number of Customer complaint handled	196,220	164,017
Resolution rate (%age of complaints resolved)	98%	98%
Number of Staff employed	4,244	4,082
Payment to staff (employee costs) UGX '000	150,045,611	151,164,016
New Water Connections	51,788	61,521
New Sewer Connections	277	280
Corporate Social Responsibility		
Amount spent on donations (UGX '000)	779,446	1,376,341
Number of beneficiaries of donations	3,879,230	3,500,000
Amount paid in taxes (UGX '000)	62,405,991	40,600,000
Human Resource Sustainability		
Number of Staff recruited	162	304
Number of Employees over 55 Years	86	86
Total number of staff + Board	4,251	4,089
Gender Composition (Staff + Board)	Female - 32% Male - 68%	Female - 25% Male - 75%
Amount spent in long time awards (UGX '000)	32,000	45,000
Amount spent on research and training (UGX '000)	368,044,000	1,675,546
Number of interns Trained	0	800



Stakeholder Engagement Materiality

The Corporation has a diverse range of stakeholders who include; **Consumers, Government, Development Partners, Suppliers, Employees and the Community**. While focusing on the implementation of supplying water and sewerage services, we take into consideration the need to balance this mandate with the needs of all the stakeholders.

We constantly engage with our stakeholders to understand their dynamic expectations and strive to meet them. Our main stakeholders and the importance attached to them are summarized in the table below;

Table 8: Stakeholder Analysis

Stakeholders	Importance	How We Engage With Them
Consumers	<ul style="list-style-type: none"> • Pay their bills • Consume our services • Give us feedback. • Market our services. • Support our growth. 	<ul style="list-style-type: none"> • Monthly meter readings and issuing of bills. • Prompt communication on service interruptions. • Annual update of customer charter. • Annual customer satisfaction surveys (CSS). • Social media platforms for customer interactions and engagements which includes; NWSC website, twitter, WhatsApp, Facebook, Youtube and Instagram. • 24 hour toll free call Centre. • Various payment options that are convenient to our customers. These include; Bank counters, direct debit, mobile money and NWSC app. • 184 branch offices spread to various parts of the Country. • E-Branch where customers can access various services like new connections.
Government	<ul style="list-style-type: none"> • Sole equity owner. • Commitment to support the provision of universal access to water. • Providing investment financing. • Providing Policy and Regulatory framework. 	<ul style="list-style-type: none"> • Present Budgets, work plans and strategies for approval. • Make quarterly and annual reports to Government. • Participate in Parliamentary Committee meetings to present our plans, achievements and challenges. • Working closely with other Government Ministries, Departments and Agencies in the implementation of Government programs. • Payment of taxes which supports Government programs. • Takeover Gazetted towns for MWE to increase coverage.
Development Partners	<ul style="list-style-type: none"> • Contribute funding to our capital development projects. • Support capacity development programmes 	<ul style="list-style-type: none"> • Provide work plans and reports on a quarterly basis. • Participate in Donor Conferences to understand their changing priorities. • Participate in project review meetings with the Development Partners. • Missions and development partners • Project Monitoring (field visits and by the Board & Management) • <u>Timely implementation of Infrastructure Development Projects</u>
Employees	<ul style="list-style-type: none"> • They run the business. • They interface with all other stakeholders. • Possess key skills required in our business. 	<ul style="list-style-type: none"> • Clear working terms and conditions of services • Written Work instructions, health and safety guidelines. • Regular meetings between Staff and Management. • Laid down procedures for resolving conflicts. • Staff social activities like sports and training workshops. • Bi-Annual Performance Appraisals and Reviews. • Whistle Blower Policy to encourage staff report wrong doings. • Coaching and mentoring with the Management teams. • Regular visits to branch offices by Management and Board through Checkers activities.

Stakeholders	Importance	How We Engage With Them
Suppliers	<ul style="list-style-type: none"> • Provide in-puts required to our business. • Provide working capital. (Credit sales) • Provides services/ works that support our business. 	<ul style="list-style-type: none"> • Advise the suppliers on the in-puts required. • Regular negotiation and review of business terms • Prompt payments of the amount owed to suppliers. • Provision of Semi-Annual Accounts. • Regular meetings with individual suppliers to resolve any trade conflicts. • Direct calls • Comfort letters to facilitate access to credit. • Confirmation of supplier balances to their auditors.
Community	<ul style="list-style-type: none"> • Gives us feedback • They are affected by our actions. • Keep an eye on our assets and infrastructure. • Assist in implementation of our projects. 	<ul style="list-style-type: none"> • Set up Water Community Communication Clubs (WACOCO) to sensitize communities about our services. • Visiting public places to market our services. • Public talk shows and sensitization programs. • School Water & Sanitation Clubs (SWAS) to create awareness about water, sanitation and environment among children and youth. • Press releases to educate the general masses about our plans, programs and challenges. • Participate in programs/seminars/workshops geared towards creating community awareness and inclusion in planning/implementation of programmes.

NWSC Management engages with the Natural Resources Committee of Parliament of Uganda





Operational Performance



The Key Performance Indicators (KPIs) for the Corporation are set out in the Corporate Plan and the GOU Performance Contract and they include the following; **Water Production, Capacity Utilization, Water Supplied, Water Sold, Non-Revenue Water, Water Mains Extensions, New Connections, Public Stand Posts installed, Billings, Collections and Compliance with the Quality Standards.** NWSC has witnessed improved performance on most of the KPIs over the years. The Performance for the FY 2020/21 was largely affected by the COVID-19 pandemic. However, despite the pandemic, the Corporation registered improvement in many areas.

● Water production

This is water that has gone through a treatment process and is ready for consumption. Production increased by 3%, from 139.7 million m³ in the FY 2019/20 to 144.1 million m³ in the reporting period, achieving 101% of the annual target of 142.4 million m³.

The increase in production is attributed to efficiency gains, infrastructure upgrades and implementation of other Capital Development Projects. This has increased access to clean and safe water to the people of Uganda.

NWSC continues to sink production wells to provide alternative water sources in the towns which are prone to adverse effects of climate change. Generators and solar systems are being installed in the plants to provide alternative source of energy for water production.

Table 9: Trend of Water Production in million m³ from FY 2013/14 to FY 2020/21

Region	Financial Years							FY 2020/21			
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Actual	Growth	Target	% Achieved
Kampala	63.8	63.8	66.3	77.2	79.0	82.8	85.1	88.0	3.4%	86.9	101%
Central	15.4	16.9	18.3	18.6	20.3	22.1	22.8	23.5	3.0%	23.0	102%
Eastern & Northern	7.0	9.8	9.5	10.8	12.5	14.0	15.4	15.6	1.0%	14.9	105%
Western & South western	7.6	9.1	11.9	13.2	14.5	16.0	16.3	17.0	4.0%	17.6	96%
NWSC Global	93.8	99.6	106.0	120.7	126.3	134.9	139.7	144.1	3.1%	142.4	101%

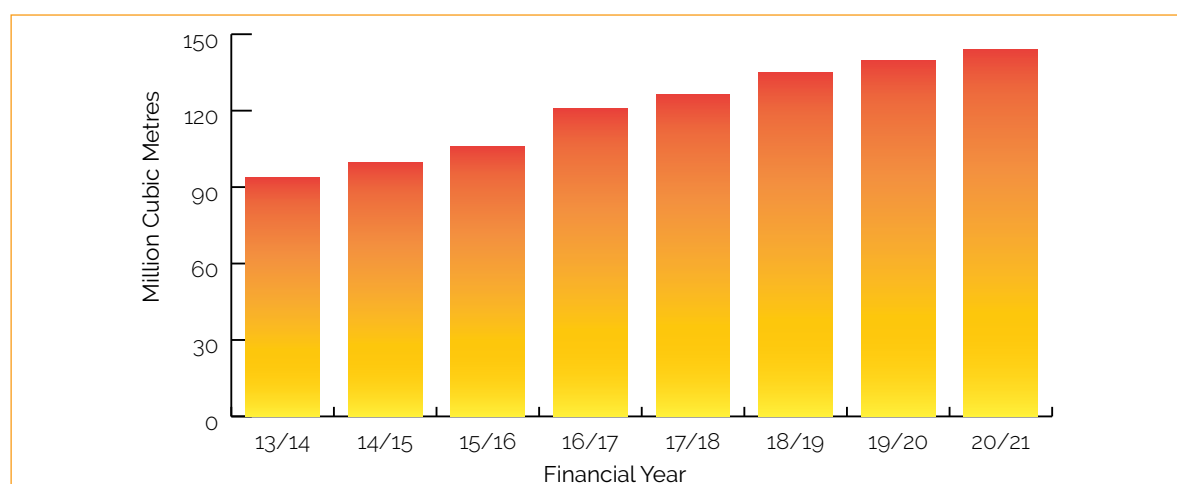


Figure 2: Growth in water production for the last eight years (2013-2021)

● Capacity Utilization

This is a measure of the extent to which the water production capacity is being used. During the FY 2020/21, the Corporation recorded 78% capacity utilization compared to 82% in the previous year. Average daily production increased from 405,091 million m³ per day in the FY 2019/20 to **554,716** million liters per day.

The Corporation is in the process of implementing a number of projects intended to increase Water Production capacity across the Country. This will ensure that we improve our services to the existing customers and also enable us extend our services to more Ugandans. Details of the infrastructure projects being implemented are explained in pages 79-107.

Table 10: Daily Capacity Utilization as at June 2021

Region	Practical Capacity m ³ /day		Capacity Utilization	
	2019/20	2020/21	2019/20	2020/21
Kampala	240,000	278,500	97%	94%
Central	91,292	95,008	68%	74%
Eastern & Northern	73,948	101,310	57%	46%
Western & South western	59,851	79,899	75%	63%
NWSC Global	465,091	554,717	82%	78%

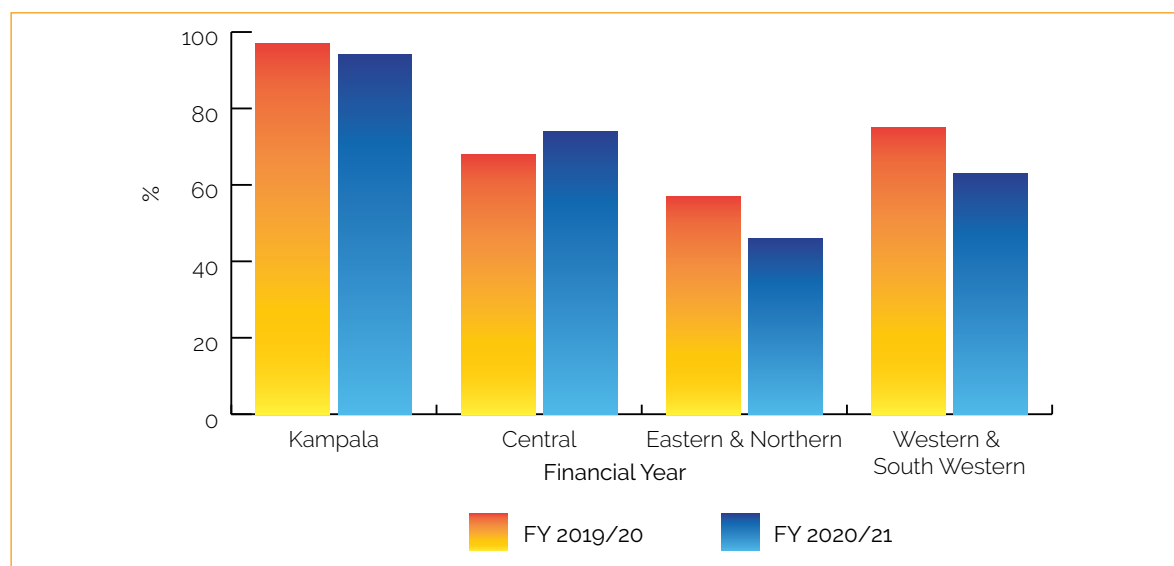


Figure 3: Regional Capacity Utilization for FY 2019/20 and FY 2020/21

● Water Supplied

This is water that enters the distribution system for use by the final consumers. The Corporation registered a growth in water supply of 4% from 131.6 million m³ to **137.2 million m³** in FY 2020/21. The Corporation achieved 99% of the annual target of 138 million m³.

Table 11: Trend of Water Supplied in million m³ from FY 2013/14 to FY 2020/21

Region	Financial Year							FY 2020/21			
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Actual	Growth	Target	% Achieved
Kampala	63.8	63.8	66.3	75.8	76.5	79.7	81.3	85.5	5%	86.7	99%
Central	15.2	15.9	16.6	18.1	19.1	20.5	21.2	22.3	5%	22.2	100%
Eastern & Northern	6.5	8.0	8.8	10.1	11.3	12.9	14.2	14.3	1%	13.4	107%
Western & South Western	7.0	8.7	11.1	12.2	13.0	14.7	15.0	15.2	1%	15.6	97%
NWSC Global	92.5	96.4	102.8	116.2	119.9	127.8	131.6	137.2	4%	138.0	99%

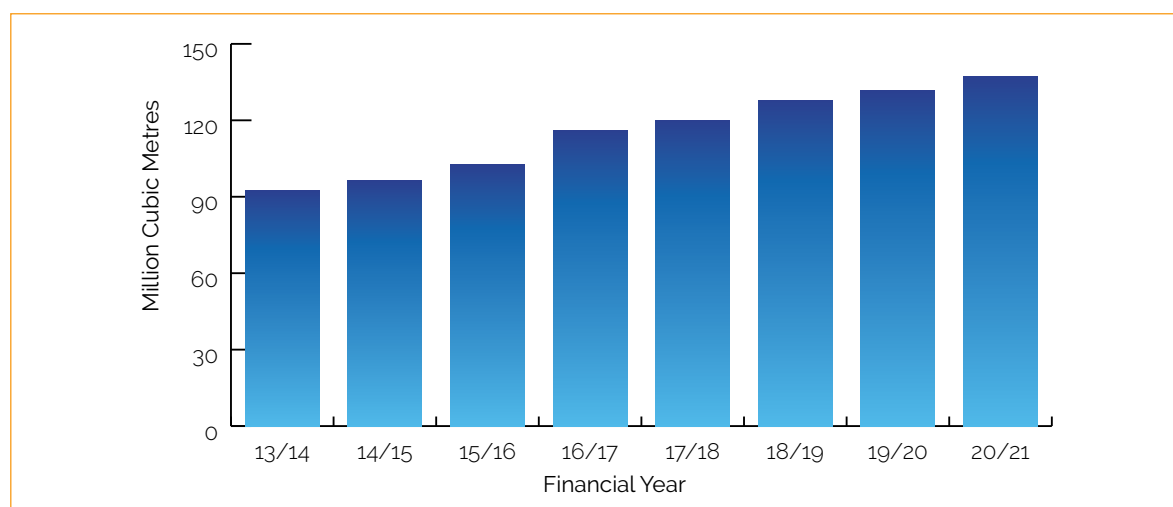


Figure 4: Trend of Water Supply in million m³ for the period 2013/14 to 2020/21

Water sales

This is the volume of water that actually reaches the customer and is billed. Water sales increased by 3% from 87.5 million m³ in the FY 2019/20 to 89.8 million m³ in the FY 2020/21. The Corporation achieved 94% of the water sales target of 95.4 million m³ in the current year. The increase in water sales was as a result of growth in the customer numbers arising from implementation of SCAP 100 and efficiency gains from the recently completed water projects in Kapchorwa, Fort-portal, Arua, Bushenyi and Gulu..

Table 12: Trend of Water Sales in million m³ from FY 2013/14 to FY 2020/21

Region	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21			
								Actual	Growth	Target	% Achieved
Kampala	40.3	42.5	45.2	47.7	48.8	52.2	49.2	50.8	3%	54.0	94%
Central	9.7	11.1	12.9	14.6	15.0	16.1	15.8	16.5	5%	17.8	93%
Eastern & Northern	5.4	6.1	7.1	8.4	9.2	10.5	10.8	10.7	-2%	10.6	100%
Western & South Western	5.7	6.7	8.7	9.6	10.1	11.7	11.7	11.8	1%	13.0	91%
NWSC Global	61.1	66.4	74.0	80.2	83.2	90.5	87.5	89.8	3%	95.4	94%

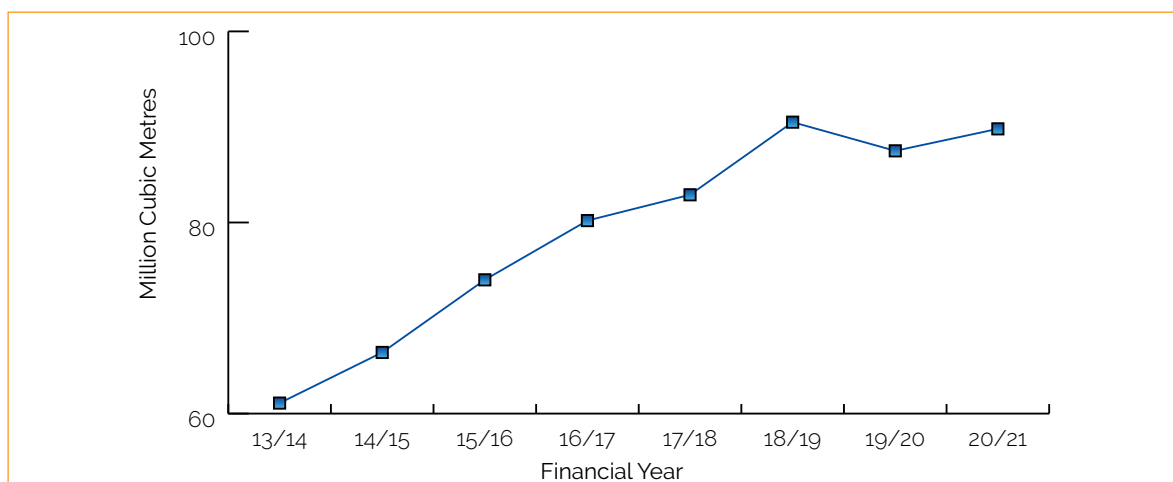


Figure 5: Trend of Water Sales in million m³ from FY 2013/14 to FY 2020/21

● Non-Revenue Water (NRW)

This is water that is supplied into the distribution system but is not billed. NRW is caused by;

- Damages caused to water pipes due to road construction.
- Leakages from the old pipe network which requires replacement.
- Under registering of meters due to old age of some meters.
- Water theft through illegal connections.

The Corporation recorded Global NRW of 34.6% in the FY 2020/21, compared to 34% in the FY 2019/20. Kampala Water registered NRW of 40.6%, Central Region (25.8%), Eastern & Northern (25.3%) and Western & South Western (22.5%).

The Corporation has put in place the following measures to reduce Non-Revenue Water;

- 100,000 meters will be serviced and at least 10,000 faulty meters will be replaced per quarter.
- The Water Loss and Prevention Units will be strengthened to ensure efficiency in dealing with cases relating to water theft.
- We are engaging the Community for effective reporting and prosecution of illegal water users.
- All reported pipe bursts and leakages are being attended to promptly.
- Management is sourcing for funds to replace the old pipe network in the long term

Table 13: Trend of Non-Revenue Water from FY 2013/14 to FY 2019/20

Region	Financial Year							FY 2020/21			
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Actual	Decline	Target	% Achieved
Kampala	37%	33%	32%	37%	36%	35%	35%	40.6%	-3%	38%	94%
Central	36%	30%	22%	19%	21%	22%	22%	25.8%	-1%	20%	78%
Eastern & Northern	17%	24%	19%	17%	19%	18%	18%	25.3%	-8%	21%	83%
Western & S.Western	19%	23%	22%	21%	22%	20%	20%	22.5%	-2%	17%	76%
Total NWSC	34%	32%	28%	31%	31%	29%	29%	34.6%	-3%	31%	90%

● Service Coverage Acceleration Project (SCAP 100)

This is a project aimed at achieving 100% water service coverage in all the 258 towns under NWSC. It focuses on ensuring universal and equitable access to safe water by every Ugandan, in line with the National Development Plan III (NDPIII). The project commenced in July 2017 and was supposed to end in June 2020, but NWSC and Government of Uganda extended the implementation period to June 2022.

Under SCAP 100, the Corporation will extend water mains by 8,000 km, connect 140,000 new water consumers and install 20,000 Public Stand Posts in 12,000 villages. The Corporation is contributing 58% of the funds for the Project amounting to an average of UGX 41 billion per year and GoU is providing the difference, 42%, which is approximately UGX 30 billion per annum. The performance of SCAP 100 is analyzed in table 14 below:

● Water Mains Extensions

The Corporation laid 444 km of water pipes against the target of 729 km for the FY 2020/21. The lockdown which Government imposed to curb the COVID 19 pandemic delayed the implementation of the Project. The total water pipe network grew by 3% from 19,974 km to 20,495 km in the same period

Table 14: Trend of Water Mains extensions (km) from FY 2013/14 to FY 2019/21

Region	Financial Year							2020/21			
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Actual	Growth	Target	% Achieved
Kampala	83	83	157	161	358	216	73	21	-71%	169	13%
Central	100	289	189	194	430	577	516	127	-75%	172	74%
Eastern & Northern	97	393	184	188	418	785	438	109	-75%	157	70%
Western and Southwestern	190	576	358	368	816	1,150	1,107	186	-83%	231	81%
Total New Water Extensions	470	1,341	888	911	2,021	2,727	2,135	444	-79%	729	61%
Water Network from New towns		190	547	1,242	332	430	283	77	0	0	0
Growth in Water Pipe Network	6,994	8,525	9,960	12,113	14,466	17,623	19,974	20,495	3%	20,703	99%

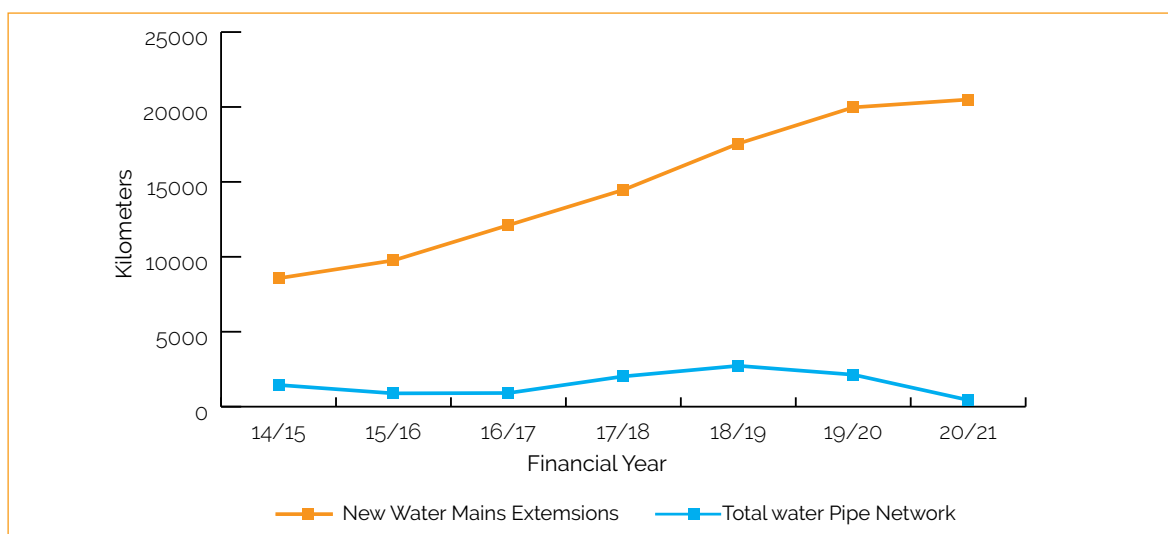


Figure 6: Growth in New Mains Extensions and Total Pipe Network from FY2013/14 to FY2020/21

● New Water Connections

The Corporation connected 51,788 new consumers during the year against a target of 55,501, representing 94% target achievement. This grew the NWSC customer base by 7% from 724,006 in FY2019/20 to 775,794 in the reporting period.

Table 15: Trend of New Water Connections (FY 2013/14 to FY 2020/21)

Region	Financial Year							FY 2020/21			
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Actual	Growth	Target	% Achieved
Kampala	15,324	14,982	18,951	20,577	25,147	32,130	28,720	23,472	-18%	27,725	85%
Central	6,106	7,630	8,253	8,330	9,883	13,959	11,389	10,599	-7%	10,896	97%
Eastern & Northern	3,341	5,026	4,796	5,271	6,215	10,387	8,978	7,657	-15%	6,852	112%
Western and South Western	3,297	6,344	6,836	6,534	9,096	12,739	12,434	10,284	-17%	10,028	103%
Total New water connections	28,068	33,982	38,836	40,712	50,341	69,215	61,521	52,012	-15%	55,501	94%
Connections from new Towns	20,970	17,719	15,326	11,752	12,865	2,079	3,328	-	-	-	-
Total Customer base	366,330	418,031	472,193	524,657	587,863	659,157	724,006	775,794	7%	779,507	100%

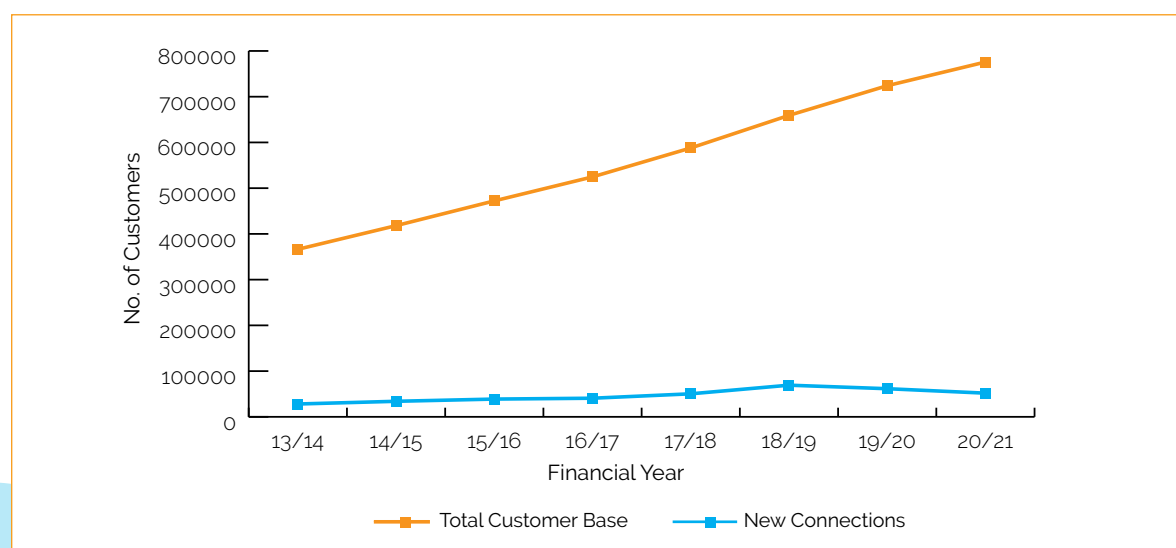


Figure 7: Growth in New Connections and Total Customer base from FY 2013/14 to FY 2020/21



Addressing the Challenges of the less privileged in Kampala with Stakeholders: The Chief Executive Director Kampala, Mrs. Dorothy Kisaka, and GM-KW Mr. Mahmood Lutaaya at one of the pre-Paid metres in Kampala.

● Public Stand Pipes (Kiosks)

The Corporation's mandate is to provide water to all people in Areas entrusted to it. We are well aware of the high number of people who are unable to afford water connections to their homes. Public Stand Pipes (PSPs) are a convenient way through which the economically disadvantaged members of the community can access clean and affordable water. Our target is to ensure that every 200 people in a cell/village have access to a public standpipe. The tariff at the public stand pipes is subsidized to UGX 21 per 20 liter jerrycan compared to the domestic tariff of UGX 70.

During the Financial Year 2020/21, the Corporation installed 3,267 new PSPs bringing the total number of PSPs to 24,867, an increment of 15% from 21,600 in June 2020.

Table 16: Trend of New PSPs from FY 2014/15 to FY 2020/21

Region	Financial Year						FY 2020/21			
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Actual	Growth	Target	% Achiev't
Kampala	43	99	36	130	74	1,355	1,643	21%	331	496%
Central	243	227	183	975	954	619	446	-28%	992	45%
Eastern & Northern	276	299	356	1,173	1,066	1,018	459	-55%	1,194	38%
Western & Southwestern	360	504	589	1,064	1,456	1,437	1,245	-13%	1,083	115%
Total New PSPs	924	1,129	1,164	3,342	3,550	4,429	3,793	-14%	3,600	105%
Total No. of PSPs	9,082	10,841	10,424	12,305	17,186	21,600	24,867	15%	25,200	99%

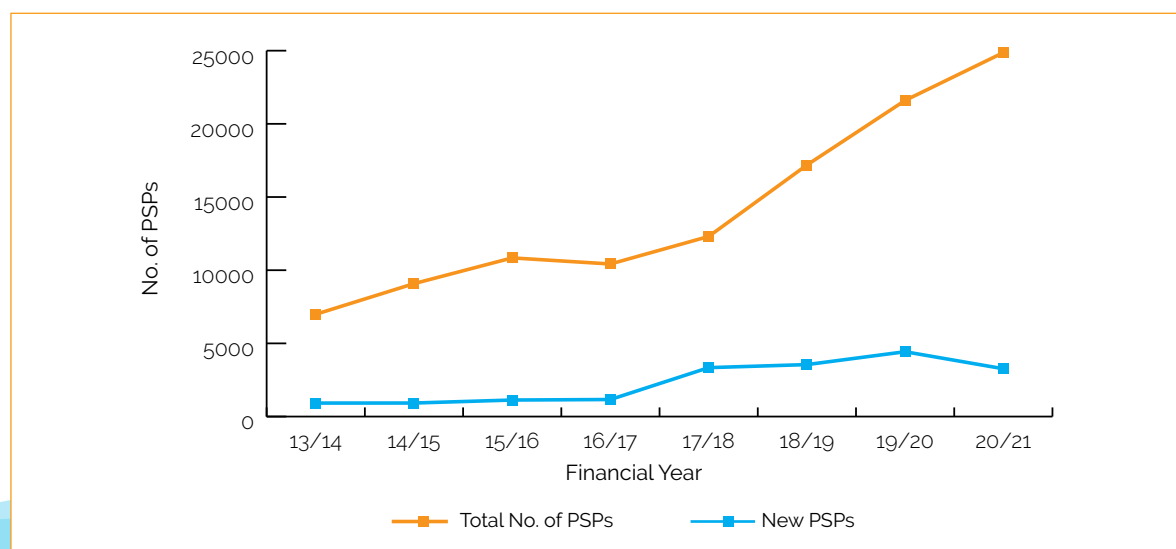


Figure 8: Growth in PSPs from FY 2013/14 to FY 2020/21

● Villages Served

The Corporation believes that access to clean and safe water is a human right that must be enjoyed by all. While access to safe water supplied by NWSC is at 85% in the urban areas, only 30% of fellow citizens in the rural areas under its jurisdiction have access. The Corporation plans to provide access to water for all people in the urban and rural areas. We do this by extending our distribution mains into the villages and developing mini water schemes.

As at June 2021, the Corporation's jurisdiction had 17,130 villages with an estimated population of 22.5 million people. Our services are being enjoyed by approximately 16 million consumers, spread out in 8,811 villages (71% water service coverage).

A number of consumers (29%) under NWSC jurisdiction are still not receiving our services. This calls for Government and Development Partners to continue supporting the refurbishment, expansion and development of our Infrastructure Projects.





● Sewer Services

NWSC operates centralized sewerage systems of collecting, treating and discharging effluent in 16 out of the 258 towns. The Corporation also operates faecal sludge treatment facilities in Buwama, Bukakata, Ntungamo, Mayuge and Kampala (Lubigi and Bugolobi, Pallisa, Apac).

During the reporting period, 216 new sewer connections were made representing 72% of the target of 300 and bringing the total sewer connections to 25,180 in June 2021.

The sewerage service coverage is still low due to the limited sewer pipe network coverage. The Corporation is developing the Sanitation Investment Plan (SIP) in the forthcoming Corporate Plan (2021-24). This will improve sanitation in all our Areas of operation.

Table 17: Total Sewer Connections as at 30th June 2021

Region	New Sewer Connections (Nos.)			Total Sewer Connections		
	Actual	Annual Target	% Achieved	Active Accounts	Inactive Accounts	Total Sewer Connections
Kampala	178	174	102%	10,957	1,027	11,984
Central	20	92	22%	4,882	706	5,588
Eastern & Northern	11	23	48%	4,435	779	5,214
Western and Southwestern	7	11	64%	2,058	336	2,394
NWSC Global	216	300	72%	22,332	2,848	25,180



Financial Performance



● Billing (VAT Inclusive)

The Corporation registered a growth in billing of 1% from UGX 424 billion in FY 2019/20 to UGX 429.7 billion in FY 2020/21. We achieved 92% of the annual billing target of UGX 465 billion. The growth in billing was attributed to increase in the volume of water sold.

Table 18: Trend of NWSC Billings (Billion Shillings VAT Inc.) from FY 2013/14 to FY 2020/21

Category	Financial Year							FY 2020/21			
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Actual	Target	% Achieved	Growth
Government	22	25	33	39	44	53	54	51.0	59	86%	-5%
Non-Gov't	174	201	260	308	347	385	370	378.7	406	93%	2%
Total Billing	196	226	292	347	390	437	424	429.7	465	92%	1%

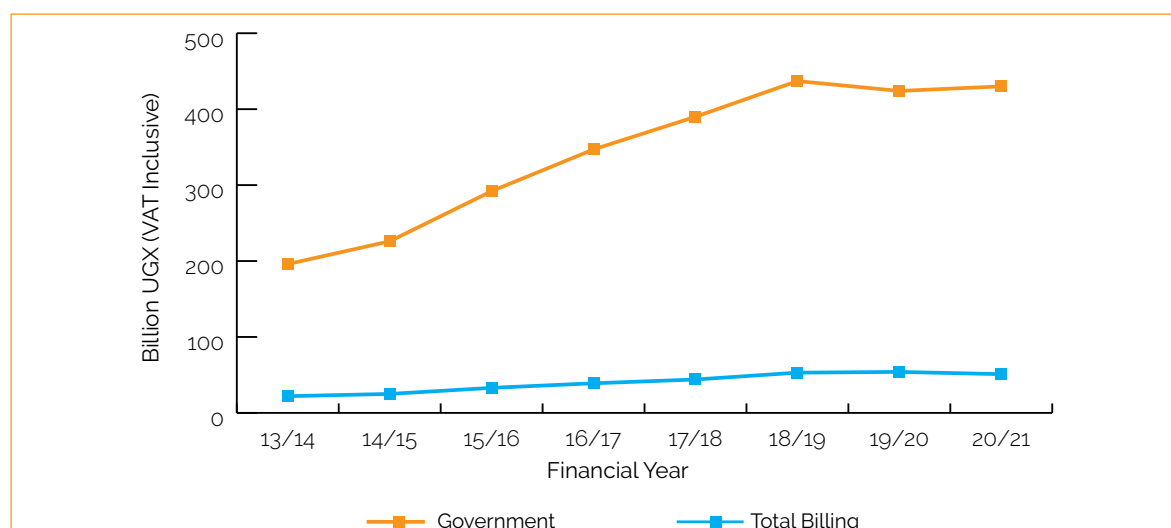


Figure 9: Trend of Billing (VAT Inc.) from FY 2013/14 to FY 2020/21

● Collections (VAT Inclusive)

The Corporation registered a growth in collections of 11% from UGX 391 billion in FY 2019/20 to UGX 435 billion in FY 2020/21, which translates into 91% achievement of the annual collections target of UGX 479 billion.

Table 19: Trend of NWSC Collections (Billion Shillings) from FY 2013/14 to 2020/21

Category	Financial Year							FY 2020/21			
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Actual	Target	% Achieved	Growth
Government	23	29	42	47	45	64	42	58	88	66%	38%
Non-Gov't	132	170	243	276	340	373	349	377	391	96%	8%
Total Collections	154	199	284	323	385	437	391	435	479	91%	11%

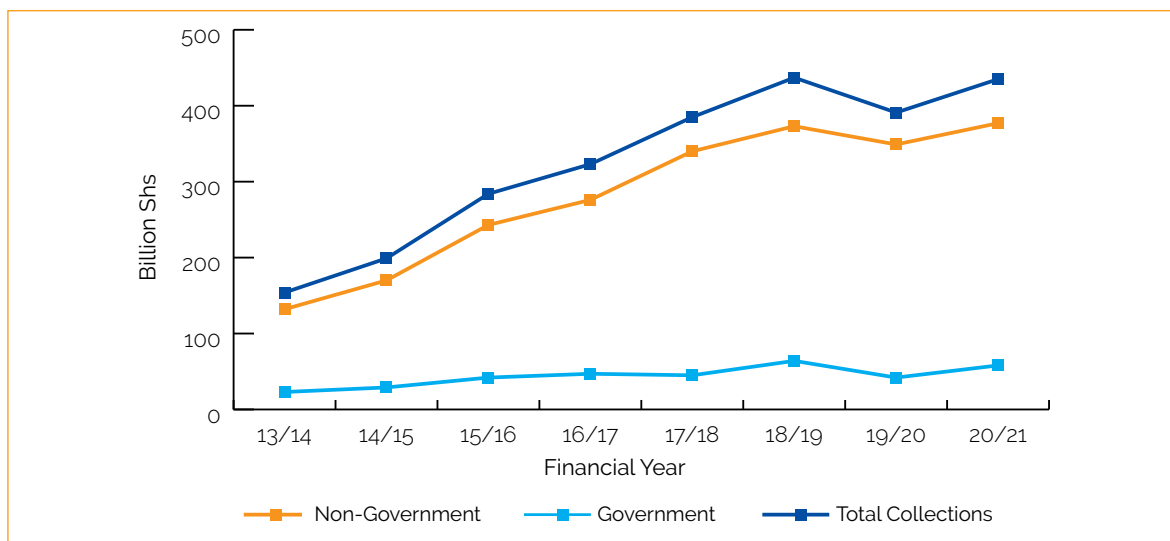


Figure 10: Trend of Collections (VAT Inc.) from FY 2013/14 to FY 2020/21

● Arrears and Debt age

Total arrears reduced by 5% from UGX 126 billion in FY 2019/20 to UGX 119 billion in FY 2020/21. Government arrears reduced by UGX 7 billion (16%), while Non-Government arrears remained at UGX 86 billion. The Debt age reduced by 7% from 3.6 months in FY 2019/20 to 3.3 months in FY 2020/21.

Table 20: Summary of Arrears (Billion Shillings) and Debt age as at 30th June 2020

Category	Arrears					Debt age (Months)		
	FY 2019/20	FY 2020/21	Target	% Achieved	Improv't	FY 2019/20	FY 2020/21	Improv't
Government	40	33	33	99%	16%	9.0	7.9	13%
Non-Gov't	86	86	80	93%	0%	2.8	2.7	3%
NWSC Total	126	119	113	94%	5%	3.6	3.3	7%



Quality Assurance

The mandate of NWSC is to supply safe and clean water to customers. We must also ensure that the quality of wastewater effluent discharged into the environment meets the National Standards. Our team of Scientists including environmentalists, chemists and microbiologists monitors the quality of the water supplied and wastewater discharged on a regular basis. We also offer laboratory services to the general public.



● The Water Treatment Process

Our raw water is taken from different sources such as; Lakes, Rivers, dams, swamps, springs and boreholes. Environmental degradation and pollution continues to affect the quality of water from these sources thus making it unsafe for direct human consumption.

NWSC ensures that all the water supplied is treated to meet the National standards for drinking water. Depending on the water quality at the source, treatment may include any or a combination of the following processes; **screening, aeration, coagulation, clarification, flocculation, filtration, disinfection** and **pH correction**, as illustrated in the diagram below:

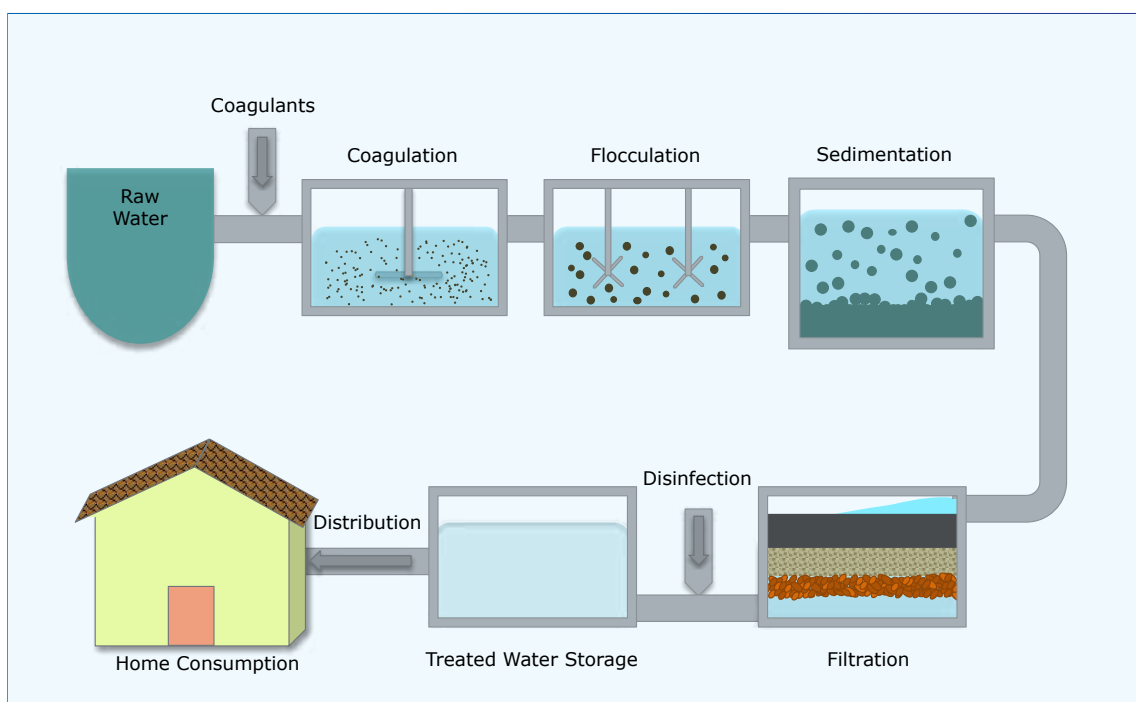


Figure 10: NWSC Water Treatment Process

Screening: Raw water is screened to remove large suspended matter, debris and aquatic plants,

Aeration: This may be incorporated to remove ions like iron and Manganese and bad smell due to dissolved gasses if present in raw water.

Coagulation and Flocculation: Smaller lighter particulates are removed through this process. Here a coagulant is added to cause these particles to agglomerate and form bigger particles which can easily settle out.

Clarification/Sedimentation: water is left in a tank/basin for some time to allow particles to settle at the bottom. This process removes all particles that are heavy enough to settle in the given time e.g. sediments, oils, natural organic matter

Filtration: water is sent through filters packed with sand media which filters out any remaining particles.

Disinfection: The water is disinfected with acceptable amounts of chlorine to kill any present pathogens. After this water is fit for human consumption.

pH correction: Water whose pH is outside the favourable conditions is brought to a pH between 6.5 to 8.5 which is within the national standards for treated potable water.

● Water Quality Assurance

We closely monitor water quality all the way from the source, through the treatment processes and distribution network, right up to when it reaches the customers taps. We take over 11,000 samples from our supply network for testing on a monthly basis.

● Independent Quality Checks

The Corporation conducts its activities according to standard operating procedures and protocols and further participates in proficiency testing with international accredited laboratories. Additionally, joint water quality monitoring is conducted together with Kampala Capital City Authority (KCCA), Uganda National Bureau of standards (UNBS) and the Ministry of Water and Environment.

The Table below outlines the compliance of NWSC water and wastewater to the National Standards in view of the parameters that are frequently monitored.

Table 21: Water and wastewater Quality Compliance, July 2020 – June 2021

Water Quality	Ingredients	Indicator	Actual Perf.
Compliance with National Standards for Drinking (potable) Water 2008	(No. of Samples passing National Standards/ Total samples tested) X 100	Bacteriological Quality (%)	99.8
		Colour (%)	87.1
		Turbidity (%)	97.8
		Chlorine residual (%)	98.7
		pH (%)	100.0
		Electrical Conductivity (%)	100.0
		Alkalinity Total (%)	100.0
		Hardness Total (%)	100.0
		Average (%)	98.0
Sewage Quality			
Compliance with all 54 Effluent discharge Parameters	(No. of Samples passing National Discharge Standards/ Total Samples tested) X 100	BOD (%)	54.9
		Total Suspended Solids (%)	60.3
		Average (%)	57.6

● Water Quality Laboratories

The Corporation has a fully-fledged Water Quality Management Department with over 72 Laboratories spread across the country. These include the Central Laboratory in Kampala which also offers water testing services to external clients and the three Regional Labs in Gulu, Mbarara and Mbale. Parameters tested include Physical-chemical, bacteriological, heavy metals and pesticides.

● Laboratory Services to the General Public

The Corporation extends water and wastewater testing services to other private institutions and the public for a small fee.

● Challenges

The deteriorating raw water quality as a result of source pollution from un-regulated discharge of domestic wastewater, industrial effluent and bad farming practices affects the quality of raw water and leads to use of more water treatment chemicals to treat the same volume of water.





Sharing the NWSC Experience with the World

The NWSC established the External Services Unit in January 2005 conceived after effective implementation of reforms that resulted in rapid expansion of the customer base, reduction of Non-Revenue Water (NRW), improvement of staff productivity, quadrupling of the annual turnover, a change of staff behavior and attitude and sustained corporate profit after depreciation to mention but a few. The External Services Unit's vision is 'To be a provider of world-class high impact innovative solutions' and our mission is 'To provide professional, innovative and customer-focused performance enhancement solutions in an efficient and cost effective manner.

The core business streams for the ESU are:

- Advisory Services in Utility Management, Performance Planning and Management and modernization of utilities
- Technical Assistance in:-
 - Water Quality Testing/Monitoring
 - GIS Surveying and Mapping
 - ICT Service
 - Billing and Customer Care Management
- Water Utility Capacity development including tailor-made training programs, Staff Attachments, on-the-job training and vocational training
- Provision of Conferencing and Training facilities at the NWSC International Resource Centre (IREC) and Western & South Western Resource Centre (WESREC)

The NWSC External Service (ES) capitalizes on NWSC's unique experiences, expertise and home-grown solutions in Utility turnaround. It creates synergies within utility providers that result in improved service delivery and sustainable utility operations in the long-term. The NWSC is therefore key in fostering both South-South and North-South Cooperation amongst utilities in the region.

With its strong motivated professional experts drawn from its own staff pool, and with strategic partners, the NWSC ES since inception has been able to partner with several water and electricity utilities in Bangladesh, Benin, Burkina Faso, Ethiopia, Ghana, India, Kenya, Liberia, Malawi, Mali, Mozambique, Nigeria, Rwanda, Sierra Leone, South Sudan, Tanzania, Trinidad and Tobago, Tanzania, Uganda, Zimbabwe and Zambia.

In the FY 2020/2021, the External Services unit was able to raise an income of UGX 3,627,719,671 (1.0m USD). Three (3) contract were successfully completed bringing the total number of contracts completed since inception to Eighty-Seven (87). One (1) new contracts was signed for assignments namely; Contract for provision of Third Party Measures under the "Water Supply and sanitation for refugee settlements and host communities in Northern Uganda Programme" and funding source identified for Improvement of Faecal Sludge Management in the Greater Kampala Metropolitan Area under the Develop2Build programme financed by the Netherlands Enterprise Agency (RVO)

The NWSC External Services Unit implemented the following projects during the FY 2020/21;

- Sustainable Water Fund (FDW) in Northern Uganda for increasing access to safe drinking water and sanitation in 6 districts;
- Utility Support to Capacity Development for Sustainable Water Services within Uganda (CaDeSWas), a Water Operator's Partnership with Vitens Evides International (VEI), Netherlands geared at building capacity of the NWSC in Asset Management and Pro-poor services;
- Strengthening Training Institutions of Uganda and Rwanda (STUUR Project) funded by the Dutch Government and;
- BULAWAYO: Consultancy Services for Development of Customer Relations Management Software and its integration to GIS and BIQ Systems for City of Bulawayo in Zimbabwe
- BAUCHI WOP: Consultancy Services for Water Operators Partnership (WOP) for Bauchi State Water and Sewerage Corporation
- KW Metropolitan Area Faecal Sludge Management Project (D2B FSM project)
- ATIR: Provision of Third Party Measures under the "Water Supply and sanitation for refugee settlements and host communities in Northern Uganda Programme"

In order to keep up to date with global water and sanitation trends, innovations and next practices, the team participated in the virtual AFWA STC Conference from 15th to 17th March 2021 and the digital World Water Congress organized by International Water Association (IWA) from 24th May 2021 to 4th June 2021.



Afwa Conference 2020



Plate 1: Aerial View of Agago (left) and Kitgum (right) solar powered borehole systems constructed under the FDW Project

Plate 2: Borehole team training using some of the borehole camera and equipment bought under the CADEWAS project





Building a Strong Infrastructure Base



Eng. Johnson Amayo
Deputy Managing Director-
Technical Services

The Government of Uganda aims to provide access to safe water and sanitation to all its citizens by 2040 (NDPIII) and the Corporation is committed to contribute to that goal. The Country is however faced with a high population growth rate, which puts a lot of pressure on the existing water infrastructure. Most of the facilities across the Country have aged and were designed for a smaller population. There is need to carry out major refurbishments on the existing facilities and development of new ones. However, there is a gap in investment financing which affects the rate at which the Corporation can develop the water systems.

The Corporation is committed to revamping, expanding and developing new water and sewerage infrastructure across the Country to ensure that we are able to meet the current and future demand for water and sanitation services. We ensure that the needs of the poor, women and children are catered for when planning for our projects.

All projects are implemented on time and within the Budget and are supervised by Project Managers and Independent Consultants at every stage. Management and the Board of Directors play an important role of monitoring and reviewing progress on every project on a regular basis.

Our Infrastructure Development Budget is largely supported by GoU and the Development Partners. We are grateful for their continued support. The Corporation also sets aside money from its internal revenues on an annual basis for minor investment purposes.

During the FY2020/21, the Corporation invested UGX 369 billion in various infrastructure projects compared to UGX 508 billion in the FY 2019/20. The progress made on the key projects is summarized in the following paragraphs; Projects under Implementation; Projects Completed/ Substantially Completed During FY 2019/20. Projects under Implementation by 30th June 2020 and Projects at planning stage as at 30th June 2020

During the Financial Year, 2019/20, the Katosi Water Treatment Plant was substantially completed. The Plant was put in Operation with effect from July 2021, with the capacity to produce 160 million liters of water per day.

● Projects Under Implementation

In the same vein, we continue to make progress on a number of other ongoing projects and they include the following;

- a) **The Integrated Program for Improving Living Conditions of People in Gulu** which will draw water from River Nile at Karuma and transmit it for a distance of 80 km to Gulu City. Six other towns enroute will also benefit from the project. The Plant will produce 30,000,000 liters of water each day. The two contracts for construction of the Water Treatment Plant and the Transmission Mains are expected to be signed by the end of October 2021.
- b) **The Water and Sanitation Infrastructure Project for the Isingiro, Mbarara and Masaka Areas** will draw water from River Kagera for production and domestic use in the mentioned towns. The existing infrastructure will also be rehabilitated. The Project will produce 20 million liters per day and serve additional 75,000 people. Construction works are expected to commence in March 2022.
- c) **We continued to make progress on implementation of SCAP 100 Project, running since 2018.** The Board designed this project with equity in mind to benefit majority of Ugandans. We are giving considerable attention to developing Public Stand Posts, extending water to the urban poor population, geographical expansion across the Country and maintaining a pro-poor tariff of UGX 50 per 20 liter jerrican of water. The project is expected to be completed by June 2022.
- d) Other projects the Corporation is implementing include **the Hoima, Lyantonde, Sembabule, Bushenyi, Mbale, Adjumani, Parombo, Kisoro-Nkanka, Kiruddu, Kapeeka, Wakiso-West Water Supply Projects.**

The above projects underscore the commitment by NWSC to develop a strong Infrastructure base as a medium for serving our consumers.

The Corporation aims at ensuring value for money for all our infrastructure projects. We do this by ensuring that all projects are implemented on time and within our agreed budget. The process of project implementation is strictly supervised by project managers and independent consultants at every stage from planning to execution. The executive management and the Board of Directors play an important role of monitoring and reviewing progress on every project on a regular basis. We strike a balance between water and sanitation projects. Our projects are spread across the Country. We ensure that the needs of the poor, women and children are catered for when planning for our projects.

Our development budget is largely supported by GoU and the Development Partners and we are very grateful for their continued support. The Corporation also sets aside money from its internal revenues on an annual basis for investment purposes. But there is still a shortfall in investment financing due to other competing priorities.

There are many infrastructure projects which have not taken off due to the shortfall in funding. The Corporation intends to address this problem by sourcing for medium and long-term funding from the capital markets to implement the critical infrastructure projects.

During the FY 2019/20, the Corporation invested UGX 365 billion in various infrastructure projects compared to UGX 508 billion in the FY 2018/19 as shown in table 22 below.

NWSC successfully implemented a number of Infrastructure Development Projects during the reporting period as explained in the following paragraphs

● Projects Completed/ Substantially Completed During FY 2019/20

During the FY 2019/20, NWSC completed three major water and sanitation projects, namely:

- **Gulu Water Management and Development Project** - rehabilitation and expansion of existing water and sanitation facilities.
- **Kampala Sanitation Project** has three key components; the construction of the Nakivubo and Kinawataka sewers, construction of Kinawataka pre-treatment and pumping station and the construction of the Nakivubo Wastewater treatment plant. All these components are substantially completed and are operational.
- **Kapchorwa Water Supply Project** – construction of new water works and mains for Kapchorwa town.

● Projects Under Implementation by 30th June 2020

There are six projects where the Corporation made significant progress

during the FY 2019/20 but were not yet completed by the end of the financial year. The projects which are still under implementation include:

- **Kampala Water Lake Victoria Water and Sanitation project** - rehabilitation of Gaba Water Treatment Plants, construction of a new Treatment Plant at Katosi, construction of 54 Km drinking water transmission mains and 10 Km of pumping main.
- **The Integrated Program to Improve Living Conditions of people in Gulu** - construction of a Water Treatment Plant in Karuma, and construction of facilities for bulk transfer of water from Karuma to Gulu and six other towns enroute to Gulu.
- **Development of Water and Sanitation Infrastructure for the Isingiro, Mbarara and Masaka** - construction a new water intake and Water Treatment Plant in Kagera, Isingiro and rehabilitation of existing systems.
- **Package Sewage Treatment Plants for Fort Portal** – supply and installation of sewage treatment plant.
- **Sembabule water supply improvement** - construction of a new water treatment plant and rehabilitation of existing water supply systems.

Table 22: Expenditures on Capital Development Projects during the FY 2019/20 (UGX' 000)

#	Source of Funds	FY 2019/2020	FY 2018/19
1.	GoU	87,000,000	60,000,000
2.	Development Partners	246,000,000	398,000,000
3.	NWSC	120,000,000	50,000,000
	Total	453,000,000	508,000,000



Katosi Water Treatment Plant intake construction works

- **Fort Portal Water Production;** modification of Water Treatment Plant to increase supply.

● **Projects at Planning Stage as at 30th June 2020**

The Corporation has identified a number of Areas that require Capital Investments to address the water and sewerage services challenges. We are at various stages of planning and sourcing funds for these projects and hope to commence implementation as soon as the planning is completed and funds secured.

- **Adjumani Water Supply and Sanitation Project** – improvements in existing Water supply and sanitation infrastructure.

- **Mbale Water Supply and Sanitation Project** – construction and rehabilitation of water and sanitation systems.

- **Wakiso West WatSan Project (WWWSP)** – construction of water and wastewater treatment plants

- **Kyotera Water Supply Project** – construction of Water Treatment Plant and bulk transfer to Kyotera, Kalisizo, Sanje, Kakuuto, Mutukula, Rakai, Lyantonde and Kalisizo.

- **Albertine Graben Cluster North WatSan Project** - development of WatSan Infrastructure for the Hoima - Masindi Areas.

- **Kiruddu Waste water Treatment Plant** – construction of wastewater treatment plant targeting Kiruddu Hospital and the surrounding community.

Table 26 on pages 105 - 107 shows a list of completed, ongoing and planned projects as at 30th June 2020. The level of progress on each of these projects is outlined therein.



Water and Sanitation Projects Across the Country



Eng. Alex Gisagara
Director Engineering Services

Water Projects Across The Country

Water is life. In NWSC, we believe that access to safe water is a human right. We feel the pain of our mothers and young girls having to travel long distances to collect water. The high population growth rate of 3.3% and the outbreak of the COVID-19 pandemic have continued to exert more pressure on the Corporation to supply more water to the population. Unfortunately, the existing water infrastructure across the country cannot support the existing demand and needs to be refurbished and expanded.

To respond to the challenges mentioned above, the Corporation has designed a number of water infrastructure projects that cover the whole country. Many projects are already under implementation and we are sourcing for funds to implement those that have not yet commenced. Our projects are largely financed by the Development Partners and Government of Uganda. The Corporation also sets aside funds from its internal revenues for refurbishing and expanding the water infrastructure on an annual basis.

It gives me pleasure to unveil to our stakeholders the water projects, which are currently being implemented to serve our customers in Kampala Metropolitan Areas, Western, Central, Eastern and Northern Regions.



Water Projects for Greater Kampala Metropolitan Area (GKMA)

The Greater Kampala Metropolitan Area (GKMA) has been experiencing water challenges for over 10 years due to rapid urbanization, industrial growth, and expansion of the Service Area which now covers Kampala, Mukono and Wakiso Districts. The problem has been worsened by the deterioration in raw water quality.

Following a study which was carried out by the Corporation, the Kampala Water Supply Master Plan (KWSMP) was published in 2015, which made recommendations for addressing water supply crisis in the short, medium and long term. Water demand was predicted to increase from 250,000m³/d to over 530,000m³/d by the year 2040, and yet the infrastructure was not sufficient to meet this demand. The Corporation therefore developed the Kampala Water Lake Victoria Water and Sanitation (KW-LVWATSAN) Project for addressing the water challenges in Kampala.

● The Kampala Water Lake Victoria Water and Sanitation (KW-LVWATSAN) Project:

KW-LVWATSAN is aimed at providing adequate and good quality water supply to the Greater Kampala Metropolitan Area by the year 2040. The project has been running from 2011 and will continue until 2023. The estimated project cost is Euros 372 million, being funded by GoU (Euros 34 million), KfW (Euros 30

million Grant), AfD (Euros 225 million loan), EIB (Euros 75 million loan) and EU-ITF (Euros 8 million Grant).

The key components of the project include:

- (i) Rehabilitation and upgrading of Ggaba I & II Water Treatment Plants.
- (ii) Construction of the Katosi Water Treatment Plant.
- (iii) Construction of the Katosi – Kampala Drinking Water Transmission main & Distribution system.
- (iv) Water Supply and Sanitation to the Informal Settlements:
- (v) Network Restructuring & Rehabilitation
- (vi) Project Management Assistance

i) Rehabilitation and upgrading of Ggaba I & II Water Treatment Plants:

This component was aimed at addressing water supply challenges in greater Kampala Metropolitan Area up to the year 2035. It involved upgrading and rehabilitation of Ggaba I & II, construction of new 8,000m³ reservoir at Namasuba, laying 9.6 km of transmission mains from Gaba to Namasuba, rehabilitation of the Muyenga reservoirs, reinforcing the Gaba-Naguru transmission line. This Project component was completed in July 2018.

[Aerial view of the Ggaba water treatment Plants after rehabilitation.](#)



(ii) Construction of the Katosi Water Treatment Plant, East of Kampala

The Corporation commenced the construction of a new Water Treatment Plant in Katosi in 2018 and it is expected to serve our customers, located in the eastern parts of Kampala until 2040. The project was substantially completed by 30th June 2021 and became operational in July 2021. The detailed report on the Katosi Water Treatment Plant is covered on Page 12.

(iii) Water Supply and Sanitation to the Informal Settlements

This component involves construction of;

- Nalukolongo faecal sludge treatment plant (400m³/d)
- 240 toilet stances in 17 Government schools
- 85 toilet stances in Kampala.
- Hygiene and sanitation promotion in 16 informal settlements in Kampala.

Designs were completed and contractor for the project works is being procured.

(iv) Network Restructuring & Rehabilitation.

This component involves the following;

- Laying of Transmission, secondary and tertiary mains.
- Construction of 4 Booster pumping stations
- Construction of 3 Reservoirs of volume 30 – 200m³ (03 No.)
- Installation of District Metering Areas (DMAs)
- Implementation of a SCADA system for network monitoring at 08 No. critical stations in the distribution network and linking to the main station at Gaba water works.
- Rehabilitation of existing 20,000 m³ Gunhill reservoir.

This project component is at the design stage.

Challenges experienced in the implementation of KW-LVWATSAN Project

- a) Securing of sites (in road reserves and built up areas) has proved to be a lengthy process. This delayed the handover of site to the contractor.
- b) Unexpected adverse ground conditions at some sites contributed to delays in implementation.
- c) Works were affected by restrictive measures put in place by government to curb the spread of COVID-19.

Aerial view of the newly constructed water storage reservoirs at Ssonde.







H.E. Y.K.T. Museveni launches the newly refurbished and expanded Gulu Water Supply Plant. Looking on is Hon Beatrice Anywar (left), the late Rt. Hon. Jacob Oulanyah, (2nd left), Hon. Ronald Kibuule (2nd Right) and the NWSC Board Chairman Dr. Eng. Badru M. Kiggundu (Right).

Water Projects for the Northern Region

● The Gulu Water Supply Improvement Project

Gulu City has experienced rapid growth in population mainly due to the insurgency, which drove many people from the villages to take shelter in relatively safe areas around the town. The water supply infrastructure that was developed in the 1950's and refurbished in 1991 proved incapable of fulfilling the demand for water for the town. The biggest challenge is the inadequate source of raw water, which could only provide 5,000m³ against the demand of 10,000m³ per day by 2017.

The problem was worsened in 2016 and 2017 when Gulu Area experienced the worst drought in more than 30 years. The water sources dried up, vegetation was destroyed, fish and animals died in big numbers. The Corporation was therefore unable to supply water to the population for a period of four months. In response to the above challenges, the Corporation together with the GoU came up with short, medium and long-term interventions to address the water crisis in Gulu.

Short-Term

The short-term measures were quickly developed to improve water production and sustain the population for the period of three years (2017-2020). A temporary dam was developed with additional Raw Water abstraction capacity of 2,500m³ per day.

Six production wells were also drilled, developed with a total daily water production capacity of 2,500 m³. These interventions ensured that the Corporation was able to meet the demand for water in and around Gulu City until the medium-term intervention was completed in January 2020.

Medium-Term

The Long-term strategy for addressing the water challenges in Gulu is to draw water from River Nile at Karuma and transfer in bulk to Gulu. However, this intervention is unlikely to be implemented until 2025. The Corporation and the GoU therefore decided to implement a medium-term project, which would ensure that the demand for water is met until the long-term project is implemented.

The Corporation is grateful for the support given to us by the Development Partners; The World Bank and KfW, who provided approximately USD 24.6 million for the medium-term interventions. These interventions were implemented from 2017 and was completed in December 2020.

The main achievements included the following;

- Rehabilitated and upgraded the existing abstraction facilities, Water Treatment Plant and the Water Distribution Network.

- Increased the holding capacity of the existing dam by raising its embankment by 0.6 metres.
- Constructed an additional Raw Water Intake Structure at Oytino and a New Water Treatment Plant alongside the rehabilitated one.

The above interventions improved the operating efficiency and reliability of the Water Infrastructure in Gulu and increased the daily water production capacity by an additional 5,000m³, which can sustain the population until 2025.

Long-Term Measures

The Corporation and the Government plan to set up a Water Treatment Facility at Karuma on River Nile and transfer it in Bulk for 72 Km up to Gulu. Six other towns en-route to Gulu will also be served by the project, and they include Karuma, Kamdini, Minakulu, Bobi, Palenga and Koro Abili.

The Karuma Project will be implemented at the Total Cost of USD 53 million. The World Bank provided a loan worth USD 28 million to the GoU for implementing the project, while the German Government through KfW provided a grant to the Government of USD 25 million.

The Key Components of the Karuma Project include;

- Construction of a Raw Water Intake on River Nile at Karuma.
- Construction of the Water Treatment Plant.
- Construction of a Water Transmission Pipeline for a distance of 72 Km to Gulu.
- Construction of a 5,000m³ Reservoir in Gulu.

The Project will initially deliver 10,000m³ per day but will be increased to 30,000 m³ per day after carrying out additional expansion works by 2035.

The intake structure at Karuma has been constructed. The works contracts for the Water Treatment Plant, Raw Water intake and Water Transmission Pipeline are undergoing the tendering process. The Project is expected to be completed in 2025.

Other Projects in the Northern Region

The Corporation is also implementing projects in the following towns

Adjumani Project

The Project will involve construction of a new water system which includes an intake, Water Treatment Plant, Transmission Pipeline, Reservoir and Distribution System, to supply approximately 5,000m³ per day. This project will also be funded using a loan of USD 17 million from the World Bank and the GoU. A feasibility study is in the final stages and the design stage will commence in October 2021. The Project is expected to be completed by 2024.

Parombo Project

The Project involves the development of production wells, construction of a Sump, Transmission Pipeline, Reservoir and Distribution System, to supply approximately 500m³ per day. The project is being funded using market financing from a Commercial Bank and is expected to cost UGX 3.7 billion, approximately USD 1 million. The project was substantially completed by 30th June 2021 and became operational in September 2021.

Water Projects for the South Western Region

● The South Western Cluster Water Project

In the past 20 years, Mbarara, Masaka and the surrounding towns did not receive any major investments in Water infrastructure. The existing infrastructure has not been able to cope with the rapid expansion of these towns. Masaka and Mbarara have recently been elevated to City status which pushes higher the demand for water services.

The existing water source for Mbarara City, River Rwizi is degraded due to human activities, is prone to flush floods during rainy periods, and almost completely dries up during the dry season.

Isingiro District is water stressed and has no reliable source of water for domestic use and production. In 2017, Isingiro District suffered the worst drought which led to adverse famine and death of animals.

In an effort to address the above situation, in 2013, the Government secured a grant from the French development Agency (AfD) to conduct a feasibility study for the development of water and sanitation infrastructure in the South Western Cluster Towns. The study was used to establish baseline conditions, infrastructure requirements and financial needs for the project.

This project aims at upgrading, expansion and development of water infrastructure in the following towns and settlements;

- Mbarara supply area, the en-route towns and rural growth centres in Isingiro District.
- Masaka supply area including towns and settlements on the corridors leading from Masaka service area to Lukaya, Kyamulibwa, Kalisizo and Mbirizi.
- The towns of Kyotera, Sanje, Kakuto, Mutukula, Rakai, Lyantonde, Rushere, Kazo, Kyazanga, Katovu and Sanga.

The project will be implemented under three components;

Package 1: Kagera Water Treatment Plant, **Package 2:** Mbarara and **Package 3:** Masaka as per the summary table below;

Table 23: South Western Cluster Project components

No.	Package	Description
i	Kagera	(i) Construction of New Water Intake on Kagera River at Nshungyezi (ii) Construction of a new Water Treatment Plant and associated infrastructure
ii	Mbarara	Rehabilitation and expansion of the existing water supply infrastructure in Mbarara City and surrounding areas
iii	Masaka	Rehabilitation and expansion of the existing water supply infrastructure in Masaka City and some towns along the Lukaya-Masaka Highway.

The AfD provided a grant of EUR 0.9 million to the Government of Uganda for conducting a feasibility study for the South Western Water and Sanitation Project. The construction works are expected to cost EUR 126 million out of which the AfD extended a loan of EUR 120 million to Government of Uganda. Government will provide additional EUR 6 million to ensure that the project is fully financed. The Project will produce 20,000,000 liters per day and serve additional 75,000 people. Construction works are expected to commence in March 2022.

● Water for Virungas Project (Kisoro)

The Project aimed at improving water supply in the 17 villages around the Virunga ranges, to deter the locals from entering the Mgahinga National Park to compete with the Animals for water. The source of water for the project is the Nkanka Treatment Plant.

The project involved construction of new pumping stations and transmission lines at Bukara, Buzeyi and Gishondori, and rehabilitation of existing reservoirs. It was being funded using a grant from MDF global consortium at an estimated cost of Euros 1.2 million. It commenced in May 2019 and was commissioned in May 2021

● Fort Portal Water Production Improvements

The project aimed at increasing water production by 2500m³/day. It involved construction of flocculator, coagulator, clarifier and filter at a contract price of UGX 2.5 billion. Construction work is complete, was commissioned and is now Operational

Rehabilitated Fort Portal Water Treatment Plant



Water Projects for the Eastern Region

● Mbale Water Supply And Sanitation Project

Mbale has a backlog of infrastructure development due to lack of funding. This has placed immense pressure on the capacity of NWSC to effectively deliver water and sewerage services. A number of interventions have been undertaken in the production systems but little has been done in the distribution network and the expansion of sanitation services.

The water system of Mbale was constructed around 1939 and relies on Bungokho and Manafwa Water Treatment Plants with a total production of 9000m³/day. The system was originally constructed for a population of around 45,000 but the population currently stands at over 100,000 people.

In 2015, the Ministry of Water and Environment (MWE) and National Water and Sewerage Corporation (NWSC) jointly prepared a feasibility study report, detailed design and tender documentation for Mbale Water Supply and Sanitation Project, funded by a loan from the World Bank to the Government of Uganda.

The construction works for Mbale Water Supply and Sanitation Project will now be funded under the new Integrated Water Management and Development Project (IWMDP) and has the following scope;

- i. Rehabilitation and expansion of the Bunghoko Water Treatment Plant and its abstraction points at Nabijjo and Nabiyonga.
- ii. Construction of a new intake at Namatala.
- iii. Upgrading of the Manafwa Water Works.
- iv. Catchment Protection for the Manafwa and Bunghoko water sources

- v. Rehabilitation, upgrading and expansion of the Distribution Systems in Mbale City

- vi. Laying of new water supply mains to Butaleja, Busolwe, Budaka, Kadama, Tirinyi and Kibuku.

The Project will benefit a total of more than 646,000 Ugandans in the Areas of Mbale City, Butaleja, Busolwe, Budaka, Kadama, Tirinyi and Kibuku up to 2040. It will also address the problem of access to water in the informal settlements in Mbale Municipality where 43 New Public Stand Posts will be installed to serve about 74,000 people.

The Project design is almost complete and the tenders for construction works are expected to be issued out in October 2021.

Other Water Projects in the Eastern Region

The Corporation is also implementing two other projects to cover the Eastern part of the Country and they include the following.

- The Kapchorwa Water Supply Systems have been refurbished, expanded and commissioned in April 2020. They are now operational.
- The Jinja-Iganga Water Project has been upgraded to stabilize and increase water supply for residents of Jinja and Iganga.

The details about the above Projects have been captured under the Chapter on Market Financing on page 98

Water Projects for the Central Region

● The Kapeeka Water Supply Project

NWSC initiated a Water Supply Project for Kapeeka in 2016, aimed at developing a new supply system for Kapeeka Industrial Park, Town Council and other neighboring settlements such as Kakoola Township, Kyelerezi Township, Singo Army Barracks, Semuto and Bukomero Towns. The Project is being implemented in two phases.

Phase 1 of the project entailed: construction of a Raw Water Intake at River Mayanja and a Conventional Water Treatment Plant (capacity 2,500m³/day) at Kakoola, a Reservoir and Water Supply Network. This project phase was completed in September 2017, leading to significant improvement in water supply. This phase was fully financed by the Corporation using internally generated funds.

Phase 2 entails upgrading of the Kapeeka Water Supply System to address the existing water supply challenges for the Kapeeka community and industrial park through increasing water production from 2,500 m³/day to 7,000 m³/day. This

involves modification of the Water Intake, expansion of the water treatment plant, construction of new reservoir, laying of bulk transfer main to the Industrial Park and development of borehole system. The second phase is funded by the Government of Uganda. It is substantially complete and is expected to be commissioned by December 2021.

● The Sembabule Water Project

The Corporation is implementing the Sembabule Water Supply project using Market Finance. The project aims at increasing water production from 300,000 liters day to 30 million liters day serving over 370,000 people (UBOS population projection statistics) by the year 2030. Details of the project are provided on page 98

The aerial view of the expansion works of the Kapeeka Water Supply Project.



Sanitation Projects across the Country

The main draw back in the implementation of sanitation projects is the heavy investment required. Never the less, we have embarked on refurbishing and building infrastructure projects in Kampala and across the Country. The support from Development Partners and Government of Uganda is very crucial in ensuring the success of our sewer projects.

● The Sanitation Projects for Kampala Metropolitan Area

The sewerage facilities for Kampala were constructed in the 1940s and they were meant to serve a much smaller population within the Central Business District. There has been no major expansion or refurbishment since the facilities were set up. Less than 10% of the population is currently served by the current system. There are many challenges faced by the old sewerage facilities, which include the following:

- Small diameter of pipes, which are unable to hold the current volume of sewage.
- Frequent blockages, due to old age and small sizes of the pipes.
- Damaged sewer lines;
- Illegal storm water connections;
- Missing manhole covers and dumping of solid waste and rubbish into the sewer.

In 2003, NWSC commissioned the preparation of a Sanitation Master Plan for Kampala City, which proposed a series of interventions over a 30-year period up to 2033. The Plan recommended the construction of the Bugolobi Sewerage Treatment Works, a new modern Wastewater Treatment Plant at Nakivubo, Replacement and Upgrading of the existing sewer networks, Extension of the sewer network in new catchments and the gradual implementation of additional wastewater treatment capacities at Kinawataka, Lubigi and Nalukolongo. The Plan was updated in 2008 and implementation was planned to be in phases.

The Lake Victoria Protection Project 1 (LVPI) was implemented between 2008 and 2015 at a cost of Euro 15.3 million funded by KfW, EU and GoU. The key components of the project included:

- Rehabilitation, modification and extension of the sewer networks,
- Implementation of a new combined wastewater (5,000 m³/d) and faecal sludge (400 m³/d) treatment facility at Lubigi for the North-West catchment area of the City.

Phase 1 of the Project was successfully completed and commissioned in 2014 and is now operational.

The second phase of the Kampala Sanitation Project was funded by **African Development Bank (AfDB) - Euro 65.5 million (loan)**, **KfW Entwicklungsbank - Euro 10 million (grant)** and the **Government of Uganda - Euro 66.3 million**. It involved the following Key Components:

- Laying 30 Km of sewer pipes within the Central Business District of Kampala and the surrounding city suburbs of Ntinda, Nakawa, Banda, Kyambogo, Mbuya, Mutungo & Butabika.
- Construction of a Pre-treatment station in the Kinawataka with capacity of 9,000m³/day to carry out preliminary treatment of the wastewater from Nakawa, Ntinda, Banda, Kyambogo, Butabika, Mutungo, Mbuya and Bukoto, before pumping it to the Nakivubo WWTP for full treatment.
- Construction of the Nakivubo Wastewater Treatment Plant at Bugolobi with the capacity of 45,000m³/day.

The second Phase of the KSP was substantially completed in June 2020 and the plant is fully operational. It will serve a population of over 380,000 people and contribute towards improvement of urban hygiene and sanitation. The Plant will also lead to improvement of the quality of water in the Inner Murchison Bay of Lake Victoria.

The Corporation is currently working on the Lake Victoria Protection III which will benefit approximately 1.5 million people and will entail the following key components;

- i. Developing a sewage treatment system in Mukono and Gaba sub- catchments to reduce discharge of untreated effluents into Lake Victoria.
- ii. Expanding the tertiary and secondary sewer networks to have more people connected onto the centralized sewer system.

● Sanitation Projects in Other Parts of Country

In addition to the Kampala Sanitation Projects, the Corporation is also implementing projects, which are intended to improve the sanitation facilities across the Country and they include;

Arua Sanitation Project: A new sewerage system and 10 public toilets were constructed. More than 200 customers have been connected to the new sewer system. The project was completed in February 2019 and is fully operational.



Aerial View of the Lubigi Waste Water Treatment Plant in Kampala

Gulu Sanitation Project. A new faecal sludge reception and treatment center was constructed and the existing wastewater treatment plant was upgraded and expanded. The Project also involved the construction of over 200 toilet facilities to serve the Areas which are not connected to the sewers. The Project was substantially complete by June 2020.

The Arua and Gulu Sanitation works were implemented under the Water Management and Development Project, which was financed using a loan from the World Bank.

Fort Portal Package Sewage Treatment Plant: This project involves design, supply and installation of a compact Sewage Treatment Plant. The project was completed in December 2020.

Kisoro Package Sewage Treatment Plant: This project entailed design, supply, and installation of a compact Sewage Treatment Plant and was completed in December 2018.

Mbale Sanitation Project. The Corporation is procuring a consultant for the Mbale WATSAN project under the Integrated Water Management and Development Project (IWMDP).

The Namatala and Doko Wastewater Treatment Ponds will be rehabilitated under the Project.

Adjumani Sanitation Project: This is another project under the IWMDP funding. It has a component for improving the sanitation infrastructure in Adjumani-Pakele and the neighbouring towns. The Corporation is currently procuring a Consultant for Design and Supervision of the Project.

Sanitation Investment Plan (SIP); The Corporation is working on a Sanitation Investment Plan, which will cover all the towns under its jurisdiction. The SIP will focus on addressing the sanitation challenges across the Country by collaborating with the private sector. The estimated cost of implementing the Project is approximately **UGX 88 billion**. It will focus on sewer expansions and extensions, improvements on sewage treatment facilities, construction of communal and public toilets, development of faecal sludge systems and deployment of cesspool emptier trucks. The Project has not yet taken off because the Corporation is still sourcing for funds.

Financing Capital Infrastructure Projects

The main sources of funding for the Water Infrastructure Projects are Loans and Grants from the Development Partners and Equity contributions from the Government of Uganda. The Corporation also sets aside funds from its internal revenues on an annual basis for refurbishing and maintaining the Water Systems. The Development Partners contribute the biggest percentage (72%) of funding for our Capital Projects. The Corporation is grateful to the Kreditanstalt für Wiederaufbau (KfW), European Investment Bank (EIB), the European Union, World Bank, Agence Française de Développement (AFD), DANIDA and the African Development Bank, who have supported our Projects over the years

Table 24: Sources of Funding for the Nwsc Infrastructure Projects

FY2019/20		Funding Source	FY2020/21	
UGX (Billions)	%ge		UGX (Billions)	%ge
246	55%	Development Partners -Kreditanstalt für Wiederaufbau (KfW) -European Investment Bank (EIB) -The European Union -Agence Française de Développement (AFD) -Danish International Development Agency (DANIDA) -The African Development Bank	308	65%
87	19%	GOU MoFPED/ MWE	79	17%
112	25%	NWSC Internally Generated Funds Market Finance	85	18%
445	100%	Total	473	100%



Due to the high population growth rates and other competing demands for funding however, there is a huge infrastructure gap which may continue to pose a challenge for many years to come. As a result, the Corporation has recently ventured into the Financial Markets as a complementary source for funding for our Infrastructure Projects.

Borrowing from the Financial Markets to solve Water Infrastructure Challenges

At the beginning of the Financial Year 2019/20, the Corporation was faced with a number of challenges. Fifty billion shillings (UGX50 billion) was required to implement a number of Critical Capital Projects in different parts of the Country, but there was no available funds. The Corporation therefore, decided to take a medium term facility for a period of six (6) years to address the urgent financing gap.

The Projects which are being implemented using Market Finance include; Water Projects in Kapchorwa, Sembabule, Kisoro, Iganga-Jinja, Parombo and office blocks for Rukungiri, Kasese, Bushenyi, Lira and Arua. A training center was also procured for the Western region using the facility. As at 30th June 2021, the following progress had been registered.

● The Kapchorwa Water Supply Project

NWSC took over operations of the Kapchorwa Water Supply System in June 2016 from a Private Operator. Since that time, a number of achievements were registered, which included improvement in water quality and system expansion. However, a number of challenges remained;

- The supply was restricted to only 4 hours per day and yet the population was projected to grow from 110,700 in 2016 to 155,000 by 2030 (UBOS population projection statistics).
- The Chebukat Water Treatment Plant was producing only 1,100m³/day which was not sufficient to meet the demand for water.
- The raw water quality had deteriorated due to the increased agricultural activities upstream.

In spite of the above challenges, there was no funding available to deal with the water crisis in Kapchorwa Town. The Board noted that the problems needed to be urgently resolved and therefore earmarked the Kapchorwa Water Supply System to be implemented using Market Finance.

The Corporation embarked on a project to construct a 3,000 m³/day Water Treatment Plant at Kapenguria, and lay a 4 km bulk water transfer main from the Plant to the Kaptebun

Reservoir. The Chebukat Water Treatment Plant and Cheseber Intake were also rehabilitated. Other components of the project included the construction of the following;

- Coagulator and Flocculator units.
- Chemical Dosing Structures (for Alum and Chlorine dosing).
- Clarifier with lamella plates.
- Rapid sand filters and filter media.
- A clear water tank.
- Staff houses, office block and store.
- Blowers, backwash water pumps, solar panel system, battery backup and a standby generator.
- Extension of high voltage power line to the Water Treatment Plant.

The project was completed at a cost of UGX 10 billion (approximately USD 2.7 million) and was commissioned in March 2020, becoming the first project to be completed using the Market Finance. Water production increased from 1,000 m³/day to 28,000 m³/day. Over 120,000 people in Kapchorwa Town are benefiting from the Project

The Kapchorwa Water Treatment Plant after rehabilitation and Expansion works.





The Fort Portal Water Treatment Plant after refurbishment and expansion works were completed.

Fort Portal Water Production Improvement Project

The Project was meant to expand the water production capacity of the treatment plant in order to match the current and increasing demand. The Plant was already operating at full capacity, which affected the quantity and quality of water produced. NWSC therefore, decided to construct an additional water treatment line with a capacity of 3,000 m³/day at a cost of UGX 2.7 billion. The Project was completed in June 2021. The Project scope included construction of the following;

- A Coagulator and Flocculator unit,
- A Chemical Dosing Structure (for Alum and Chlorine dosing),
- A hopper bottom clarifier with lamella plates
- Rapid sand filters and filter media and
- Refurbishment of the existing Water Treatment Plant.

The Project was completed in **August 2020** and it produces an additional 3,000m³ of water per day.



The Sembabule Water Supply Project

NWSC took over operations of the Sembabule Town Water Supply System in April 2016 and Mateete Town System in March 2018 from the Private Operators. The Corporation immediately realized that there was an urgent need to improve water supply services and extend piped water to the neighboring areas within Sembabule District, but the water produced was not enough to supply the population. In addition, the systems experienced frequent pipe bursts and leakages, hence interrupting water supply services. People in unserved areas usually drew water for domestic consumption from ponds, which often dried out in the dry seasons forcing them to walk up to 10 km to access water from Kyogya Swamp and River Katonga.

It is against this background that the NWSC Board allocated part of the proceeds from the Market Finance to refurbish and expand the Sembabule Water Supply System. The following works were implemented under the Project.

- The Water Treatment Plant in Kikoma has been rehabilitated and expanded from a capacity of 300,000 liters to 3,000,000 ltrs per day.
- The 4.1 Km raw water pumping main at Kyogya Intake has been upgraded from 4 to 8 inches.
- The 8.6 Km Water Transmission Mains have been upgraded from 4 to 8 inches.
- The Water Storage Reservoir has been expanded from 110,000 to 1,000,000 ltrs.

- A 1.3 km main pipeline of 10 inches has been laid from main reservoir to Sembabule Town Centre.
- A 42 km distribution main has been laid from Sembabule Town Centre to Lugusulu.
- A boosting station has been constructed at Mbuye.
- A 100,000 ltr water reservoir was constructed at Lusheshe Hill and another one at Kyabi.

The Project has been implemented at a cost of UGX 14 Billion (approximately USD 3.8 million) and was substantially completed at 31st August 2021. The system is now operational, serving approximately 300,000 people in the following locations;

- Kyabi, Lutunku, Mbuye, Bisese, Kisekera, Kabulasoke, Kawanda Parish, Kanoni, Kabalekera, Karuzire, Keruwambo, Nyakatabo, Kyatukwire, Lugusulu, Misi Parish, Kairasha, Mitima and Lwentale parishes.
- Kabundi Trading Centre, Bukana, Kiterede, Sozi, Lwamwende A, Lwamwende B, Nakagongo, Katyaza and Kikoma Trading Centre
- Kasirye, Katimba A, Katimba B
- Nabyagi A, Nabyagi B, Mitete A, Mitete B, Nakaseeta, Lukaka A, Lukaka B, Kalukungu, Kafumu, Kalububu.
- Nambirizi in Mijwala Sub County and Lwebitakuli.



Jinja - Iganga water Supply Improvement Project

The Jinja Water Supply system was set up in 1939, and was extended to Iganga in 2005. The system had the following challenges;

- Intermittent water supply in Jinja/Njeru, Mayuge and Iganga leading to public outcry.
- The demand of 28,000 m³/day compared to production of 24,000 m³/day led to a supply shortage.
- Low water pressure in areas of Kakiira, Magamaga, Njeru, Bugembe, Iganga and Mayuge.
- Demand for water was projected to grow from 28,000 m³ to 32,000 m³ per day.

The following works were carried out;

- New 4 Km transmission mains was laid from the Water Treatment Plant to Rubaga Hill Reservoir.
- 4 No. Higher Capacity High Lift Pumps were installed.
- A 1,000 KVA transformer was installed.
- Overhauled 06 Filters
- Drilled and developed 7 new production boreholes in Iganga, Mayuge, Jinja and Njeru.
- Constructed 2 new 100m³ Steel Tanks in Jinja and Njeru.

The Project was implemented at a cost of UGX 5.6 billion, and has added 6,000 m³ of water per day serving additional 300,000 people in over 200 Villages in Jinja, Iganga, Mayuge, Kayunga and Buikwe.



Parombo Water Supply Project

In 2018, His Excellency the President of the Republic of Uganda visited Parombo Town Council. He noted that this township with a total population of about 28,000 people is fast growing but lacked adequate water supply. He therefore, directed NWSC to extend water to Parombo Town. However, the Corporation did not have the funds to implement this Project and GoU had not budgeted for the Project.

The NWSC Board allocated UGX 3 billion, out of the Market Finance Facility to fast track the development of the Parombo Water Scheme. The project was commissioned in August 2021 with the following works completed;

- Two production wells were developed.
- The 162 m³ capacity water storage tank was constructed on Acana hill.
- The 60 m³ capacity sump and a break pressure tank was constructed.
- 4.3 Km of transmission mains and 10.3 Km of distribution mains were laid.

Over 20,000 people are being served by the newly constructed Parombo Water Supply Scheme.

Parombo Water Supply System at the initial stage of construction.



Kisoro -Nkanka Water Supply project

The Kisoro-Nkanka Water Supply Project was constructed from 2017-2019 with a capacity of 3,120 cubic meters per day. However, a number of challenges remained;

- The distribution main cannot adequately supply water to the Areas of Muramba, Nyarusinza, Bunagana, and Kisoro Municipality.
- Areas like Busanza Sub County, Mwihe Parish and Nyundo Sub County remain without water.

The Board allocated UGX 1.5 Billion (approximately USD 0.4 million) to address the above challenges. The project components include the following;

- Upgrading of the Water Treatment Plant from 3,120 to 5,760 cubic meters per day.
- Laying of a pumping main to supply Bunanagana Town Council, Muramba and Nyarusinza.
- Construction of a 270 cubic meter reservoir at Gishegera Hill.

The Project is expected to be commissioned by 30th June 2022.



Bushenyi Water Supply Augmentation Project

The Bushenyi Water Production Improvement Project is aimed at expanding water supply services in Bushenyi District, by constructing a new Water Treatment Plant. The designs and tender documents for the works have been finalized, and the works are due to be tendered by the end of March 2022

Development of Training Facilities in the North, East and West of the Country

The Corporation attaches a lot of emphasis on continuous learning to equip our staff with up to date and modern skills of performing their duties. Training has been centralized at our International Resource Center (IREC) in Bugolobi and the Vocational Institute at Gaba. However, the staff numbers have exceeded 4,000 spread in every corner of the Country. The centralized training facilities have become inadequate and too far away for many of our staff.

The Board decided therefore, that additional training facilities be developed in the North, East and West of the Country and allocated UGX6 billion out of the Market Finance Facility for this purpose.

The Corporation acquired a property in Bushenyi which can readily be used for training purposes. Management is now making final preparations and improvements to use the property as a Training Center for the Western Region. More than 1,200 staff will benefit from the Facility. It will also offer training and conference facilities to the general public in the Western Region.

The Facilities for the North and Eastern regions are at the planning stage and Management expects to develop them in the next two years

The recently acquired facility by NWSC for Staff Training



● **Construction of office premises in Lira, Arua, Bushenyi, Rukungiri and Kasese**

The Corporation has challenges regarding office space in a number of our upcountry stations;

- The current office space is too small to accommodate all our staff.
- Some Area offices are located in temporary structures that were meant to be side offices during project implementation. Their condition has deteriorated.
- Land allocated for building offices is being encroached on by some investors.
- Some Town Councils have threatened to withdraw the lease offers due to the delay by NWSC to develop the land allocated for office blocks.
- Many office premises are being rented from private land lords but their condition, location, size do not reflect the image of NWSC.
- Construction of offices in up Country towns has not made significant progress due to cash flow challenges.

The Board allocated UGX 3 billion to fast-track the completion of the office blocks in Rukungiri, Bushenyi, Lira, Arua and Kasese. Substantial progress has been made on all the above offices and Management expects to have all of them completed by 30th June 2022

The NWSC Office for Bushenyi, recently constructed.



The NWSC Office for Kasese, under construction.

The NWSC Office for Lira, under construction.



The Need for Additional Borrowing of UGX 95 Billion

The NWSC Corporate Plan (2021-24) puts emphasis on refurbishment, expansion and development of new water infrastructure. This is consistent with the Government Policy of achieving universal and equitable access to safe and affordable drinking water

The Corporate Plan is to be implemented over a period of three years. However, the water supply facilities in Lyantonde, Hoima, Kyankwanzi, Tororo, Soroti, Bushenyi and Moroto Areas require immediate attention. Except in Bushenyi, no major interventions have been carried out in the above Towns in the past 5 years. The Corporation also intends to continue setting up Regional Training Facilities and Area offices. These interventions require UGX 95 billion.

The cash flows of the Corporation cannot support the immediate financing needs of the Projects. In addition, the Corporation has not been able to secure funding from either GoU or the Development Partners.

These projects cannot be delayed due to the acute water challenges facing the affected Towns. The Board resolved therefore, that the Corporation should take a second medium term facility of UGX 95 billion and implement the Critical Projects within the next two years in order to alleviate the challenges being faced.

The table below shows a summary of how the Corporation proposes to allocate the additional Loan of UGX 95 billion and the expected duration of the Projects.

Table 25: Proposed allocation of the additional UGX 95 Billion and expected project durations

#	Area/Town/City	Project	Cost Estimate (UGX)	Duration
1	Lyantonde	Lyantonde Water Supply Project	15,800,000,000	12 months
2	Hoima	Hoima Water Production Improvement Project	5,900,000,000	9 months
3	Kyankwanzi	Kyankwanzi Water Supply Project	7,700,000,000	12 months
4	Tororo	Tororo Water Production Improvement Project	7,400,000,000	12 months
5	Soroti	Soroti Water Production Improvement Project	6,000,000,000	12 months
6	Moroto	Moroto Water Supply Project	7,200,000,000	12 months
7	Bushenyi	Bushenyi Water Supply Augmentation Project	10,000,000,000	12 months
8	Kalungu	Kalungu Water Supply Project	16,000,000,000	12 months
9	Kanungu	Kanungu Water Supply Improvement Project	4,000,000,000	12 months
10	Training Facilities (New)	Kachung in Lira Area	8,000,000,000	12 months
11	Training Facilities (Rehabilitation)	Bushenyi – Ishaka	2,000,000,000	
12	Area Offices (Completion)	Lira, Kasese, Bushenyi, Rukungiri and Arua	2,000,000,000	
13	Area Offices (New Offices)	Fort Portal, Kanungu, Busia, Kalungu	3,000,000,000	
Total Cost Estimate			95,000,000,000	

Subject to the successful conclusion of the loan acquisition process, the above Projects are expected to commence in April 2022.

NWSC Experience with Market Finance

The tariff structure for the water bills cannot absorb the huge investment requirements of the Corporation. There is no doubt therefore, that the Government and the Development Partners will need to continue investing in the Major Water Projects across the Country because of the existing infrastructure gap. The UGX50 billion Market Finance has demonstrated the Corporation's preparedness and commitment to seek private capital for implementing the most critical projects.

The main drawback to Market Financing is the high cost of Capital and short-term nature of the facility. Not many Commercial Banks are willing to lend beyond eight (8) years. These challenges will be taken into account when considering future Debt Capital.

The outbreak of COVID-19 pandemic led to drastic drop in revenues of the Corporation. Despite this challenge, the Corporation has promptly repaid the Loan installments due.

Summary of the Infrastructure Projects since July 2016

The key project matrix below summarizes the projects that were completed since 2016, the ones which were still being implemented and those that are at the planning stage.

Table 26: NWSC Key Project Implemented in the past 5 Years

PROJECT	OBJECTIVE	SCOPE	STATUS	COMPLETION DATE
PROJECTS COMPLETED/ SUBSTANTIALLY COMPLETED				
Packaged Sewerage Treatment Plants for Fort portal and Kisoro	To address wastewater disposal challenges in Fort portal and Kisoro.	Design, supply and installation of Sewerage Treatment Plants for both towns.	Completed	FY 2016/17
Kapeeka Water Supply Project-Phase 1	Developing a new water supply system for Kapeeka Town.	Construction of a 4000m ³ /d Water intake and Water Treatment Plant	Completed	FY 2016/17
		Construction of 600m ³ reservoir.		
		Laying of 15 km Piped Water network.		
New Soroti Intake Project	To replace the old intake which was washed away by floods.	<ul style="list-style-type: none"> Construction of Intake Structure. Installation of 3 Pumps of 288m³/h each. Installation delivery main. 	Completed	FY 2017/18
Masindi Water Production Improvement Project.	To increase water production from 1,700m ³ /day to 3,700m ³ /day.	<ul style="list-style-type: none"> Construction of additional water treatment units to increase capacity. 	Completed	FY 2017/18
Water Management and Development Project (WMDP)- Bushenyi Water Supply Project	To improve water supply and sewerage services in Bushenyi Municipality and surrounding areas.	<ul style="list-style-type: none"> Construction of the Water Treatment Plant at Kitagata (3,150m³/day) Refurbishment of Nyaruzinga Water Treatment Plant Construction of reservoirs in Kikuba-Ishaka (1,600m³) and Kitagata (90m³) Laying of 17 Km of transmission main from Kitagata to the new reservoir at Kikuba hill. Laying of 5.9 Km gravity main from Kikuba to Katungu. 	Completed	Dec-18
Water Management and Development Project (WMDP)- Arua Water Supply and Sanitation Project	To improve water supply and sewerage services in Arua Municipality and surrounding areas.	<ul style="list-style-type: none"> Upgrading of the current water treatment plant to 10,000m³ per day Increasing the storage capacity for treated water from 1,400m³ to 5,000m³. Expansion of water distribution Systems Construction of a new sewerage system. Construction of 10 public toilet facilities. 	Completed	Feb-19
Kapchorwa Water Supply Project	Improvement of water supply services in Kapchorwa Town.	<ul style="list-style-type: none"> Construction of New Water works (3,000m³/ day capacity) Laying a 4 km Delivery main. 	Completed	Oct - 19

PROJECT	OBJECTIVE	SCOPE	STATUS	COMPLETION DATE
Water Management and Development Project (WMDP)-Gulu Water Supply and Sanitation Project	To improve water and sewerage services in Gulu.	<ul style="list-style-type: none"> Upgrading of the existing Water Treatment Plant from 4,000 m³/ day to 10,000 m³/ day. Upgrading of the water distribution network Construction of a faecal sludge reception and treatment centre Rehabilitation of the wastewater treatment plant. 	Completed	June-19
Kampala Sanitation Programme Phase 2 (KSP – LVP2)	To improve urban hygiene and sanitation services for Kampala city residents, and protection of the environment.	<ul style="list-style-type: none"> Construction of the Nakivubo Waste Water Treatment Plant. Construction of Nakivubo and Kinawataka sewers. Construction of Kinawataka Pre-treatment and pumping station. 	Completed	Dec-2019
Kampala Water Lake Victoria WatSan Project 2	To provide long-term solutions to the water supply challenges of Kampala and meeting Kampala's water demand by the year 2040.	<ul style="list-style-type: none"> Construction of new Water Treatment Plant at Katosi (160,000 m³ per day). Construction of the 54 Km Water Transmission Main from Nsuba to Sonde Hill. Construction of a reservoir at Ssonde Hill. Construction of a pump station and a pumping main to Naguru Construction of a Booster Station at Namugongo. Extension of Water Supply in Informal Settlements of Kampala. 	Completed	June 2021
Fort Portal Water Production Improvements	Improvement in water quality and increase water production by 2,500m ³ /day.	Construction of <ul style="list-style-type: none"> Flocculator Ccoagulator Clarifier Filter 	Completed	Dec 2020
PROJECTS UNDER IMPLEMENTATION BY 30TH JUNE 2021				
Integrated Program to improve Living conditions in Gulu – (Phase II Nile option)	To sustainable source of water for Gulu City.	Construction of Water Treatment Plant at Karuma	Intake structure at Karuma has been constructed.	June 2025
		Bulk transfer of water from Karuma to Gulu	The works contracts for the Water Treatment Plant, Raw Water Intake and Water Transmission Pipeline are undergoing the tendering process	
Development of Water and Sanitation Infrastructure for the Isingiro, Mbarara-Masaka Areas- South Western Cluster	To improve the living standards and productivity of the population in the project areas through provision of good quality water and improved sanitation services.	<ul style="list-style-type: none"> Rehabilitation and expansion of the existing water supply and sanitation infrastructure in Mbarara and Masaka. Construction of new water intake and Water Treatment Plant at Kagera. 	Detailed designs were completed and Contractors for the construction works are being procured	June 2024

PROJECT	OBJECTIVE	SCOPE	STATUS	COMPLETION DATE
Sembabule Water Supply Improvement Project	Increasing water production from 300m ³ / day to 3000m ³ / day and upgrading and extension of the water distribution network.	<ul style="list-style-type: none"> Construction of a new intake and water treatment line including; flocculator, coagulator, clarifier and filter Upgrading the distribution network. 	Completed	August 2021
PROJECTS AT PLANNING, PROCUREMENT AND INCEPTION STAGE				
Integrated Water Management and Development Project (IWMDP) –Adjumani Water Supply and Sanitation Project.	To improve water supply and sewerage services in Adjumani	Construction of Water and sanitation infrastructure for Adjumani-Pakele and neighbouring towns.	Procurement has commenced.	Dec 2024
Kiruddu Waste Water Treatment Plant	To improve Sanitation in the Kiruddu Hospital and the surrounding community	Construction of a 300m ³ /day Wastewater Treatment Plant targeting Kiruddu Hospital and the surrounding community.	Design of the Plant Units was completed and the site was handed over to the Contractor.	June 2022
Integrated Water Management and Development Project (IWMDP) – Mbale Water Supply and Sanitation Project.	To improve water supply and sanitation infrastructure in Mbale City.	<ul style="list-style-type: none"> Upgrading of the Bungokho Water Treatment Works to 9,450 m³/day Construction of a new raw water intake along Namatala River Construction of a raw water transmission main from the Namatala to Bungokho Water Treatment Plant Construction of a new transmission main to Mbale town A new reservoir Upgrading the Manafwa Treatment Works to 9,000m³ per day. Rehabilitation of the Namatala and Doko WasteWater Treatment Ponds 	Procurement has commenced.	Dec 2024
Wakiso West WatSan Project (W/WWSP)	To improve the quality of life, health and economy of people in the South and West of greater Kampala.	<ul style="list-style-type: none"> Development of the new Water Treatment Plant Construction of storage reservoir, pumping main and distribution system Construction of a faecal Sludge Treatment Plant Supply of Water in Informal Settlements. 	Procurement for detailed design consultancy is ongoing.	April.2023
Kyotera Water Works and Bulk Transfer to neighbouring towns	To improve water supply reliability in Kyotera and the surrounding areas.	<ul style="list-style-type: none"> Water abstraction and treatment at Malembo landing site along Lake Victoria. Transfer of water to Kyotera, Kalisizo, Sanje,Kakuuto, Mutukula, Rakai, Lyantonde and Kalisizo. 	The Corporation is sourcing for funds to implement the project.	Subject to availability of funds
Development of WatSan Infrastructure for The Hoima - Masindi Areas (Albertine Graben Cluster North)	To develop water and sanitation infrastructure in the Albertine Region.	Feasibility study, and preliminary design	The Corporation is sourcing for funds to implement the project.	Subject to availability of funds



Financial Statements

For the year ended 30th June 2021





Report of the Directors

The Directors hereby submit their report together with the Financial Statements for the National Water and Sewerage Corporation for the year ended 30th June 2021.

Activities

The NWSC Act 1995 mandates the Corporation to provide water and sewerage services in areas entrusted to it on a commercially viable basis.

Results

The financial performance of the Corporation during the reporting period is summarized below:

	2021	2020
	UGX'000	UGX'000
Income	460,816,731	463,168,236
Profit Before Depreciation and Amortisation	106,439,432	103,323,677
Depreciation and Amortisation	(87,763,893)	(82,593,441)
Finance cost	(6,954,959)	(1,838,776)
Taxation Credit/(Charge)	36,068,585	(18,385,162)
Profit for the year	47,789,165	506,297

Income

Total Income reduced from UGX463 billion in FY2019/20 to UGX460.8billion in the reporting period, a reduction of 1%. Water and Sewerage Income increased by 1.5%, while Other Incomes registered an increase of 8.4%. Investment Income registered a decline of 28%. The main reason for the reduction in Income however, was a result of the fall in Deferred Income by UGX 8.5 billion (10%).

i) Water and Sewerage Income

This is the main source of revenue to the Corporation. Water and Sewerage Income increased by 1.5% from UGX371 billion in the year ending 30 June 2020 to UGX376 billion in 2021. This was due to the increased water production from 139.7 million m³ in the Financial Year 2019/20 to 144.1 million m³ in FY2020/21. Production grew as a result of efficiency gains, infrastructure upgrades and implementation of other Capital Development Projects.

ii) Other Income

This includes revenues from External Services contracts, Sale of Tender documents and provision of Laboratory services. During the reporting period, UGX9.2 billion was realized from Other Operating Incomes compared to UGX8.5 billion in the previous year.

iii) Investment Income

The Income from Investments reduced from UGX110 million in FY2019/20 to UGX80 million in the reporting period, a reduction of 28%.

iv) Deferred Income

The Corporation receives grants from GoU and Development Partners for implementing Major Capital Projects. For completed projects, the Grant provided is recognized as income over the expected useful life of the projects. The grants from GoU in relation to the SCAP 100 and Subvention Projects are treated as income in the period in which it is received.

During the reporting period, Deferred Income of UGX75 billion was released to the Statement of Profit or Loss compared to UGX84 billion in the previous year.

Operating Costs

Staff Costs

Staff costs, reduced by 0.7% from UGX151 billion in 2020 to UGX150 billion in the current year. This is because Management put on hold the planned recruitment of additional staff in response to the COVID-19 pandemic.

Administrative Costs

Administrative expenses reduced by 8% from UGX51 billion in 2020 to UGX 47 billion in 2021.

Static Plant and Pipe Network Maintenance

Static plant and pipe network maintenance costs increased by 0.8% from UGX99.6 billion in the previous year to UGX100 billion in 2021. The increase was mainly due to refurbishments and expansion works of the existing infrastructure.

Supplies and Services

Supplies and services costs reduced by 2.1% from UGX32 billion in 2020 to UGX31 billion in 2021.

Premises Maintenance Costs

Premises maintenance costs increased by 12.5% from UGX10 billion in 2020 to UGX11 billion in 2021. Additional expenditure was incurred on rent, rates and telephone.

Transport expenses

Transport costs reduced by 9.5% from UGX16 billion in 2020 to UGX15 billion in 2021.

Finance Costs

Finance costs increased from UGX1.8 billion in 2020 to UGX7 billion in 2021. All the amount approved under Market Finance (UGX50 billion) was fully disbursed during the Year ended June 2021.

Operating Profit

The Corporation reported an increase in the operating profit before depreciation from UGX103 billion in the FY 2019/20 to UGX106 billion in the current Financial Year.

Dividends

The Directors do not propose any dividend payment for the Financial Year 2020/21. Profits generated will be reinvested to expand the infrastructure and increase access to water and sewerage services.

Total Assets

The Total Asset base increased from UGX3.5 trillion in the FY2019/20 to UGX3.8 trillion in the FY2020/21, a growth of 8%.

Non-Revenue Water (NRW)

The Corporation recorded Global NRW of 34.6% in the FY 2020/21, compared to 34% in the FY 2019/20. Kampala Water registered NRW of 40.6%, Central Region (25.8%), Eastern & Northern (25.3%) and Western & South Western (22.5%). Measures that the Corporation is undertaking to address the Non-Revenue Water challenge are summarised on page 65.

Land

During the reporting period, the Corporation took over additional towns from Government which had no titles. The process of acquiring the titles for all our properties is continuing.

Our Auditors

In accordance with section 15 of the Public Enterprise Reform and Divestiture Act, the Financial Statements of the Corporation shall be audited once every year by the Auditor General or an Auditor appointed by him to act on his behalf.

During the Financial Year 2020/21, the Auditor General appointed Sejjaaka, Kaawaase and Company Certified Public Accountants to carry out the audit of the Corporation on his behalf and report directly and solely to him.

By order of the Board,



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Edith Katete
Corporation Secretary
11th October 2021



Corporate Governance Report

The Board and Management

The National Water and Sewerage Corporation's Board and Management are committed to ensuring the best principles of Corporate Governance. These principles are applied throughout all the operations of the Corporation.

The Board

The Board of Directors is the policy making body of the Corporation and it makes the policies on behalf of the Government of Uganda. The Board of Directors' functions and responsibilities are set out in the National Water and Sewerage Corporation Act Cap 317 (Laws of Uganda, 2000) and these include: -

- a) Developing policies and strategies to be followed by the Corporation in achieving its objectives and carrying out its functions.
- b) Ensuring that Management performs its functions and exercises its powers in a proper, efficient and economical manner in accordance with policies and strategies established by the Board.
- c) While Management remains responsible for the day to day running of the affairs of the Corporation, there are specific decisions that have to be referred to the Board for approval.

Board Constitution

The Board comprises of nine Government appointed Directors plus the Managing Director of the Corporation. One of the Directors heads The Directorate of Water Development.

In appointing the Directors, the Hon. Minister of Water and Environment appoints persons having qualifications in the following fields;

- a) Knowledge and experience in the Water Sector.
- b) Public Finance, Banking or Economics.
- c) Business Management.
- d) Commerce and Industry.
- e) Environmental Management.
- f) Public Health.

Meetings of the Board

The Board meets at least once every three months. Board Committee meetings take place every quarter or as and when there is business. The Board operates through five committees which have been mentioned under Governance and Leadership.



Statement of Director's Responsibilities

The National Water and Sewerage Corporation Act Cap 317 (Laws of Uganda 2000), requires the Directors to prepare Financial Statements for each Financial Year which give a true and fair view of the state of affairs of the Corporation as at the end of the Financial Year and of the operating results for that year. The Directors are also required to ensure that the Corporation keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Corporation. They are also responsible for safeguarding the assets of the Corporation.

The Directors are responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards and in the manner required by the National Water and Sewerage Corporation Act (Laws of Uganda 2000). This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Annual Financial Statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the National Water and Sewerage Corporation Act (Laws of Uganda 2000). The Directors are of the opinion that the Financial Statements give a true and fair view of the state of the financial affairs of the Corporation and of its operating results. The Directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of Financial Statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Corporation will not remain a going concern for at least the next twelve months from the date of this statement.

A handwritten signature in black ink, consisting of a stylized 'N' followed by a cursive 'W' and 'S'.

Board Chairman

A handwritten signature in black ink, featuring a horizontal line with a small loop at the end.

Managing Director

A handwritten signature in black ink, consisting of a series of overlapping loops and a horizontal line.

Director



Report of the Auditor General on the Financial Statements of National Water and Sewerage Corporation for the Year Ended 30th June 2021

THE RT. HON. SPEAKER OF PARLIAMENT

Report on the Audit of the Financial Statements

Opinion

I have audited the accompanying financial statements of National Water and Sewerage Corporation for the year ended 30th June 2021. These financial statements comprise the Statement of Financial Position as at 30th June 2021, the Statement of Financial Performance, Statement of Changes in Equity and Statement of Cash Flows for the period then ended, the accompanying schedules and a summary of significant accounting policies and other explanatory notes, as set out on pages 13 to 40.

In my opinion, the accompanying financial statements, give a true and fair view of the financial position of the Corporation as at 30th June 2021, and of the financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards and the National Water and Sewerage Act, Cap 317, Laws of Uganda.

Basis of Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the audited entity in accordance with the Constitution of the Republic of Uganda (1995) as amended, the National Audit Act, 2008, the International Organization of Supreme Audit Institutions (INTOSAI) Code of Ethics, the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code), and other independence requirements applicable to performing audits of Financial Statements in Uganda. I have fulfilled my other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing audits in Uganda. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

- **Implementation of IFRS 9, Financial Instruments (Financial Asset Receivable)**
IFRS 9 requires all Financial Instruments classified and measured at amortized cost to be subjected to a prudential Expected Credit Loss assessment even when there are clearly no risks of default at the very inception.

The financial statements under note 28 include a Financial Asset in form of Trade Receivables. Management has estimated the fair value of the net financial asset receivable

Report of the Auditor General on the Financial Statements of National Water and Sewerage Corporation for the Year Ended 30th June 2021 cont'd

to be UGX.133.7 billion as at 30th June 2021, of which, the net amount of receivables UGX.38.2bn is owed from the government and its MDA (Ministries; Departments and Agencies).

Due to the significance of the above, I considered Impairment of Trade Receivables to be a Key Audit Matter.

My procedures in relation to management's valuation of financial asset receivable included:

- Examining the requirements of IFRS 9
- Obtaining and reviewing the impairment model adopted by management
- Assessing management's computations in line with the model and the appropriateness of the key assumptions based on our knowledge of the accounting requirements, against the requirements of the respective standards and provisions

I report that:

- The Trade Receivable was subjected to the "Expected Credit Loss test" using simple matrix or calculations as required by IFRS 9.
- The necessary disclosures have been made in the financial statements.
- A corporate assessment and documentation of the risk and parameters leading to the expected credit loss under IFRS 9, was done. I reviewed the respective comprehensive report to that effect.

I have advised management to carry out periodic assessment and documentation of the risk and parameters leading to the Expected Credit Loss as required by IFRS 9.

Management should also approach MDAs to ensure they meet their obligations in order not to impair service delivery.

Based on the procedures performed, I noted no further significant issues to report on this matter.

- **Implementation of IFRS16, Leases**

IFRS 16 requires that all lease contracts with more than 12 months and whose values are in excess of USD.5,000 (Five thousand United States Dollars) to be accounted for using a single lease model by the Lessee. That is, the lessee shall recognize a fair value of the lease assets (Right of Use of leased Assets) with its associated depreciation, the present value of the lease obligations with its associated amortised expenses using the effective interest rate.

I noted that NWSC leased vehicles, offices and land under operating lease contracts whose terms were more than twelve (12) months. Included in the financial statements under note 15 is UGX.87.8m for value of Right of Use asset amortization while under Note 26, is UGX.12.4bn as Value of Right of Use Lease Assets and UGX.8.4bn, as Lease Obligations due to Right of Use Leased Assets.

Due to its significance and technical requirement above, I considered modelling of operating lease assets(Right of Use Assets) in order to determine ; the fair value of right to use

Report of the Auditor General on the Financial Statements of National Water and Sewerage Corporation for the Year Ended 30th June 2021 cont'd

assets, related amortisation of Right Use of assets, the present value of the operating obligations, as well as the Amortised expenses relating to the lease obligation, a Key Audit Matter.

My procedures in relation to management's reporting of Right of Use of Assets and related liabilities included:

- Examining the requirements of IFRS 16
- Obtaining and reviewing the IFRS16 models leading to the fair values of Rights of Use of Assets and present value of the lease obligations adopted by management.
- Assessing management's computations in line with the model and the appropriateness of the key assumptions based on our knowledge of the accounting requirements, against the requirements of the respective standards and provisions.

I report that:-

- All Rights of Use of lease Assets were subjected to IFRS16 fair value models.
- Liabilities were not amortised annually using effective interest method in order to arrive at the amortised costs for profit and loss recognition.
- However, the necessary disclosures have been made in the financial statements.

I have advised Management to conduct annually comprehensive and authorised IFRS 16 models to enable determination of specific amounts for recognition in the financial statements and disclosure thereto.

Based on the procedures performed, I noted no further significant issues to report on this matter.

- **Land Matters**

Included in the financial statements under note 23 and note 26 are UGX.176.5bn (freehold land) and UGX.4bn (leasehold land).

I noted the following matters with regard to land:-

- Some land with expired lease period.
- Some land with titles not yet transferred in the names of NWSC
- The Katosi Long Term Investment Project (water project) is seated on a short term leased land of ten (10) years.
- Some of the NWSC on going water projects are significantly delayed by litigations and substantial amounts that are required to compensate the interested parties as per details in Note 24 of the financial statements.

Due to the nature of NWSC investments that require land as a major factor; and given the current land disputes that may delay water and sewerage service deliveries, I considered land and related disputes a Key Audit Matter.

My procedures in relation to management's reporting on land and related land disputes included:

Report of the Auditor General on the Financial Statements of National Water and Sewerage Corporation for the Year Ended 30th June 2021 cont'd

- Examining the required land ownership documents which included titles, agreements and land registers of NWSC.
- Reviewing related litigation files and transactions therein.
- Examined project files and progressive project reports.
- Obtained written representations from NWSC legal department and their lawyers.

I report;

That these findings are key concerns that affect service delivery and impact implementation of the approved investments by NWSC.

I advised management to:

- Expeditiously resolve land ownership matters and compensations to Projects Affected Persons (PAPS).
- Undertake extensive due diligence on land where its investments are made.
- Lobby Government to strengthen laws that allow land acquisition for public interest investments while safeguarding land owners' interests.

Based on the procedures performed, I noted no further significant issues to report on this matter.

Other Information

The directors are responsible for the other information. The other information comprises the director's report, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or in my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Management Responsibilities for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the National Water and Sewerage Act, Cap 317, Laws of Uganda, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Report of the Auditor General on the Financial Statements of National Water and Sewerage Corporation for the Year Ended 30th June 2021 cont'd

Auditor General's responsibilities for the audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users, taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:-

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the Directors, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse

Report of the Auditor General on the Financial Statements of National Water and Sewerage Corporation for the Year Ended 30th June 2021 cont'd

consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Responsibilities

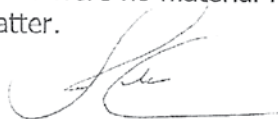
As required by the National Water and Sewerage Act, Cap 317, Laws of Uganda, I report to you, based on my audit, that:

- I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit;
- In my opinion proper books of account have been kept by the Corporation, so far as appears from my examination of those books;
- The Corporation's Statement of Financial Position and Statement of Comprehensive Income are in agreement with the books of account.

Report on the audit of Compliance with legislation

In accordance with sections 13 and 19(1) of the National Audit Act, 2008, I have a responsibility to report material findings on the compliance of National Water and Sewerage Corporation with specific matters in key legislations. I performed procedures to identify findings but not to gather evidence to express assurance.

There were no material finding(s) in respect of the compliance criteria for the applicable subject matter.



John F.S. Muwanga
AUDITOR GENERAL

20th October 2021



Statement of Profit or Loss and other Comprehensive Income for the period ended 30th June 2021

		30-Jun 2021	30-Jun 2020
	Note	UGX '000	UGX '000
Income			
Water and sewerage income	5	376,170,941	370,705,256
Other incomes	6	9,268,693	8,547,204
Investment income	7	79,849	110,493
Deferred income	22	75,297,248	83,805,283
Total Income		460,816,731	463,168,236
Expenditure			
Staff	8	150,048,611	151,164,016
Administrative Cost	9	46,975,959	51,115,559
Static Plant and Pipe Network	10	100,428,234	99,632,978
Supplies and Services	11	31,336,176	32,022,607
Premises Maintenance	12	10,916,970	9,703,666
Transport & Mobile Plant	13	14,671,349	16,205,734
Total expenditure before Depreciation		354,377,299	359,844,559
Operating Profit Before Depreciation		106,439,432	103,323,677
Depreciation and amortisation	15	87,763,893	82,593,441
Operating profits before finance costs		18,675,539	20,730,236
Net financial cost	14	(6,954,959)	(1,838,776)
Net (Loss) Profit Before Tax		11,720,580	18,891,459
Tax Credit/ (Charge)	16 (a)	36,068,585	(18,385,162)
Profit (Loss) for the year		47,789,165	506,297

The Accounting policies and notes on pages 125 to 148 form an integral part of these Financial Statements



Statement of Financial Position as at 30th June 2021

	Note	As at 30-Jun 2021 UGX '000	As at 30-Jun 2020 UGX '000
EQUITY			
Equity and reserves			
Government funding	17	317,233,669	317,204,458
Revaluation reserves		630,782,617	641,366,709
Retained earnings		389,737,727	332,122,207
Total Equity		1,337,754,013	1,290,693,374
Non-current liabilities			
Borrowings	18	49,113,316	36,700,000
Terminal Benefits	20	4,137,395	5,129,958
Deferred tax liabilities	21	297,042,135	333,143,686
Lease Obligations	26 (c)	8,367,233	-
Deferred Income	22	1,783,825,057	1,462,813,556
Total Non- Current liabilities		2,142,485,136	1,837,787,200
Total Equity and Non- Current liabilities		3,480,239,149	3,128,480,573
Represented By Non-current Assets			
Property plant and equipment			
Property plant and equipment	23	2,549,199,070	2,508,233,817
Capital Works- in-Progress	24	810,703,143	554,807,537
Intangible Assets	25	64,619	99,298
Right of Use Assets	26 (b)	12,385,111	4,101,177
Investment in NWSC Captive Insurance Co.	34	60,000	-
		3,372,411,943	3,067,241,829
Current assets			
Tax recoverable	16 (b)	2,027,969	3,585,302
Inventories	27	31,839,826	37,000,742
Trade and other receivables	28	168,128,852	222,607,714
Short term Bank deposits	29	11,178	1,544,626
Cash and bank balances	30 (a)	197,411,145	140,533,864
Total current assets		399,418,970	405,272,248
Total Assets		3,771,830,913	3,472,514,077
Current liabilities			
Borrowings	18	3,063,553	3,353,814
Annual Terminal Benefits	19	12,084,383	17,754,819
Deferred income	22	75,297,248	83,805,283
Trade and other payables	31	201,146,580	239,119,589
		291,591,764	344,033,504
Net Current Assets		107,827,206	61,238,744
Net Assets		3,480,239,149	3,128,480,573

The Financial Statements and their notes set out on pages 13 to 16 were approved by the Board of Directors on 11th October 2021 and were signed on its behalf by:

The Accounting policies and notes on pages 125 to 148 form an integral part of these Financial Statements

Board Chairman

Managing Director

Director



Statement of changes in Equity for the period ended 30th June 2021

	Government Funding UGX 000	Revaluation Reserve UGX 000	Retained Earnings UGX 000	Total Equity UGX 000
At 1st July 2019	317,134,727	651,193,064	322,099,001	1,290,426,792
Exchange translate	-	-	(309,446)	(309,446)
Net profit (loss) for the year	-	-	506,297	506,297
Assets Taken over	69,731	-	-	69,731
Transfer of excess depreciation	-	(9,826,355)	9,826,355	-
At 30th June 2020	317,204,458	641,366,709	332,122,207	1,290,693,374
At 1st July 2020	317,204,458	641,366,709	332,122,207	1,290,693,374
Opening Balance Restatement (PPE) note 23		(555,342)		(555,342)
As at 30th June 2020	317,204,458	640,811,367	332,122,207	1,290,138,032
Exchange translate	-	(202,395)		(202,395)
Net profit (loss) for the year	-	-	47,789,165	47,789,165
Assets Taken over	29,211	-	-	29,211
Transfer of excess depreciation	-	(9,826,355)	9,826,355	-
At 30th June 2021	317,233,669	630,782,617	389,737,727	1,337,754,013

The Accounting policies and notes on pages 125 to 148 form an integral part of these Financial Statements



Statement of Cash Flows for the period ended 30th June 2021

	Note	30-Jun 2021 UGX'000	30-Jun 2020 UGX'000
Operating Activities			
Cash generated from operations	33	47,573,423	134,158,828
Prepayment of operating lease		(138,520)	(1,852,852)
Tax paid		(32,707)	(50,217)
Net cash generated from operating activities		47,402,196	132,255,759
Investing Activities			
Additions to capital work in progress		(255,379,807)	190,294,700
Purchase of property, plant and equipment	23	(129,161,997)	(678,096,936)
Interest received		79,849	110,493
Investment in NWSC Captive Insurance Co.	34	(60,000)	-
Net cash used in investing activities		(384,521,955)	(487,691,743)
Financing Activities			
Loan Received		12,123,055	36,700,000
Payments of borrowings		(7,169,915)	(1,821,865)
Proceeds from grants		387,800,714	332,835,462
Net Cash Used in Financing Activities		392,753,854	367,713,597
Increase /(decrease) in cash and cash equivalents		55,634,094	12,277,614
Movement in Cash and Cash Equivalents			
At start of the year		138,724,676	126,447,062
Increase/(decrease)		55,634,095	12,277,614
At year End	30(b)	194,358,771	138,724,676

The Accounting policies and notes on pages 125 to 148 form an integral part of these Financial Statements



Notes to the Financial Statements

1 Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Basis of Preparation

The financial statements have been prepared under the historical cost convention, except where the assets have been revalued. The historical cost convention is generally based on the fair value of the consideration given in exchange of assets. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Corporation takes into account the characteristics of the asset or liability if market participants would take those characteristics into when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

Going concern

The financial performance of the Corporation is set out in the Director's report and in the statement of profit or loss and the other comprehensive income. The financial position of the Corporation is set out in the statement of financial position.

The NWSC is a Statutory Public Corporation empowered under the NWSC Act CAP 317 Laws of Uganda 2000 as a body corporate, to enter into such Contracts and act as a Water Supply and Sewerage Authority in Uganda.

The Ministry of Water and Environment is mandated under the Water Act CAP 152, Laws of Uganda 2000 to enter into Performance Contracts with Water and/or Sewerage Authorities appointed in accordance with Section 46 of this Act, to provide water supply and sewerage services to the people of Uganda efficiently and economically and it is understood that the areas specified on page 11 are already declared Water and Sewerage Supply Areas, and National Water and Sewerage Corporation (NWSC) has been appointed as such the Water and Sewerage Authority.

The Performance Contract (PC 6) which is the main instrument for regulating water supply and sewerage services provided and managed by NWSC was renewed and is deemed to take effect on and from the 1st day of July 2018 and for a period of three (3) years or until it is terminated in accordance with the provisions of this agreement or any other governing law in Uganda. Accordingly, the directors are of the opinion that the Corporation is well placed to continue in business for the foreseeable future and as a result the financial statements are prepared on a going concern basis.

These financial statements comply with the requirements of the National Water and Sewerage Corporation Act, 1995, Cap. 317, Laws of Uganda. The statement of comprehensive income represent the Statement of financial transactions during the year referred to in the Act. The statement of financial position is as referred to in the Act.

New and amended standards adopted by the Corporation

A number of new and revised Standards and Interpretations have been adopted in the current year. Their adoption has had no material impact on the amounts reported in these financial statements.

New standards, amendments and interpretations issued

International Financial Reporting Standards 9 (IFRS 9): Financial Instruments

IFRS 9 requires all financial assets to be measured at fair value on initial recognition and subsequently at amortised cost or fair value (through profit or loss or through other comprehensive income), depending on their classification by reference to the business model within which they are held and their contractual cash flow characteristics.

For financial liabilities, the most significant effect of IFRS 9 relates to cases where the fair value option is taken: the amount of change in fair value of a financial liability designated as at fair value through profit or loss that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income (rather than in profit or loss), unless this creates an accounting mismatch.

For the impairment of financial assets, IFRS 9 introduced an "expected credit loss" (ECL) model based on the concept of providing for expected losses at the inception of a contract; this requires judgement in quantifying the impact of forecast economic factors. For financial assets for which there has not been a significant increase in credit risk since initial recognition, the loss allowance should represent ECLs that would result from probable default events within 12 months from the reporting date (12-month ECLs). For financial assets for which there has been a significant increase in credit risk, the loss allowance should represent lifetime ECLs. A simplified approach is allowed for trade receivables and lease receivables, whereby lifetime ECLs can be recognised from inception.

The Corporation has adopted IFRS 9 as issued by the IASB in July 2014 with a date of transition of 1 January 2018, which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The Corporation adopted IFRS 9 in the financial year 2018/19.

The adoption of IFRS 9 has resulted in changes in the accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 'Financial Instruments'.

IFRS 15: Revenue from contracts with customers

Under IFRS 15, revenue from sale of goods is recognised when the customer obtains control of the goods. Revenue from sales of services is recognised over time provided the consumption of the service by the customer is simultaneous with the performance of the service by the Company. The application of the standard, retrospectively, in the current year has not had a material impact on the financial position or financial performance of the company, and a prior period adjustment has, therefore, not been required. However, minor changes in presentation have been necessary, including the separate presentation of contract assets and contract liabilities, which were previously presented net as 'work-in-progress'.

Amendments to IAS 12 'Income Taxes' effective for annual periods beginning on or after 1 January 2019 clarifying on the recognition of income tax consequences of dividends. Amendments to IAS 19 'Employee Benefits' effective for annual periods beginning on or after 1 January 2019 clarifying the effects of a retirement benefit plan amendment, curtailment or settlement.

b) Critical accounting estimates and judgement

In the application of the accounting policies, the directors are required to make the judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Such estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The directors have made the following assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

b) Critical accounting estimates and judgement continued

Measurement of expected credit losses (ECL)

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVTOCI is an area that requires the use of complex models and significant assumption about future economic conditions and credit behaviour. A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

ECLs are measured as the probability-weighted present value of expected cash shortfalls over the remaining expected life of the financial instrument.

The measurement of ECLs is based primarily on the product of the instrument's Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD).

The ECL model applied for financial assets other than trade receivables and contains a three-stage approach that is based on the change in the credit quality of assets since initial recognition.

Stage 1 - If, at the reporting date, the credit risk of non-impaired financial instruments has not increased significantly since initial recognition, these financial instruments are classified in Stage 1, and a loss allowance that is measured, at each reporting date, at an amount equal to 12-month expected credit losses is recorded.

Stage 2 - When there is a significant increase in credit risk since initial recognition, these non-impaired financial instruments are migrated to Stage 2, and a loss allowance that is measured, at each reporting date, at an amount equal to lifetime expected credit losses is recorded. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the ECL model requires reverting to recognition of 12-month expected credit losses.

When one or more events that have a detrimental impact on the estimated future cash flows of a financial asset have occurred, the financial asset is considered credit-impaired and is migrated to Stage 3, and an allowance equal to lifetime expected losses continues to be recorded or the financial asset is written off.

Assessment of significant increase in credit risk

The determination of a significant increase in credit risk takes into account many different factors including a comparison of a financial instruments credit risk or PD at the reporting date and the credit or PD at the date of initial recognition. IFRS 9 however includes rebuttable presumptions that contractual payments are overdue by more than 30 days will represent a significant increase in credit risk (stage 2) and contractual payments that are more than 90 days overdue will represent credit impairment (stage 3). The group uses these guidelines in determining the staging of its assets unless there is persuasive evidence available to rebut these presumptions. For trade receivables, the group has applied the simplified model under IFRS 9 where lifetime expected credit loss allowance is recognised on the basis of a provisioning matrix.

Useful lives of property and equipment

Management reviews the useful lives and residual values of the items of property and equipment on a regular basis. During the financial year, a revaluation of property, plant and equipment was undertaken, the result of which are reported under Note 23.

Notes to the Financial Statements continued ►

b) Critical accounting estimates and judgement continued

Impairment of receivables

The directors review the portfolio of trade receivables on an annual basis. In determining whether receivables are impaired, the directors make judgment as to whether there is any evidence indicating that there is a measurable decrease in the estimated future cash flows expected.

c) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for sale of services, in the ordinary course of business and is stated net of Value Added Tax (VAT).

The Corporation recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Corporation and when specific criteria have been met for each of the Corporation's activities as described below. The amount of revenue is not considered to be reliably measured until all contingencies relating to the sale have been resolved. The Corporation bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The Corporation recognizes all revenues at the time of billing. Should the Corporation consider that the criteria for revenue recognition are not met for a transaction, revenue recognition would be delayed until such a time as the transaction becomes fully earned.

- (i) Sale of water is recognized based on periodic meter readings or estimates thereof when readings cannot be taken;
- (ii) Sewerage income is recognised based on the water billing for the month multiplied by the rate applicable to the client's classification/category;
- (iii) Sale of goods is recognised upon delivery of products and customer acceptance;
- (iv) Interest income is accrued by reference to time in relation to the principal outstanding and the effective;
- (v) Interest rate applicable;

d) Insurance Contracts

Transactions in foreign currencies during the year are converted into Uganda Shillings (the functional currency), at the rates ruling at the transaction dates. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. The resulting differences from translation are dealt with in the statement of Profit or loss in the year in which they arise.

(e) Property, plant and equipment

All property, plant and equipment are initially recorded at cost and therefore stated at historical cost less depreciation. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

Freehold and leasehold land, buildings and plant and machinery are subsequently shown at market value, based on periodic valuations and is not less subsequent amortisation for leasehold land. Freehold land is not depreciated.

Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

Notes to the Financial Statements continued ►

(e) Property, plant and equipment continued

Increases in the carrying amount arising on revaluation are credited to other comprehensive income except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. Decreases that offset previous increases of the same asset are charged to other comprehensive income; all other decreases are charged to profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to profit or loss) and depreciation based on the asset's original cost is transferred from the retained earnings to revaluation reserve.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost of the item can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss in the year which they are incurred.

Depreciation on other assets is calculated using the straight-line method to write down the cost of each asset, to its residual value over the estimated useful life using the following annual rates:

	Rate%
Civil structures and buildings	1%
Technical Structures	3%
Pipe works	3%
Electro-mechanical equipment	3%
IT and office equipment	20%
Office furniture and fittings	20%
Mobile plant	20%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of property and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit.

(f) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimates being accounted for on a prospective basis.

Computer software

Computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives which are estimated to be 5 years. Intangible assets comprise the accounting, billing and audit software.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Corporation, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include software development staff costs and an appropriate portion of relevant overheads.

(g) Leases

IFRS 16 'Leases' (issued in January 2016) effective for annual periods beginning on or after 1 January 2019, replaces IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement Contains a Lease' and their interpretations (SIC-15 and SIC-27). IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions

(h) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined by the weighted average cost basis less provisions for impairment. The cost of finished goods and work-in-progress comprises raw materials, direct labour and other direct costs. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

(i) Capital and revenue grants

Grants are recognized at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

When the grant relates to an expense item, (revenue grant) it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the grant relates to an asset, (capital grant) it is recognised in the profit and loss account on a systematic basis over the expected useful life of the relevant asset.

(j) Government funding

Government contribution to the activities of the Corporation in form of assets transferred and long term debt capitalized into equity are classified as government funding within equity.

(k) Cash and Cash Equivalents

For the purpose of the cash flow statement, Cash and cash equivalents comprises cash in hand, deposits held at call with banks, and financial assets with maturities of less than 91 days, net of bank overdrafts and money market lines.

In the statement of financial position, bank overdrafts are included within borrowings in current liabilities.

(l) Retirement benefit obligations

The Corporation and its employees contribute to the National Social Security Fund (NSSF), a statutory defined contribution scheme registered under the NSSF Act. The company's contributions to the defined contribution scheme are charged to profit or loss in the year to which they relate.

(m) Annual Terminal Benefits

The Corporation operates an annual contract gratuity scheme. Under the scheme, the Corporation's employees are paid their contract gratuity at the end of each year of service. All the Corporations employees have renewable contracts that run for three years.

Notes to the Financial Statements continued ►

(m) annual terminal benefits continued

The Corporation recognizes a liability and an expense for bonuses based on prior year performance. The Corporation recognizes a provision where contractually obliged or where there is past practice that has created a constructive obligation.

The estimated monetary liability for employees' accrued annual leave entitlement at the reporting date is recognized as an expense.

(n) Financial instruments

Financial instruments are recognised when, and only when, the Corporation becomes party to the contractual provisions of the instrument. All financial assets are recognised initially using the trade date accounting which is the date the Corporation commits itself to the purchase or sale.

Financial assets

The corporation classifies its financial assets in accordance to amortised cost.

Amortised cost

Financial assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows, and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding and are not designated at Fair Value Through Profit or Loss (FVTPL), are classified and measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured.

At initial recognition of a financial asset, the Corporation determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Corporation reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the Corporation has not identified a change in its business models.

Derecognition/write off

Financial assets are derecognised when the rights to receive cash flows from the financial asset have expired, when the Corporation has transferred substantially all risks and rewards of ownership, or when the Corporation has no reasonable expectations of recovering the asset.

Financial instruments that are subsequently measured at amortised cost are subject to impairment.

Impairment

The Corporation recognises loss allowances for Expected Credit Losses (ECLs) on the following financial instruments that are measured at amortised cost:

- Cash and cash equivalents
- Trade and other receivables
- Short term deposits

The loss allowance is measured at an amount equal to the lifetime expected credit losses for trade receivables and for financial instruments for which:

- the credit risk has increased significantly since initial recognition; or
- there is observable evidence of impairment (a credit-impaired financial asset).

If, at the reporting date, the credit risk on a financial asset other than a trade receivable has not increased

Financial assets continued

significantly since initial recognition, the loss allowance is measured for that financial instrument at an amount equal to 12-month expected credit losses. All changes in the loss allowance are recognised in profit or loss as impairment gains or losses.

Lifetime expected credit losses represent the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses represent the portion of lifetime expected credit losses that result from default events on a financial asset that are possible within 12 months after the reporting date.

Expected credit losses are measured in a way that reflects an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

All financial assets are classified as non-current except those that are held for trading, those with maturities of less than 12 months from the balance sheet date, those which management has the express intention of holding for less than 12 months from the reporting date or those that are required to be sold to raise operating capital, in which case they are classified as current assets.

Financial liabilities

Financial liabilities that are held for trading (including derivatives), financial guarantee contracts, or commitments to provide a loan at a below-market interest rate are classified and measured at fair value through profit or loss. The Corporation may also, on initial recognition, irrevocably designate a financial liability as at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

All other financial liabilities are classified and measured at amortised cost.

2 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions for future operating losses are not recognised.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligation may be small. The amount recognised as a provision is the best estimate of the present value of expenditures expected to be incurred to settle the obligation using a pre-tax rate that reflects the current market assessments of time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense in profit or loss under finance costs.

3 Taxation

The tax expense for the period comprises current and deferred income tax. Tax is recognized in the profit and loss account except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity respectively.

3 Taxation continued

Current tax

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the relevant tax legislation.

Deferred Income Tax

Deferred tax is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary timing differences can be utilised.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

4 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

Notes to the Financial Statements continued ►

5 Water and sewerage income

	30-Jun 2021 UGX'000	30-Jun 2020 UGX'000
Water and sewerage charges	348,854,204	345,222,833
Service charges	14,246,720	13,004,406
Connection fees	8,427,739	933,068
Reconnection fees	171,590	659,299
Other water and sewerage incomes	4,470,688	3,885,650
Total Water and Sewerage Income	376,170,941	370,705,256

6 Other income

Sale of Scrap	-	125,274
Decrease in provision for obsolete stock	9,820	4,982
Other operating incomes	9,258,873	8,416,948
Total other incomes	9,268,693	8,547,204

7 Investment income

Interest receivable on bank deposits	79,849	110,493
Total Investment Income	79,849	110,493

8 Employee Benefit Expenses

The following items are included within the employee expenses:-

Basic pay	68,235,471	67,263,001
Housing expense	16,195,758	15,954,396
Medical expense	8,322,001	7,544,772
National Social Security Fund contributions	10,550,785	10,890,054
Lunch and transport allowance	6,741,585	6,648,863
Car and cycle allowance	7,801,663	7,240,379
Performance/attendance bonus and overtime	3,247,091	3,208,222
Work bonus	706,090	6,857,375
Leave transport and allowance	2,212,299	2,150,685
Annual Terminal Benefits (Note 19)	21,895,430	20,408,952
Shift allowance	456,941	448,126
Terminal benefits interest	133,616	151,490
Provident Fund	2,737,676	1,863,372
Workmen's compensation	509,531	254,266
Funeral expenses	302,674	280,062
Total employee expenses	150,048,611	151,164,016

Notes to the Financial Statements continued ►

9 Administrative expenses

	30-Jun 2021 UGX'000	30-Jun 2020 UGX'000
Board expenses	1,258,381	917,788
Meeting expenses	1,938,417	3,148,689
Local travels	9,512,914	10,902,891
Foreign travels	93,645	2,657,081
Publicity	12,478,769	8,530,998
Entertainment	6,187	141,113
General insurance	95,903	237,956
Legal and professional expenses	2,560,830	1,530,499
Training expenses and allowances	368,044	1,635,000
Donations and subscriptions	966,333	1,581,539
Lunch and transport	9,107,596	9,424,046
Contribution to staff sports	183,844	185,474
Process bench marking	-	804,696
Security	4,350,634	4,454,578
Bad debts - water services written off	1,463,728	1,313,689
Stock losses (Stock write down)	53,410	155,766
Staff transfer	308,910	304,897
Other professional charges	1,693,766	2,531,775
Bank charges	320,930	413,803
Research Expense	2,560	40,546
Performance Review Expenses	605	2,045
Audit fees payable	210,553	200,181
Courier	-	509
Total Administrative expenses	46,975,959	51,115,559

10 Static plant and pipe network expenses

Electricity	70,349,225	70,120,463
Plant repairs & maintenance	6,511,267	5,413,518
Pipe network repairs & maintenance	18,186,500	16,914,043
Fuel and lubricants	4,391,467	5,936,596
Insurance	311,056	505,519
Sand	182,674	405,896
Disludging Sewerage Ponds	110,995	28,784
Water abstraction permits	306,518	164,994
Catchment Restoration	78,532	143,165
Total static plant and Pipe network expenses	100,428,234	99,632,978

Notes to the Financial Statements continued ►

11 Supplies and services expenses

	30-Jun 2021 UGX'000	30-Jun 2020 UGX'000
Water treatment chemicals	21,106,461	21,781,322
Equipment repairs and minor purchase	292,511	556,374
Printing and stationery/publications	544,702	722,420
Tools and light plant	1,068,599	714,917
Uniforms and protective wear	500,601	363,003
Computer license	3,214,671	2,707,910
Lease of data communication links	1,071,495	2,226,133
Office supplies	3,351,128	2,733,404
Laboratory equipment and reagents	186,008	216,629
Laboratory Equipments	-	496
Total Supplies and services expenses	31,336,176	32,022,607

12 Premises expenses

Repairs and maintenance	6,083,499	4,308,719
Cleaning materials	1,248,694	1,012,788
Electricity	494,751	624,380
Water	286,031	272,850
Fixtures and fittings	199,213	296,799
Total premises expenses	10,916,970	9,703,666

13 Transport and mobile plant costs

Fuel and lubricants	7,409,385	9,039,904
Repairs and maintenance	1,542,956	1,678,827
Hire of transport	5,573,805	5,105,157
Insurance	11,848	237,336
License, road toll and taxes	133,355	144,511
Total Transport and Mobile Plant Costs	14,671,349	16,205,734

14 Finance costs

Exchange loss	75,304	153,078
Interest on Long term loan	6,879,655	1,222,817
Interest on short term loan	-	462,881
Total Finance costs	6,954,959	1,838,776

Notes to the Financial Statements continued ►

15 Depreciation and amortisation

	30-Jun 2021 UGX'000	30-Jun 2020 UGX'000
Depreciation (Note 23)	87,641,401	2,474,412
Amortisation of intangibles (Note 25)	34,679	52,026
Amortisation of operating lease prepayments : Note 26 (a)	87,813	67,003
Total depreciation & amortisation	87,763,893	82,593,441

16 Income tax expense

Current income tax	32,966	35,707
Deferred tax credit to profit or loss (Note 21a)	(36,101,551)	18,349,455
16 (a) Total Income tax expenses	(36,068,585)	18,385,162

The tax on the Corporation's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	30-Jun 2021 UGX'000	30-Jun 2020 UGX'000
Profit before income tax:	11,720,580	45,828,530
Tax calculated at the statutory income tax Rate of 30% (2021,2020-30%)	3,516,174	13,748,559
Tax effects of:		
Income not subject to tax (Note 23)	(22,589,174)	(25,141,585)
Expenses not deductible for tax purposes	19,073,000	11,393,026
Rental tax	32,966	35,707
Income tax expense	32,966	35,707

The movement in current Income tax recoverable for the year is as follows:

	2021 Shs'000	2020 Shs'000
At start of year	3,585,302	3,570,792
Rental tax charge	(32,966)	(35,707)
Tax Recovered	(1,557,074)	-
	1,995,262	3,535,085
Income tax paid	32,707	50,217
16 (b) At end of year	2,027,969	3,585,302

17 Government funding

At the start of the year	317,204,458	317,134,727
Assets taken over during the year	29,211	69,731
As at 30th June	317,233,669	317,204,458
Details		
Kumi Area-stock	13,267	56,687
Ntoroko Area-stock	15,944	-
Total Government funding	29,211	69,730

Government funding represents a build-up of capital contributions to the Corporation from GoU overtime. The contributions in the year ended 30th June 2021 consists of verified stock which were handed over by MWE to Kumi and Ntoroko Areas following the completion of the Water projects in those towns. The Non-Current Assets of the new towns were handed over without book values and the process of verification and valuation could not be done in the last two years due to disruptions caused by COVID-19. When business normalizes, the assets in the new towns will be verified, valued and then added to the assets of the Corporation

Notes to the Financial Statements continued ►

18 Borrowings

	30-Jun 2021 UGX'000	30-Jun 2020 UGX'000
Equity Bank	49,113,316	36,700,000
Interest charge	6,465,273	1,222,817
Interest payments	(6,465,273)	(1,222,817)
	49,113,316	36,700,000
Short Term Loan (Bank of Africa)	3,063,553	3,353,814
Total borrowings	52,176,869	40,053,814
<u>Movement</u>		
At the start	3,353,814	4,712,798
Interest on overdraft	414,381	462,881
Repayments (loan and overdraft)	(704,642)	(1,821,865)
	3,063,553	3,353,814
Due within one year	3,063,553	3,353,814
Due after one year	49,113,316	36,700,000
Total Borrowings	52,176,869	40,053,814

In the FY2019/20, Government authorized NWSC to obtain a medium term loan of UGX50billion to address the urgent water challenges around the Country. By the end of the FY2020/21, the facility had been fully disbursed. UGX49,113,316,000, which appears under the Non-Current Liabilities is the outstanding principal amount as at 30th June 2021. The facility is repayable on a quarterly basis until 2026, when it will be fully amortised.

19 Annual terminal benefits

At start of year	17,754,819	10,186,491
Charge for the year	21,895,431	20,408,953
Payments during year	(27,565,867)	(12,840,625)
At end of year	12,084,383	17,754,819

20 Terminal benefits (Ring-fenced)

At start of year	5,129,958	5,278,115
Accrued interest	133,616	175,985
Provision Adjustment	(442,850)	-
Payments during the year	(683,329)	(324,142)
At end of year	4,137,395	5,129,958
	-	-
Due within one year		
Due after one year	4,137,395	5,129,958
Total Terminal benefits (Ring-fenced)	4,137,395	5,129,958

Notes to the Financial Statements continued ►

21 Deferred tax

Deferred income tax is calculated using the enacted income tax rate of 30% (2021: 30%).
The movement on the deferred income tax account is as follows:

	30-Jun 2021 Shs'000	30-Jun 2020 Shs'000
At start of year	333,143,686	314,794,231
Credit to statement of profit or loss (Note 16)	(36,101,551)	18,349,455
At end of year	297,042,135	333,143,686

Deferred income tax assets and liabilities, deferred tax charge in the Statement of Profit or Loss and Other Comprehensive Income, and deferred tax charge in equity are attributable to the following items:

Year ended 30 June 2021

	01 July 2020 Shs'000	Charged to Profit or Loss Shs'000	30 June 2021 Shs'000
Deferred income tax liabilities			
Property, plant and equipment:			
- On historical cost basis	230,191,186	77,115,673	307,306,859
- On revaluation surpluses	255,059,179	(65,597,073)	189,462,106
Tax losses carried forward	(150,111,912)	(48,217,767)	(198,329,679)
Provision for bad debts	(1,931,971)	605,124	(1,326,847)
Provision for obsolete stock	(62,796)	(7,508)	(70,304)
Net deferred income tax liability	333,143,686	(36,101,551)	297,042,135

22 Deferred Income

At 1st July (A)

GoU Contributions

GoU Contributions to major Projects

Revenue Grant (SCAP 100 and Subvention)

Subtotal (B)

Contributions by Development Partners

Kampala Sanitation Project (KFW/AFD)

KW LV -WATSAN project (AFD/KFW/EU)

KW - LV WATSAN Project II (AFD)

Intergrated Program to improve Living conditions (KFW/IDA)

Intergrated Water Management Development Project (IDA/KFW)

South Western Cluster Water and Sanitation Project (AFD)

Water for Virunga

Subtotal (C)

Total as at 30th June (D)

Completed Projects

Revenue Grant (SCAP 100 and subvention)

Released to income statement (E)

a) Due within one year

b) Due after more than one year

30-Jun 2021	30-Jun 2020
UGX'000	UGX'000
1,546,618,839	1,297,588,660
30,930,321	28,626,008
48,471,536	58,000,000
79,401,857	86,626,008
11,338,022	48,140,248
83,893,131	82,951,227
200,619,724	85,221,269
7,511,735	13,707,004
767,139	2,009,914
-	13,158,916
4,269,106	1,020,876
308,398,857	246,209,454
1,934,419,553	1,630,424,122
26,825,712	25,805,283
48,471,536	58,000,000
75,297,248	83,805,283
1,859,122,305	1,546,618,839
(75,297,248)	(83,805,283)
1,783,825,057	1,462,813,556

Notes to the Financial Statements continued ►

23. Property, Plant and Equipment

	Civil Structures	Land Freehold	Pipe Works	Technical Structures	Electromech Equipment	Office Furniture and Equipment	IT and Office Equipment	Transport Heavy	Transport Light	Total
	UGX '000	UGX '000	UGX '000	UGX '000	UGX '000	UGX '000	UGX '000	UGX '000	UGX '000	UGX '000
COST / VALUATION										
At 1 st July 2020	478,752,780	174,260,718	1,544,971,900	235,296,212	194,359,706	14,072,846	6,237,022	4,831,499	5,188,485	2,658,517,510
Accumulated depreciation	(20,901,432)	-	(90,423,130)	(11,449,583)	(14,943,264)	(5,599,042)	(2,373,785)	(2,943,176)	(1,650,281)	(150,283,693)
Closing net book value 30/06/2020	457,851,348	174,260,718	1,454,549	223,846,629	179,416,442	8,473,804	3,863,237	1,888,323	3,538,204	2,508,233,817
Restatement of Closing Balance 2018/19										(555,342)
As at 1 st July 2020	478,752,780	174,260,718	1,544,971,900	235,296,212	194,359,706	14,072,846	6,237,022	4,831,499	5,188,485	2,657,971,168
Additions	9,864,393	2,006,394	-	101,157	7,225,689	2,681,954	881,069	-	144,068	22,904,724
Additional Expenditure on existing land		243,842	-	-	-	-	-	-	-	243,842
Reclassification from WIP	21,689,549		79,901,448	1,187,053	3,235,381					106,013,431
Restated Balance as at 30 th June 2021	510,306,722	176,510,954	1,624,873,348	236,584,422	204,820,776	16,754,800	7,118,091	4,831,499	5,332,553	2,787,133,165
DEPRECIATION										
As at 1 st July 2020	(20,901,432)	-	(90,423,130)	(11,449,583)	(14,943,264)	(5,599,042)	(2,373,785)	(2,943,176)	(1,659,281)	(150,292,693)
Charge for the year	(11,995,842)	-	(52,130,553)	(7,120,511)	(9,394,392)	(3,582,126)	(1,444,248)	(1,681,999)	(291,731)	(87,641,402)
At 30 th June 2021	(32,897,274)	-	(142,553,683)	(18,570,094)	(24,337,656)	(9,181,168)	(3,818,033)	(4,625,175)	(1,951,012)	(237,934,095)
NET BOOK VALUE										
As at 30 th June 2021	477,409,448	176,510,954	1,482,319,665	218,014,328	180,483,120	7,573,632	3,300,058	206,324	3,381,541	2,549,199,070

24 Capital work in progress

	30-Jun 2021 UGX'000	30-Jun 2020 UGX'000
Work in Progress	42,595,101	59,277,086
Gulu - IPILC	8,613,620	6,165,021
Albertine graben Hoima	2,675,165	2,373,430
Water Management Development Programme	3,360,723	2,039,859
Devt of Water and Sanitation in Mbarara	17,711,035	11,769,985
Fortportal Water production	2,428,669	669,855
Kampala WS & SP	2,528,981	1,108,657
Kampala Sanitation Project	42,369	3,488,154
Kapeeka upgrade	5,145,176	-
Sembabule Water Project	11,577,289	-
IWMDP	2,028,397	-
KW-LV WATSAN Project	711,996,618	467,915,490
	810,703,143	554,807,537

25 Intangible assets

Intangible Assets 1 July	980,436	838,761
Opening balance re-statement	-	(31,724)
Restated balance	980,436	807,037
Additions	-	173,399
Total	980,436	980,436
Amortisation		
Amortisation 1 July	(881,138)	(829,112)
Opening balance adjustment		
Charge for the year	(34,679)	(52,026)
At 30th June 20	(915,817)	(881,138)
NBV as at 30th June 20	64,619	99,298

Notes to the Financial Statements continued ►

26 Rights of use assets (Operating Lease Contracts)

Leasehold Property

Cost

At 1 July

Additions

At 30 June

Amortisation

At 1 July 2019

Adjustment

26 (a) Charge for the year

At year end

Lease of Vehicles

Value attributable to the remaining period of Use

Amortisation

At year end

Rental Agreements

Value attributable to the remaining period of Use

Amortisation

At year end

26 (b) Total NBV of Right of Use Assets

26 (c) Lease Obligations

Lease of Vehicles

Rental Agreements

	30-Jun 2021 UGX'000	30-Jun 2020 UGX'000
At 1 July	4,210,900	2,531,447
Additions	138,520	1,679,453
At 30 June	4,349,420	4,210,900
At 1 July 2019	(109,723)	(176,726)
Adjustment	(134,006)	-
26 (a) Charge for the year	(87,813)	67,003
At year end	4,017,878	4,101,177
Value attributable to the remaining period of Use	7,351,303	-
Amortisation	-	-
At year end	7,351,303	-
Value attributable to the remaining period of Use	1,015,930	-
Amortisation	-	-
At year end	1,015,930	-
26 (b) Total NBV of Right of Use Assets	12,385,111	4,101,177
Lease of Vehicles	(7,351,303)	-
Rental Agreements	(1,015,930)	-
	(8,367,233)	-

The Corporation recognises Leasehold Properties as Non-Current Assets which are amortised over the remaining lease term. At the end of the FY2020/21, the Corporation adopted IFRS 16. Lease of Vehicles and Rent agreements have been brought under this Standard.

On 30th June 2021, all vehicle lease agreements and rental agreements with the remaining periods of more than 12 months were valued. The outstanding payments for the remaining periods were discounted (15%), to derive the Net Book Value as at the date of Statement of Financial Position.

The Assets have been recognised as Non-Current Assets (Right of Use Assets). The corresponding Liabilities have been recognised as Lease Obligations (Non-Current Liabilities). The Assets and Liabilities will be amortised over the remaining useful life starting 1st July 2021.

The Corporation also had additional 27 rental vehicles whose remaining contract period is less than 12 months and is expected not to be renewed as at year end. The monthly rental payments are approximately UGX18 million. These agreements have not been capitalised.

27 Inventories

	30-Jun 2021 UGX'000	30-Jun 2020 UGX'000
Stationery	549,747	633,128
Chemicals	6,263,416	5,162,271
Pipes and fittings	16,343,477	27,685,395
Pump spares	8,802,150	3,602,961
Fuel & lubricants	115,384	126,308
Provision for slow moving stock	(234,348)	(209,321)
Total Net Inventory	31,839,826	37,000,742

28 Trade and other receivables

Water and sewerage debtors	140,870,793	144,493,951
Credit Loss adjustments	(7,151,757)	(6,455,907)
Water and sewerage debtors - net	133,719,036	138,038,044
Prepayments	550,907	382,933
Other receivables	30,636,948	81,286,442
Value Added Tax	3,221,961	2,900,295
	168,128,852	222,607,714

Movements in the expected credit loss for trade receivables are as follows:

At start of year	6,791,832	6,231,637
Provision in the year	679,844	1,313,689
Reduction during the year	-	(1,020,812)
Provision no longer required	-	267,318
At end of Year	7,471,676	6,791,832

Notes to the Financial Statements continued ►

29 Short term bank deposits

DFCU Call Account

NWSC Reserve Account

Total Short Term Deposits

30-Jun 2021	30-Jun 2020
UGX'000	UGX'000
7,451	368,698
3,727	1,175,928
11,178	1,544,626

30 (a) Cash at bank and in hand

Cash in hand

Cash collection accounts

Equity loan service account

KW-WATSAN 1

South Western Cluster water

BOU KW WATSAN 2

WMDP (IWMDP) project A/c

Bank balances

30-Jun 2021	30-Jun 2020
UGX'000	UGX'000
135,017	2,693
3,027,097	7,744,851
733,301	218,926
84,923,088	56,946,044
11,321,970	15,527,102
61,004,763	21,449,642
28,578,478	30,555,579
7,687,431	8,089,027
197,411,145	140,533,864

30 (b) For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:-

Cash and bank balances as above

Short term bank deposits (Note 29)

Bank overdraft facility

30-Jun 2021	30-Jun 2020
UGX'000	UGX'000
197,411,145	140,533,864
11,178	1,544,626
(3,063,553)	(3,353,814)
194,358,770	138,724,676

31 Trade and other payables

Trade payable

Rechargeable works

Accruals and provision

Projects

Retention Money

Letters of credit

Customer deposits

Total trade and other payables

30-Jun 2021	30-Jun 2020
UGX'000	UGX'000
41,206,260	68,070,717
2,313,342	2,686,005
32,682,700	40,554,457
63,019,355	54,512,726
39,903,144	50,335,836
-	4,217,155
22,021,779	18,742,694
201,146,580	239,119,589

Customer deposits increased from UGX19 billion in the FY 2019/20 to UGX22 billion in the current financial year. This is because the Corporation has completed the project of installing prepaid water meters and most Government accounts have prepaid bills.

32 COVID-19 Disclosure

The COVID-19 pandemic continued to affect countries and businesses at the time of issuing these financial statements. The risks arising from this pandemic could manifest in a number of ways including but not limited to market, services and supply chain disruptions, unavailability of key people resources, locations being quarantined, among others. The directors have assessed that, at the time of issuing these financial statements, it was impracticable to determine and disclose the extent of the possible effects of the pandemic on the Corporation. It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from the judgements and assumptions used, could require a material adjustment to the carrying amount of the assets or liabilities reported in these financial statements.

33 Cash generated from operations

Reconciliation of profit before income tax to cash generated from operations:

	Note	30-Jun 2021 UGX'000	30-Jun 2020 UGX'000
Profit before income tax		11,720,580	45,828,530
Adjustments for:			
Investment income	7	(79,849)	(110,493)
Bad debts written off	9	1,463,728	1,313,689
Movement in obsolete stock	6	(9,820)	
Stock losses	9	53,410	155,766
Interest expense	14	6,879,655	462,881
Exchange loss	14	75,304	
Deferred income	22	(75,297,248)	(83,805,283)
Depreciation	15	87,641,401	55,537,341
Amortisation of intangible Assets	25	34,679	52,026
Amortisation of prepaid operating lease rentals	26	87,813	67,003
Changes in working capital:			
Inventories	27	5,160,916	7,547,769
Trade and other receivables	28	54,478,862	44,499,930
Trade and other payables	31	(37,973,009)	55,189,497
Annual Terminal Benefits	19	(5,670,436)	7,568,328
Terminal benefits	20	(992,563)	(148,157)
Cash (utilised in)/generated from operations		47,573,423	134,158,828

34 Related parties

The Corporation is wholly owned by the Government of Uganda. The following transactions were carried out with related parties. Being the sole distributor of water in the country, the Corporation supplies water to all government institutions that are connected to the water network. The corporation also receives Grants from Government for investment in our infrastructure.

Key Management Compensation

Key management includes directors (executive and non-executive) and members of senior management. The compensation paid or payable to key management for employee services is shown below:

	30-Jun 2021	30-Jun 2020
	UGX'000	UGX'000
i) Deputy Managing Directors and other Directors		
Salaries and other employment benefits	2,656,460	2,581,944
Termination Benefits	651,475	632,845
Bonus	37,689	482,873
Total key management compensation	3,345,624	3,697,662
ii) Board of Directors' remuneration		
Salaries and benefits to the Managing Director	561,848	635,650
Retainer fees and benefits to Non - Executive Directors	204,900	300,785
	766,748	936,435

iii) Sale of water

Being the sole distributor of water in the country, the corporation supplies water to all government institutions that are connected to the water network

iv) Investment in the NWSC Captive Insurance Company

Amount Invested	60,000	-
Total investment as at 30 June	60,000	-

The Corporation is in the process of setting up a firm to manage most of its risks. The Company will be wholly owned by the Corporation. During the year, the Corporation spent UGX60 million on cost of setting up the firm. The firm has already been incorporated, The NWSC Captive Insurance Company Limited (SMC) but has not been licenced by the Insurance Regulatory Authority. It had not yet commenced business as at 30th June 2021.

35 Contingent Liabilities

The Corporation is involved in five court cases which were not concluded by the end of the Financial Year. These cases were brought up by the Project Affected Persons who rejected the compensation recommended by the Chief Government Valuer and demanded higher sums. The Projects have however been fully implemented. The Corporation is not certain of when the legal cases will be resolved and what will be the final outcomes.

- a) NWSC vs. Asimwe Ambrose HCCS 325 of 2020 - A suit was instituted by NWSC with the aim of obtaining relief from court authorising NWSC to access part of Mr. Asimwe's land comprised in Kyadondo Block 221 Plots

35 Contingent Liabilities continued

938,942 and 941 for the purpose of executing the KW –LV Watsan Project. Mr. Asimwe also filed a counter claim for recovery together with other reliefs. The matter is yet to be fixed for hearing.

- b) Meera Investments Ltd v NWSC HCCS No.195 of 2015 – Meera Investments instituted a suit against NWSC claiming trespass on their land comprised in LRV 4184 Folio 6 Plots M800 and M880 at Industrial Area in Kampala. Meera filed applications including M/A No.336 of 2015 seeking an interim order to restrain the Corporation from constructing sewerage pipes in the suit land. NWSC successfully objected to this application, which was dismissed with costs. The parties appeared before Hon Lady Justice Busingye Immaculate who ordered the CGV to value the damage occasioned by the laying of sewer pipes. No new date has been fixed for the hearing as the past dates issued were within the COVID 19 Lock down period.
- c) Meera Investment Ltd v NWSC and Sogea Satom HCCS No.518 of 2016 – Meera Investments instituted a suit claiming for a declaration that NWSC had trespassed on its land situate at Plot 6 Hill Crescent and Plots 30-35 at Makubuya Close Banda. The application for a temporary injunction was dismissed. The plaintiff claims for the value of the land while the position of NWSC is that its liability is being the value furnished by the CGV. The main suit was fixed for hearing on 9th July 2020 wherein directions were issued to file witness statements and trial bundles. No new date for the hearing has been issued.
- d) David Mugalya & 3 Ors v NWSC & 2 Ors HCCS No. 139 of 2018 – The plaintiff's claim that the activities of NWSC in the construction of the Nakivubo – Kinawataka Sewer lines affected the use of their properties and occasioned damage thereon. NWSC averred that most of the alleged PAPs were unknown to the NWSC and the suit was largely frivolous. NWSC applied for dismissal. The matter was to be heard on 23rd August 2021 but was adjourned owing to absence of the Judge who is handling election petitions.
- e) Hilary Kirya v NWSC HCCS No.109 of 2019 – The plaintiff instituted a suit claiming trespass by NWSC and contesting the valuation of the CGV. The matter is for hearing

36 Events after the Reporting Period

There are no material reportable events after the reporting period.

A large blue pipe is being lifted by an orange crane. The pipe is suspended by a chain and hook. The background shows a blue sky with clouds and a green landscape. The text "Annexes and key contacts" is overlaid on the pipe.

Annexes and key
contacts

ANNEX 1: Water Production (m³) and Capacity Utilisation (%) as at 30th June 2020

Area	Practical capacity m ³ /day	Total Water Produced m ³	Average Production m ³ /day	Capacity Utilisation (%)
Kampala Metropolitan	278,500	88,013,881	241,134	87%
Central Region				
Jinja	22,410	7,337,522	20,103	90%
Entebbe/Kajansi	28,460	8,301,177	22,743	80%
Masaka	9,220	2,296,649	6,292	68%
Mubende	2,850	625,984	1,715	60%
Lugazi	2,170	477,295	1,308	60%
Luweero	8,736	926,939	2,540	29%
Mityana	4,800	868,878	2,380	50%
Kigumba	983	154,563	423	43%
Bweyale/Kiryandongo	1,114	219,724	602	54%
Kyotera	3,021	588,781	1,613	53%
Iganga	1,296	177,665	487	38%
Bugiri	1,128	96,697	265	23%
Kamuli/Mbulamuti	1,370	206,723	566	41%
Mpigi	3,200	433,523	1,188	37%
Sembabule	1,624	271,214	743	46%
Kapeeka	2,966	521,713	1,429	48%
Sub Total	95,348	23,505,048	64,397	68%
Eastern & Northern Region				
Tororo	15,948	1,478,853	4,052	25%
Mbale	17,801	2,544,092	6,970	39%
Soroti	6,348	1,938,009	5,310	84%
Lira	8,944	2,269,080	6,217	70%
Gulu	8,520	1,839,239	5,039	59%
Arua	6,192	1,737,112	4,759	77%
Pader	2,440	261,073	715	29%
Nebbi/Paidha	4,622	623,976	1,710	37%
Kitgum	3,554	362,936	994	28%
Apac/Aduku	2,874	220,714	605	21%
Moroto	1,056	291,206	798	76%
Adjumani	2,819	339,042	929	33%
Kapchorwa	5,410	360,921	989	18%
Kumi	10,500	412,547	1,130	11%
Kotido	803	135,778	372	46%
Moyo	1,130	204,220	560	50%
Koboko	1,182	320,958	879	74%
Pakwach	1,167	254,867	698	60%
Sub Total	101,310	15,594,623	42,725	42%
Western & Southwestern				
Mbarara	16,000	5,276,333	14,456	90%
Bushenyi/ Ishaka	5,970	1,354,965	3,712	62%
FortPortal	9,280	1,531,078	4,195	45%
Kasese	4,100	1,540,861	4,222	103%
Hoima	3,000	775,828	2,126	71%
Kyankwanzi	109	35,141	96	88%
Masindi	4,000	991,004	2,715	68%
Kabale	9,200	697,860	1,912	21%
Kisoro	4,580	449,803	1,232	27%
Rukungiri	989	241,057	660	67%
Ibanda	1,770	415,130	1,137	64%
Kamwenge	2,616	501,188	1,373	52%
Kanungu	2,490	410,978	1,126	45%
Lyantonde	2,800	692,263	1,897	68%
Rushere	1,503	231,140	633	42%
Ntungamo	2,120	460,910	1,263	60%
Mpondwe	2,544	449,315	1,231	48%
Ruhama	1,250	167,791	460	37%
Lwengo	1,010	287,423	787	78%
Rubirizi	1,695	326,945	896	53%
Ntoroko	3,600	154,692	424	12%
Subtotal	80,626	16,991,705	46,553	58%
Total	555,784	144,105,256	394,809	71%

ANNEX 2: Volume of Water Supplied (m³) and Water Sold (m³) as at 30th June 2021

Area	Water Supplied m ³	Water Sold m ³	Billing Efficiency (%)	NRW (%)
Kampala Metropolitan	85,514,419	50,836,251	59.5%	40.6%
Central Region				
Jinja	6,396,073	5,157,411	80.6%	19.4%
Entebbe/Kajansi	7,822,682	4,841,827	61.9%	38.1%
Masaka	2,108,190	1,738,237	82.5%	17.6%
Mubende	617,620	520,257	84.0%	15.8%
Lugazi	477,295	370,305	77.6%	22.4%
Luweero	870,027	761,640	87.5%	12.5%
Mityana	812,269	515,309	63.4%	36.6%
Kigumba	151,552	135,562	89.5%	10.6%
Bweyale/Kiryandongo	219,724	191,147	86.9%	13.0%
Kyotera	543,907	445,932	81.9%	18.0%
Iganga	886,106	722,941	81.6%	18.4%
Bugiri	94,888	81,361	85.7%	14.3%
Kamuli/Mbulamuti	182,897	167,017	91.3%	8.7%
Mpigi	386,774	315,085	81.5%	18.5%
Sembabule	266,940	186,845	70.0%	30.0%
Kapeeka	435,437	379,106	87.6%	12.9%
Sub Total	22,272,381	16,529,982	74.2%	25.8%
Eastern & Northern Region				
Tororo	1,478,853	1,202,264	81.3%	18.7%
Mbale	2,334,119	1,770,354	75.9%	24.2%
Soroti	1,660,542	1,207,130	72.7%	27.3%
Lira	2,071,628	1,510,281	72.9%	27.1%
Gulu	1,566,460	1,181,841	75.5%	24.6%
Arua	1,621,385	1,220,901	75.3%	24.7%
Pader	257,879	158,891	61.6%	38.4%
Nebbi/Paidha	548,933	404,857	73.8%	26.3%
Kitgum	328,351	276,543	84.2%	15.8%
Apac/Aduku	220,714	186,298	84.4%	15.6%
Moroto	266,348	228,662	85.9%	14.2%
Adjumani	337,945	245,769	72.7%	27.3%
Kapchorwa	337,006	130,841	38.8%	61.2%
Kumi	354,309	256,330	72.4%	27.7%
Kotido	134,014	115,777	86.4%	13.7%
Moyo	204,220	134,140	65.7%	34.3%
Koboko	307,742	265,451	86.3%	13.7%
Pakwach	249,005	163,580	65.7%	34.3%
Sub Total	14,279,453	10,659,910	74.7%	25.4%
Western & Southwestern Region				
Mbarara	4,687,629	3,608,150	77.0%	23.3%
Bushenyi/ Ishaka	1,255,870	991,926	79.0%	21.2%
FortPortal	1,377,053	1,153,284	83.8%	16.3%
Kasese	1,339,828	1,083,160	80.8%	19.2%
Hoima	625,244	460,330	73.6%	26.4%
Kyankwanzi	33,362	32,057	96.2%	3.9%
Masindi	911,568	670,515	73.7%	26.4%
Kabale	677,776	552,945	81.6%	18.4%
Kisoro	446,374	328,958	73.7%	26.3%
Rukungiri	241,057	191,189	79.3%	20.7%
Ibanda	402,770	327,708	81.4%	18.6%
Kamwenge	461,592	330,976	71.7%	28.3%
Kanungu	410,978	313,259	76.2%	23.8%
Lyantonde	336,065	268,163	79.8%	20.2%
Rushere	263,209	221,962	84.3%	15.7%
Ntungamo	390,559	296,503	75.9%	24.1%
Mpondwe	421,382	365,618	86.8%	13.2%
Ruhama	167,791	119,171	71.2%	29.0%
Lwengo	287,423	174,648	60.8%	39.2%
Rubirizi	323,450	195,642	60.5%	39.5%
Ntoroko	102,794	65,421	63.6%	36.4%
Subtotal	15,163,774	11,751,585	77.5%	22.5%
Total NWSC	137,230,027	89,777,728	65.4%	34.6%
Total Other Areas	51,715,608	38,941,477	75.3%	24.7%

ANNEX 3: Status of NWSC Pipe Network (Km) as at 30th June 2021

Area	Water Mains (KM)		Sewer Mains (KM)	
	New Extensions	Total Pipe Network	New Extensions	Total Pipe Network
Kampala Metropolitan	21	3,669	3	290
Central Region				
Jinja	4	805	1	89
Entebbe/Kajansi	-	478	-	63
Masaka	60	436	-	26
Mubende	11	268	-	-
Lugazi	1	197	-	-
Luweero	20	793	-	-
Mityana	1	252	-	-
Kigumba	24	225	-	-
Bweyale/Kiryandongo	-	183	-	-
Kyotera	-	218	-	-
Iganga	2	344	-	6
Bugiri	0	87	-	-
Kamuli/Mbulimuti	1	147	-	-
Mpigi	3	220	-	-
Sembabule	1	322	-	-
Kapeeka	-	125	-	-
Sub Total	127	5,099	1	185
Eastern & Northern Region				
Tororo	-	650	13	31
Mbale	9	667	0	37
Soroti	10	434	-	25
Lira	11	316	0	23
Gulu	5	271	-	18
Arua	21	496	1	29
Pader	13	257	-	-
Nebbi/Paidha	4	98	-	-
Kitgum	7	135	-	-
Apac/Aduku	13	153	-	-
Moroto	4	97	-	-
Adjumani	-	138	-	-
Kapchorwa	3	132	-	-
Kumi	2	270	-	-
Kotido	6	78	-	-
Moyo	-	80	-	-
Koboko	-	111	-	-
Pakwach	-	186	-	-
Sub Total	109	4,569	15	163
Western & Southwestern Region				
Mbarara	-	783	-	34
Bushenyi/ Ishaka	17	800	-	-
FortPortal	16	564	-	2
Kasese	3	327	-	-
Hoima	4	253	-	5
Kyankwanzi	-	21	-	-
Masindi	6	323	4	14
Kabale	16	351	-	18
Kisoro	41	292	-	5
Rukungiri	1	342	-	-
Ibanda	18	280	-	-
Kamwenge	37	471	-	-
Kanungu	0	487	-	-
Lyantonde	1	336	-	-
Rushere	-	389	-	-
Ntungamo	5	356	-	-
Mpondwe	5	144	-	-
Ruhama	5	260	-	-
Lwengo	7	217	-	-
Rubirizi	3	95	-	-
Ntoroko	-	66	-	-
Subtotal	186	7,157	4	77
TOTAL	444	20,495	23	715

ANNEX 4: Status of Water Connections as at 30th June 2021

Area	New Connections	Total Accounts	Active Accounts	Inactive Accounts	Metered Accounts	Metered Accounts (%)
Kampala Metropolitan	23,248	364,886	323,110	41,776	364,883	100%
Central Region						
Jinja	1953	33,160	27,195	5,965	33,160	100%
Entebbe/Kajansi	2557	40,967	35,370	5,597	40,967	100%
Masaka	1051	19,804	17,628	2,176	19,804	100%
Mubende	336	6,089	5,242	847	6,089	100%
Lugazi	323	4,796	4,319	477	4,796	100%
Luweero	932	10,809	9,826	983	10,809	100%
Mityana	600	6,499	5,837	662	6,499	100%
Kigumba	133	2,026	1,676	350	2,026	100%
Bweyale/Kiryandongo	209	2,218	2,036	182	2,218	100%
Kyotera	460	6,002	5,347	655	6,002	100%
Iganga	705	10,105	8,050	2,055	10,105	100%
Bugiri	126	1,654	1,275	379	1,654	100%
Kamuli/Mbulimuti	238	3,329	2,852	477	3,329	100%
Mpigi	374	5,198	4,711	487	5,198	100%
Sembabule	277	2,055	1,991	64	2,055	100%
Kapeeka	325	2,687	2,577	110	2,687	100%
Sub Total	10,599	157,398	135,932	21,466	157,398	100%
Eastern & Northern Region						
Tororo	734	17,703	13,671	4032	17,703	100%
Mbale	1223	20,652	15,650	5,002	20,652	100%
Soroti	616	10,339	7,527	2,812	10,339	100%
Lira	982	15,182	11,951	3,231	15,182	100%
Gulu	1088	10,315	9,178	1,137	10,315	100%
Arua	593	10,175	7,614	2,561	10,175	100%
Pader	161	3,433	2,839	594	3,433	100%
Nebbi/Paidha	294	5,285	4,685	600	5,285	100%
Kitgum	328	4,546	3,971	575	4,546	100%
Apac/Aduku	190	2,605	2,423	182	2,605	100%
Moroto	134	1,392	1075	317	1,392	100%
Adjumani	302	3,213	2,661	552	3,213	100%
Kapchorwa	208	2,331	2,111	220	2,331	100%
Kumi	299	3,148	2,922	226	3,148	100%
Kotido	83	1049	771	278	1049	100%
Moyo	125	2,248	2,024	224	2,248	100%
Koboko	163	2,211	1,962	249	2,211	100%
Pakwach	134	1,965	1,532	433	1,965	100%
Sub Total	7,657	117,792	94,567	23,225	117,792	100%
Western & Southwestern Region						
Mbarara	2,493	29,931	28,448	1,483	29,931	100%
Bushenyi/ Ishaka	1,577	12,669	12,276	393	12,669	100%
FortPortal	1034	14,703	13,516	1,187	14,703	100%
Kasese	609	10,777	9,201	1,576	10,777	100%
Hoima	343	6,391	5,195	1196	6,391	100%
Kyankwanzi	76	137	134	3	137	100%
Masindi	322	6,705	5,827	878	6,705	100%
Kabale	445	8,260	7,030	1,230	8,260	100%
Kisoro	327	4,560	4,153	407	4,560	100%
Rukungiri	193	4,222	3,853	369	4,222	100%
Ibanda	364	5,570	4,850	720	5,570	100%
Kamwenge	360	4,473	4,322	151	4,473	100%
Kanungu	376	5,271	4,710	561	5,271	100%
Lyantonde	228	2,892	2,603	289	2,892	100%
Rushere	192	2,469	2,418	51	2,469	100%
Ntungamo	443	4,797	4,255	542	4,797	100%
Mpondwe	239	4,205	3,494	711	4,205	100%
Ruhama	161	2,151	1,854	297	2,151	100%
Lwengo	276	2,950	2,595	355	2,950	100%
Rubirizi	160	1,846	1,647	199	1,846	100%
Ntoroko	66	739	609	130	739	100%
Subtotal	10,284	135,718	122,990	12,728	135,718	100%
TOTAL	51,788	775,794	676,599	99,195	775,791	100%

ANNEX 5: Status of Pro-Poor Connections as at 30th June 2021

Area	New PSPs	Total PSPs		Total
		Active	Inactive	
Kampala Metropolitan	1,117	4,480	2,433	6,913
Central Region				
Jinja	104	1,122	69	1,191
Entebbe/Kajansi	17	408	19	427
Masaka	45	403	16	419
Mubende	32	229	9	238
Lugazi	29	197	10	207
Luweero	24	261	9	270
Mityana	24	326	0	326
Kigumba	3	81	2	83
Bweyale/Kiryandongo	13	217	8	225
Kyotera	13	205	12	217
Iganga	53	497	31	528
Bugiri	5	57	11	68
Kamuli/Mbulamuti	22	184	10	194
Mpigi	17	236	4	240
Sembabule	21	106	0	106
Kapeeka	24	107	1	108
Sub Total	446	4,636	211	4,847
Eastern & Northern Region				
Tororo	142	1,044	254	1,298
Mbale	40	633	113	746
Soroti	30	372	84	456
Lira	21	632	119	751
Gulu	17	162	22	184
Arua	33	280	49	329
Pader	16	125	13	138
Nebbi/Paidha	28	353	4	357
Kitgum	10	102	5	107
Apac/Aduku	23	237	6	243
Moroto	12	71	33	104
Adjumani	16	83	7	90
Kapchorwa	22	83	4	87
Kumi	11	86	8	94
Kotido	3	49	13	62
Moyo	13	81	11	92
Koboko	6	128	2	130
Pakwach	16	118	3	121
Sub Total	459	4,639	750	5,389
Western & Southwestern Region				
Mbarara	59	649	36	685
Bushenyi/ Ishaka	501	1,123	11	1,134
FortPortal	61	653	60	713
Kasese	25	329	30	359
Hoima	12	142	15	157
Kyankwanzi	9	23	0	23
Masindi	17	273	16	289
Kabale	74	386	54	440
Kisoro	54	207	7	214
Rukungiri	10	345	20	365
Ibanda	34	194	7	201
Kamwenge	63	540	22	562
Kanungu	90	807	61	868
Lyantonde	38	252	9	261
Rushere	27	166	1	167
Ntungamo	19	259	30	289
Mpondwe	16	265	7	272
Ruhama	48	219	12	231
Lwengo	15	181	6	187
Rubirizi	21	211	24	235
Ntoroko	52	62	4	66
Subtotal	1,245	7,286	432	7,718
TOTAL	3,267	21,041	3,826	24,867

ANNEX 6: Status of Sewer Connections as at 30th June 2021

Area	New Sewer Connections	Total Sewer Connections		
		Active	Inactive	Total
Kampala Metropolitan	178	10,957	1,027	11,984
Central Region				
Jinja	11	3,931	538	4,469
Entebbe/Kajansi	5	440	29	469
Masaka	1	352	101	453
Mubende	0	0	0	0
Lugazi	0	0	0	0
Luweero	0	0	0	0
Mityana	0	0	0	0
Kigumba	0	0	0	0
Bweyale/Kiryandongo	0	0	0	0
Kyotera	0	0	0	0
Iganga	3	159	38	197
Bugiri	0	0	0	0
Kamuli/Mbulamuti	0	0	0	0
Mpigi	0	0	0	0
Sembabule	0	0	0	0
Kapeeka	0	0	0	0
Sub Total	20	4882	706	5,588
Eastern & Northern Region				
Tororo	1	407	116	523
Mbale	4	2279	356	2635
Soroti	1	407	121	528
Lira	0	393	109	502
Gulu	2	758	51	809
Arua	1	191	26	217
Pader	0	0	0	0
Nebbi/Paidha	0	0	0	0
Kitgum	0	0	0	0
Apac/Aduku	0	0	0	0
Moroto	0	0	0	0
Adjumani	2	0	0	0
Kapchorwa	0	0	0	0
Kumi	0	0	0	0
Kotido	0	0	0	0
Moyo	0	0	0	0
Koboko	0	0	0	0
Pakwach	0	0	0	0
Sub Total	11	4435	779	5,214
Western & Southwestern Region				
Mbarara	0	742	96	838
Bushenyi/ Ishaka	0	0	0	0
FortPortal	1	205	24	229
Kasese	0	0	0	0
Hoima	0	73	32	105
Kyankwanzi	1	0	0	0
Masindi	0	218	26	244
Kabale	5	663	145	808
Kisoro	0	157	13	170
Rukungiri	0	0	0	0
Ibanda	0	0	0	0
Kamwenge	0	0	0	0
Kanungu	0	0	0	0
Lyantonde	0	0	0	0
Rushere	0	0	0	0
Ntungamo	0	0	0	0
Mpondwe	0	0	0	0
Ruhama	0	0	0	0
Lwengo	0	0	0	0
Rubirizi	0	0	0	0
Ntoroko	0	0	0	0
Subtotal	7	2,058	336	2,394
TOTAL	216	22,332	2,848	25,180

ANNEX 7: Commercial Performance as at 30th June 2021

Area	Billings (UGX)	Collections (UGX)	C/B Ratio	Arrears (UGX)	Debt Age
Kampala	252,464,425,855	256,040,974,891	101%	39,905,262,814	1.9
Central Region					
Jinja	27,507,547,915	27,296,332,090	99%	9,391,146,137	4.1
Entebbe	23,372,140,962	23,252,680,291	99%	9,264,493,607	4.8
Masaka	9,199,696,196	9,686,897,466	105%	4,555,735,507	5.9
Mubende	2,191,121,869	2,193,587,662	100%	1,201,403,967	6.6
Lugazi	1,553,942,825	1,487,572,554	96%	547,250,128	4.2
Luweero	3,190,981,378	3,102,175,969	97%	1,037,089,898	3.9
Mityana	1,932,764,943	1,907,417,895	99%	435,567,307	2.7
Kigumba	578,504,822	540,815,407	93%	234,295,619	4.9
Bweyale	756,546,218	728,646,396	96%	189,493,772	3
Kyotera	1,879,581,421	1,872,520,628	100%	432,464,499	2.8
Iganga	2,720,443,060	2,843,279,083	105%	759,425,725	3.3
Bugiri	338,366,020	330,421,463	98%	141,599,865	5
Kamuli	706,806,173	707,417,471	100%	239,182,728	4.1
Mpigi	1,274,476,110	1,220,939,059	96%	311,221,901	2.9
Sembabule	656,832,968	633,188,231	96%	193,473,493	3.5
Kapeeka	1,384,529,879	1,084,011,315	78%	856,464,668	7.4
Sub Total	79,244,282,758	78,887,902,982	100%	29,790,308,821	4.5
Eastern & Northern Region					
Tororo	5,000,700,357	5,623,968,616	112%	3,070,197,455	7.4
Mbale	8,634,062,260	10,697,262,463	124%	7,807,251,066	10.9
Soroti	5,261,692,443	5,248,209,330	100%	2,088,113,964	4.8
Lira	6,129,059,041	6,320,101,424	103%	2,463,999,113	4.8
Gulu	6,226,547,920	6,435,677,258	103%	3,508,887,277	6.8
Arua	5,536,898,361	5,214,920,708	94%	2,355,692,970	5.1
Pader	645,252,393	589,494,443	91%	381,287,641	7.1
Nebbi	1,469,649,664	1,251,478,976	85%	1,233,951,093	10.1
Kitgum	1,208,946,276	1,221,073,896	101%	485,978,857	4.8
Apac	675,300,339	690,020,221	102%	143,455,221	2.5
Moroto	831,822,630	690,027,093	83%	567,681,408	8.2
Adjumani	1,009,076,276	971,136,445	96%	309,148,198	3.7
Kapchorwa	573,096,509	482,807,120	84%	310,003,322	6.5
Kumi	1,032,651,297	968,665,967	94%	279,910,993	3.3
Kotido	418,725,950	394,359,432	94%	180,493,612	5.2
Moyo	510,769,193	479,763,315	94%	121,399,406	2.9
Koboko	986,304,973	827,139,148	84%	591,612,273	7.2
Pakwach	513,847,284	524,148,911	102%	157,582,232	3.7
Sub Total	46,664,403,164	48,630,254,769	104%	26,056,646,100	6.7
Western & South Western					
Mbarara	16,852,446,139	18,161,472,218	108%	10,262,926,310	7.3
Bushenyi	3,987,194,079	3,819,726,645	96%	1,254,883,208	3.8
Fort Portal	5,384,795,364	5,012,507,506	93%	2,043,269,179	4.6
Kasese	4,203,078,664	4,224,812,296	101%	1,292,148,494	3.7
Hoima	2,131,413,047	2,256,965,735	106%	693,666,288	3.9
Kyankwanzi	102,162,326	52,807,263	52%	78,032,228	9.2
Masindi	3,577,892,504	2,908,245,223	81%	2,958,458,119	9.9
Kabale	2,807,455,079	2,865,309,902	102%	889,641,570	3.8
Kisoro	1,412,635,567	1,387,546,090	98%	546,244,941	4.6
Rukungiri	815,070,331	805,088,800	99%	228,267,340	3.4
Ibanda	1,415,322,248	1,310,771,273	93%	569,991,249	4.8
Kamwenge	1,214,215,060	1,142,685,608	94%	316,064,291	3.1
Kanungu	1,097,803,135	1,032,944,202	94%	405,363,202	4.4
Lyantonde	1,025,818,163	980,591,265	96%	282,557,971	3.3
Rushere	945,582,551	906,793,837	96%	259,920,201	3.3
Ntungamo	1,215,884,196	1,172,331,539	96%	506,171,922	5
Mpondwe	1,188,532,868	1,158,623,802	97%	477,867,649	4.8
Ruhama	439,560,443	396,702,310	90%	187,484,527	5.1
Lwengo	633,980,195	618,240,261	98%	142,240,774	2.7
Rubirizi	628,856,290	592,036,138	94%	203,076,270	3.9
Ntoroko	228,103,440	155,824,867	68%	70,830,628	3.7
Subtotal	51,307,801,687	50,962,026,780	99%	23,669,106,361	5.5
Total NWSC	429,680,913,464	434,521,159,422	101%	119,421,324,096	3.3

ANNEX 8: Unit Cost of Production (UGX) for the FY 2020/21

Area	Volume of Water Produced m ³		Operating Costs (Ushs. "000")		Cost per m ³ (Ushs.)		Cost per m ³ including HeadQtr Costs (Ushs.)	
	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21
Head Office	-	-	90,537,028	86,351,464	-	-	-	-
Kampala Water	85,134,735	88,013,881	156,646,137	131,094,430	1,840	1,489	2,488	2,093
Central Region								
Jinja	7,483,183	7,337,522	10,488,584	9,447,000	1,402	1,287	2,050	1,891
Entebbe	8,094,156	8,301,177	13,010,997	9,440,000	1,607	1,137	2,256	1,741
Masaka	2,162,805	2,296,649	7,750,084	5,833,000	3,583	2,540	4,232	3,144
Mubende	598,116	625,984	3,558,758	1,947,000	5,950	3,110	6,598	3,714
Lugazi	477,878	477,295	2,704,646	1,788,000	5,660	3,746	6,308	4,350
Luweero	1,305,006	926,939	4,639,826	2,739,000	3,555	2,955	4,204	3,559
Mityana	708,741	868,878	2,897,760	2,345,000	4,089	2,699	4,737	3,303
Kigumba	156,448	154,563	979,994	850,000	6,264	5,499	6,912	6,103
Bweyale	194,410	219,724	931,425	810,000	4,791	3,686	5,439	4,290
Kyotera	562,905	588,781	2,279,455	2,167,000	4,049	3,680	4,698	4,284
Iganga	171,211	177,665	2,895,664	2,055,000	16,913	11,567	17,561	12,171
Kamuli	223,790	206,723	1,049,799	890,000	4,691	4,305	5,339	4,909
Mpigi	371,543	433,523	3,270,813	2,218,000	8,803	5,116	9,452	5,720
Sembabule	233,065	271,214	1,207,551	1,052,000	5,181	3,879	5,829	4,483
Bugiri	86,549	96,697	583,104	692,000	6,737	7,156	7,386	7,760
Kapeeka	-	521,713	335,000	1,664,000	-	3,189	0	3,793
Nakasongola	-	-	-	54,000	-	-	-	-
Sub Total	22,743,257	23,505,047	58,583,459	45,991,000	3,398	1,957	3,224	2,561
Eastern & Northern Region								
Tororo	1,682,653	1,478,853	6,075,041	5,418,456	3,610	3,664	4,259	4,268
Mbale	2,912,078	2,544,092	9,387,332	7,429,024	3,224	2,920	3,872	3,524
Soroti	1,787,353	1,938,009	6,164,070	3,775,847	3,449	1,948	4,097	2,552
Lira	2,300,565	2,269,080	6,180,577	4,570,555	2,687	2,014	3,335	2,618
Gulu	1,620,125	1,839,239	7,440,711	5,150,102	4,593	2,800	5,241	3,404
Arua	1,708,441	1,737,112	6,170,992	3,567,479	3,612	2,054	4,260	2,658
Pader	280,040	261,073	1,809,482	1,297,157	6,462	4,969	7,110	5,572
Nebbi	904,267	623,976	2,522,638	1,541,972	2,790	2,471	3,438	3,075
Kitgum	365,500	362,936	1,635,050	1,161,156	4,473	3,199	5,122	3,803
Apac/Aduku	204,296	220,714	1,360,775	1,140,343	6,661	5,167	7,309	5,770
Moroto	249,649	291,206	1,240,506	1,342,981	4,969	4,612	5,617	5,216
Adjumani	326,745	339,042	994,213	757,234	3,043	2,233	3,691	2,837
Kapchorwa	154,410	360,921	1,381,532	1,008,528	8,947	2,794	9,595	3,398
Kumi	336,426	412,547	1,590,068	1,561,264	4,726	3,784	5,375	4,388
Kotido	124,082	135,778	1,211,425	988,224	9,763	7,278	10,411	7,882
Moyo	203,598	204,220	827,630	797,859	4,065	3,907	4,713	4,511
Koboko	279,074	320,958	949,162	1,033,367	3,401	3,220	4,049	3,824
Pakwach	-	254,867	-	643,781	-	2,526	-	3,130
Sub Total	15,439,302	15,594,623	56,941,205	43,185,329	3,688	2,769	4,336	3,373
Western & Southwestern								
Mbarara	5,674,716	5,276,333	13,907,425	12,161,000	2,451	2,305	3,099	2,909
Bushenyi	1,466,335	1,354,965	6,475,212	3,534,000	4,416	2,608	5,064	3,212
FortPortal	1,335,755	1,531,078	4,434,975	3,820,000	3,320	2,495	3,968	3,099
Kasese	1,303,030	1,540,861	2,074,157	1,803,000	1,592	1,170	2,240	1,774
Hoima	770,395	775,828	2,388,113	1,919,000	3,100	2,473	3,748	3,077
Masindi	997,291	35,141	3,030,061	2,105,000	3,038	59,902	3,687	60,505
Kabale	676,428	697,860	3,210,330	2,819,000	4,746	4,039	5,394	4,643
Kisoro	479,773	449,803	2,165,408	1,941,000	4,513	4,315	5,162	4,919
Rukungiri	274,149	241,057	1,554,879	1,175,000	5,672	4,874	6,320	5,478
Ibanda	428,041	415,130	1,040,172	870,000	2,430	2,096	3,078	2,700
Kamwenge	384,794	501,188	1,958,604	1,682,000	5,090	3,356	5,738	3,960
Kanungu	357,298	410,978	1,428,219	1,182,000	3,997	2,876	4,646	3,480
Lyantonde	670,817	692,263	2,923,086	2,565,000	4,358	3,705	5,006	4,309
Rushere	177,473	231,140	1,756,239	1,431,000	9,896	6,191	10,544	6,795
Ntungamo	456,992	460,910	2,044,186	1,400,000	4,473	3,037	5,121	3,641
Mpondwe	462,840	449,315	1,176,867	964,000	2,543	2,145	3,191	2,749
Ruhama	150,092	167,791	1,205,857	1,062,000	8,034	6,329	8,682	6,933
Lwengo	252,289	287,423	1,611,322	1,098,000	6,387	3,820	7,035	4,424
Rubirizi	-	326,945	109,250	562,000	-	1,719	-	2,323
Kyankwanzi	23,319	35,141	413,857	464,000	17,747	13,204	18,396	13,808
Ntoroko	-	154,692	-	573,000	-	3,704	-	4,308.01
Sheema	-	-	-	123,000	-	-	-	-
Subtotal	16,341,827	15,881,150	54,908,220	44,557,000	3,360	2,806	4,008	3,410
Total	139,659,122	142,994,701	417,616,049	351,179,223	3,124	2,456	3,639	3,060

ANNEX 9: Break-Even Analysis (UGX) as at 30th June 2021

Area	Income ("'000'")		Operational Expenses ("'000'")		Working Ratio	
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
Head Office	81,027,640	92,055,128	86,351,464	95,230,530	1.1	1.1
Kampala Water	220,263,876	214,604,059	131,094,430	156,697,643	0.6	0.7
Central Region						
Jinja	23,976,000	22,097,581	9,447,000	10,488,584	0.4	0.5
Entebbe	20,703,000	20,868,944	9,440,000	13,010,997	0.5	0.6
Masaka	8,132,000	7,184,628	5,833,000	7,750,084	0.7	1.1
Mubende	1,969,000	1,942,984	1,947,000	3,558,758	1	1.8
Lugazi	1,401,000	1,376,865	1,788,000	2,704,646	1.3	2
Luweero	2,876,000	3,426,989	2,739,000	4,639,826	1	1.4
Mityana	1,783,000	1,432,947	2,345,000	2,897,760	1.3	2
Kigumba	520,000	489,637	850,000	979,994	1.6	2
Bweyale	692,000	588,444	810,000	931,425	1.2	1.6
Kyotera	1,687,000	1,688,407	2,167,000	2,279,455	1.3	1.4
Iganga	2,490,000	2,322,099	2,055,000	2,895,664	0.9	1.2
Kamuli	641,000	654,423	890,000	1,049,799	1.4	1.6
Mpigi	1,176,000	1,043,010	2,218,000	3,270,813	1.9	3.1
Sembabule	601,000	542,106	1,052,000	1,207,551	1.8	2.2
Bugiri	314,000	282,800	692,000	583,104	2.2	2.1
Kapeeka	1,227,000	347,041	1,664,000	335,000	1.4	1
Nakasongola	32,000	-	54,000	-	1.7	
Subtotal	70,220,000	66,288,905	45,991,000	58,583,460	0.7	0.9
Eastern & Northern Region						
Lira	5,535,671	5,657,301	4,570,555	6,180,577	0.85	1.1
Gulu	5,762,057	5,909,216	5,150,102	7,440,711	0.93	1.3
Apac/Aduku	611,389	593,609	1,140,343	1,360,775	1.87	2.3
Mbale	7,688,421	10,611,380	7,429,024	9,387,332	0.99	0.9
Tororo	4,427,023	4,528,224	5,418,456	6,075,041	1.24	1.3
Arua	5,151,289	4,691,206	3,567,479	6,170,992	0.73	1.3
Nebbi	1,316,050	1,660,958	1,541,972	2,522,638	1.15	1.5
Packwach	460,679	-	643,781	-	1.4	0
Kitgum	1,106,999	1,098,630	1,161,156	1,635,050	1.07	1.5
Pader	569,459	535,705	1,297,157	1,809,482	2.28	3.4
Soroti	4,650,637	4,565,240	3,775,847	6,164,070	0.83	1.4
Moroto	743,002	632,710	1,342,981	1,240,506	1.83	2
Adjumani	918,084	858,534	757,234	994,213	0.83	1.2
Kapchorwa	521,825	409,612	1,008,528	1,381,532	1.94	3.4
Kumi	986,423	842,923	1,561,264	1,590,068	1.65	1.9
Moyo	542,927	378,507	797,859	827,630	1.47	2.2
Kotido	377,403	336,507	988,224	1,211,425	2.62	3.6
Koboko	841,386	807,950	1,033,367	949,162	1.1	1.2
Sub Total	42,210,724	44,118,212	43,185,329	56,941,204	1.05	1.3
Western & South Western Region						
Mbarara	14,840,000	16,079,633	12,161,000	13,907,425	0.84	0.9
Bushenyi	3,576,000	3,964,115	3,534,000	6,475,212	0.99	1.6
Fortportal	4,924,000	4,581,337	3,820,000	4,434,975	0.8	1
Kasese	4,194,000	3,552,259	1,803,000	2,074,157	0.5	0.6
Hoima	1,933,000	1,730,315	1,919,000	2,388,113	1.03	1.4
Masindi	3,130,000	3,031,467	2,105,000	3,030,061	0.7	1
Kabale	2,544,000	2,503,635	2,819,000	3,210,330	1.15	1.3
Kisoro	1,263,000	1,427,514	1,941,000	2,165,408	0.77	1.5
Rukungiri	769,000	788,944	1,175,000	1,554,879	1.6	2
Ibanda	1,286,000	1,265,090	870,000	1,040,172	0.68	0.8
Kamwenge	1,096,000	1,032,445	1,682,000	1,958,604	1.54	1.9
Kanungu	1,045,000	954,490	1,182,000	1,428,219	1.21	1.5
Lyantonde	910,000	1,051,919	2,565,000	2,923,086	2.87	2.8
Rushere	844,000	906,804	1,431,000	1,756,239	1.78	1.9
Ntungamo	1,057,000	1,080,684	1,400,000	2,044,186	1.33	1.9
Mpondwe	1,064,000	1,089,538	964,000	1,176,867	0.91	1.1
Ruhama	389,000	387,325	1,062,000	1,205,857	2.73	3.1
Lwengo	598,000	471,258	1,098,000	1,611,322	1.84	3.4
Rubirizi	568,000	148,796	562,000	109,250	0.99	0.7
Kyankwanzi	97,000	54,835	464,000	413,857	4.81	7.5
Ntoroko	195,000	0	573,000	-	2.94	0
Sheema	-	0	123,000	-	0	0
Sub Total	46,322,000	46,102,403	45,253,000	54,908,219	1.0	1.2
Total	460,044,240	463,168,707	351,875,223	422,361,056	0.8	0.9

ANNEX 10: Number of Staff as at 30th June 2021

Area	Male	Female	Total Staff	% of Female	Water Connections	Staff Productivity
Head Office	333	234	567	41%		
Kampala Metropolitan	1030	497	1527	33%	364,886	4
Central Region						
Jinja	89	44	133	33%	33,160	4
Entebbe/Kajansi	79	57	136	42%	40,967	3
Masaka	61	25	86	29%	19,804	4
Mubende	18	13	31	42%	6,089	5
Lugazi	13	13	26	50%	4,796	5
Luweero	36	16	52	31%	10,809	5
Mityana	20	8	28	29%	6,499	4
Kigumba	12	7	19	37%	2,026	9
Bweyale/Kiryandongo	16	1	17	6%	2,218	8
Kyotera	25	16	41	39%	6,002	7
Iganga	24	20	44	45%	10,105	4
Bugiri	7	4	11	36%	1,654	7
Kamuli/Mbulamuti	14	5	19	26%	3,329	6
Mpigi	20	13	33	39%	5,198	6
Sembabule	14	4	18	22%	2,055	9
Kapeeka	16	8	24	33%	2,687	9
Sub-Total	464	254	718	35%	157,398	5
Eastern & Northern Region						
Tororo	60	22	82	27%	17,703	5
Mbale	88	36	124	29%	20,652	6
Soroti	41	16	57	28%	10,339	6
Lira	56	12	68	18%	15,182	4
Gulu	54	18	72	25%	10,315	7
Arua	41	11	52	21%	10,175	5
Pader	26	5	31	16%	3,433	9
Nebbi/Paidha	19	7	26	27%	5,285	5
Kitgum	14	6	20	30%	4,546	4
Apac/Aduku	21	4	25	16%	2,605	10
Moroto	13	3	16	19%	1,392	11
Adjumani	8	3	11	27%	3,213	3
Kapchorwa	17	3	20	15%	2,331	9
Kumi	22	7	29	24%	3,148	9
Kotido	12	1	13	8%	1,049	12
Moyo	10	1	11	9%	2,248	5
Koboko	13	4	17	24%	2,211	8
Pakwach	11	2	13	15%	1,965	7
Sub-Total	526	161	687	23%	117,792	6
Western & Southwestern Region						
Mbarara	106	50	156	32%	29,931	5
Bushenyi/ Ishaka	46	22	68	32%	12,669	5
FortPortal	45	15	60	25%	14,703	4
Kasese	35	13	48	27%	10,777	4
Hoima	17	8	25	32%	6,391	4
Kyankwanzi	5	0	5	0%	137	36
Masindi	23	7	30	23%	6,705	4
Kabale	35	7	42	17%	8,260	5
Kisoro	20	3	23	13%	4,560	5
Rukungiri	19	10	29	34%	4,222	7
Ibanda	11	8	19	42%	5,570	3
Kamwenge	20	9	29	31%	4,473	6
Kanungu	20	7	27	26%	5,271	5
Lyantonde	19	7	26	27%	2,892	9
Rushere	14	15	29	52%	2,469	12
Ntungamo	21	10	31	32%	4,797	6
Mpondwe	18	7	25	28%	4,205	6
Ruhama	16	5	21	24%	2,151	10
Lwengo	15	8	23	35%	2,950	8
Rubirizi	12	4	16	25%	1,846	9
Ntoroko	9	4	13	31%	739	18
Subtotal	526	219	745	29%	135,718	5
TOTAL	2,879	1,365	4,244	32%	775,794	5

ANNEX 11: Compliance to Internal Audit Recommendations for the FY 2020/21

AREA	Total number of recommendations made (No)	Number acted upon (No)	Percentage (%) acted upon	Target (%)
Kampala Metropolitan	67	59	88%	100%
Central Region				
Bweyale	24	21	88%	100%
Iganga	28	22	79%	100%
Kyotera	14	9	64%	100%
Kigumba	32	23	72%	100%
Sembabule	16	14	88%	100%
Kapeeka	40	37	93%	100%
Masaka	18	16	89%	100%
Sub-total	172	142	83%	100%
Eastern & Northern Region				
Kapchorwa	36	25	69%	100%
Adjumani	14	9	64%	100%
Apac	17	15	88%	100%
Arua	17	12	71%	100%
Kumi	36	30	83%	100%
Mbale	36	24	67%	100%
Moroto	33	31	94%	100%
Lira	18	15	83%	100%
Soroti	28	25	89%	100%
Sub-total	235	186	79%	100%
Western & Southwestern Region				
Fortportal	30	22	73%	100%
Hoima	34	30	88%	100%
Ibanda	23	21	91%	100%
Kamwenge	36	25	69%	100%
Kanungu	16	14	88%	100%
Kisoro	17	14	82%	100%
Lwengo	17	13	76%	100%
Lyantonde	32	28	88%	100%
Rushere	32	28	88%	100%
Sub-Total	237	195	82%	100%
Total	711	582	82%	100%

National Water & Sewerage Corporation - GRI G4 Content Index

		COVERED IN THIS REPORT	PAGE REFERENCE OR COMMENT
STRATEGY AND PROFILE DISCLOSURES			
STRATEGY AND ANALYSIS			
G4-1.	Statement from the most senior decision maker	YES	Page 28-30
G4-2.	Description of key impacts, risks and opportunities	YES	Our Value Creation Model, Page 46; Our Sustainability Report 48-57; Our Stakeholder Engagement Page 58 and our Operational Report page 60.
ORGANIZATIONAL PROFILE			
G4-1.	Name of organization	YES	Cover Page
G4-2.	Primary brands, products and/or services	YES	Pages 5
G4-3.	Location of organization's headquarters	YES	Cover Page page-165.
G4-4.	Number of (towns)where the organization operates	YES	Page 18; under geographical expansion & Table 2; Key performance Indicators Row 1.
G4-5.	Nature of ownership and legal form	YES	Page No.4
G4-6.	Markets served by the organization (including geographic breakdown, sectors (Our Customers/Subscribers).	YES	Table 2; Pages 20, 21(Service Coverage-Figure 1) Page 26 under service coverage sub-title. Map on Page 14 and Page 15 showing the growth in No. of Towns since 1972. Table 2 on Key Performance Indicators; Table 7 under social sustainability.
G4-7.	Scale of the reporting organization.	YES	Government Parastatal
G4-8.	Total number of employees and gender.	YES	Table 5; Page 51; Annex 10 on Page 159.
G4-9.	Percentage of total employees covered by collective bargaining agreements. (Staff under Union)	YES	All staff below Scale 2 (about 85%)
G4-10.	Description of the organization's supply chain	YES	Water Treatment Process. Page 74; Figure 10.
G4-11.	Significant changes during the reporting period regarding the organization's size, structure, ownership or it supply chain	YES	Operational Performance Report Page: 60-107.
G4-12.	Precautionary approach or principle is addressed by the organization.	YES	Our Sustainability Report (Page 48)
G4-13.	Precautionary Approach	YES	Risk Department in place.
G4-14.	Membership of associations in which the organization has positions in governance bodies, participates in projects or communities, provides funding beyond routine memberships dues or views membership as strategic.	YES	AFWA, IWA, UIPE, FEU, SPA, WACOCO, UBTEB, SWAS Clubs, Rotary Clubs etc. Table 7; Page 57.
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-1.	List of all entities included in the organization's consolidated financial statements or equivalent documents		Pages :109-147
G4-2.	Explanation of the process of defining report content and the Aspect boundaries	YES	Page :24
G4-3.	List of all Material Aspects identified in the process for Defining Report		Our Sustainability Report on Social, Economic and Environmental Issues Page 48-58.
STAKEHOLDER ENGAGEMENT			
G4-24.	List of stakeholder groups engaged by the organization		Pages 58-59; Table 8; Stakeholder Analysis.
G4-25.	Basis for identification and selection of stakeholder with whom to engage		Page 36; 2ND Paragraph on Board of Directors.
G4-26.	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process		Page 58; Meeting with suppliers, customer engagements through social media platforms e.g. page 6-8.

		COVERED IN THIS REPORT	PAGE REFERENCE OR COMMENT
G4-27.	Key topics and concerns that have been raised through stakeholder engagements, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	YES	e.g. during project implementation where Project Affected Persons (PAPs) are usually compensated and projects implemented as shown in our infrastructure development projects report on Pages: (79-108) – Other reports not included here.
G4-28.	Reporting period for information provided	YES	Cover Page and Financial Statements from Page 109.
G4-29.	Date of most recent previous report.	YES	From Page (109-Financial Statements)
G4-30.	Reporting cycle.	YES	Cover Page/Financial Statements/Operational Performance.
G4-31.	Contact point for questions regarding the report or its contents.	YES	Annexed to this report addresses for all Areas of our Operations. Pages 165-171.
G4-32.	Report an "in accordance" option that the organization has chosen.	YES	Page No.24; About this Report.
G4-33.	Assurance – Policy and current practice with regard to seeking external assurance for the report, if not included in an assurance report, explain the scope and basis of any external assurance provided. Also explain the relationship between the organization and the assurance provider.	YES	Done by the Financial Reporting (Fire) Awards Institute of Certified Public Accountants.
GOVERNANCE			
G4-34.	Governance structure of the organization, including committees under the highest governance body and responsibilities in decision-making on economic, environmental and social impacts.	YES	Page No.36-41
G4-35.	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	YES	Pages No. 30 under Our Governance and Leadership.
G4-35.	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	YES	Pages No. 36 under Our Governance and Leadership. Section under the Board of Directors.
G4-36.	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	YES	Pages No. 36 under Our Governance and Leadership.
G4-37.	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and feedback processes to the highest governance body.	YES	Pages No. 36 Field visits, meetings with Donor Partners by the Board members.
G4-38.	Composition of the highest governance body by independence, tenure on the governance body, number and nature of other significant positions and commitments, gender, membership of under-represented social groups, competences, and stakeholder representation.	YES	Page No. 38, Table 4
G4-39.	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his/her function within the organization's management and the reasons for this arrangement).	YES	Page No.36- The Board Chairman NWSC is the overall Head and Managing Director manages the daily operations of the Corporation.
G4-40.	Nomination and selection processes for the highest governance body and its committees and the criteria used for nominating and selecting the highest governance body members including where and how diversity, independence experience and expertise are considered, and the extent of involvement of stakeholders including shareholders.	YES	Page No. 36 (Appointment of the Board is done by the Minister-2nd Paragraph).
G4-41.	Processes in place for the highest governance body to ensure conflicts of interest are avoided and managed.	YES	Page 36, (Board Committees meetings)-Not reported here this time; and data is available in Management reports and Minutes of the Board.
G4-42.	The highest governance body's and senior executives' roles in the development, approval and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	YES	Page 36-37
G4-43.	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	YES	Training of the Board members ; Not reported here.
G4-44.	Processes in place for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment.	YES	External Consultants usually hired to evaluate the Board. This is done annually.

		COVERED IN THIS REPORT	PAGE REFERENCE OR COMMENT
G4-45.	The highest governance body's role in identification and management of economic, environmental and social impacts, risks and opportunities.	YES	Through our Corporate Planning Process
INCLUDE THE HIGHEST GOVERNANCE BODY'S ROLE IN THE IMPLEMENTATION OF DUE DILIGENCE PROCESSES.			
G4-46.	The highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics and social topics.	YES	Risk Management Committee Page 36.
G4-47.	The frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities.	YES	Board meetings. Not reported here.
G4-48.	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material aspects are covered.	YES	Page No.37(Finance Committee)
G4-49.	Report the process for communicating critical concerns to the highest governance body.	YES	Page 36-under conformance (Committee meetings)
G4-50.	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	YES	Procurement of Chemicals and other procurements that fall in the threshold of the Board. (Board Minutes)
G4-51.	Remuneration policies for the highest governance body and senior executives.	YES	Page 37-Directors Remuneration (Table 3)
G4-52.	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	YES	Available in other Policy documents and guidelines- NWSC Act
G4-53.	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	YES	Available in other Policy documents and guidelines
G4-54.	Report the ratio of the annual total compensation of the organization's highest-paid individual in each country of significant operations to the medial annual total compensation for all employees (excluding the highest-paid individual) in the same country.	NO	-
G4-55.	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the medial annual total compensation for all employees (excluding the highest-paid individual) in the same country.	NO	-
ETHICS AND INTEGRITY			
G4-56.	Description of the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	YES	Page No.4-7 (Mission, Quality Policy)
G4-57.	Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	YES	Page 7; Customer Charter, water committees etc.
G4-58.	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	YES	Page 7; and also existence also the Whistle Blowing
DISCLOSURES ON MANAGEMENT APPROACH			
G4-DMA	Report the evaluation of the management approach, including the mechanisms for evaluating the effectiveness of the management approach; results of the evaluation of the management approach and any related adjustments to the management approach.	YES	Our Strategy Page 17-19 and Governance Report Page 36-37
G4-DMA	Report why the Aspect is material. Report the impacts that make this Aspect material.	YES	Sustainability Report 48-57.
G4-DMA	Report how the organization manages the material Aspect or its impacts.	YES	Sustainability Report 48-57.
ECONOMIC INDICATORS			
ECONOMIC PERFORMANCE, INCLUDING MARKET PRESENCE AND INDIRECT ECONOMIC ASPECTS.			
G4-EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	YES	Page 49-Economic Sustainability .
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	YES	Statement of Financial Position, Income Statement. Page 120-121
G4-EC3	Coverage of the organization's defined benefit t plan obligations.	YES	Provident Fund started in October 2020. Pages 51-53-Our Social Sustainability Report.
G4-EC4	Financial assistance received from government.	YES	Note 17 Page 121 (Ushs.317bn)
G4-EC5	Ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	YES	Graduate Trainees paid Ushs.260,000 (which is double of the minimum wage of Ushs.130,000)

		COVERED IN THIS REPORT	PAGE REFERENCE OR COMMENT
G4-EC6	Proportion of senior management hired from the local community at locations of significant operation.	YES	EMM Members on Page 44-45).
G4-EC7	Development and impact of infrastructure investments and services supported.	YES	Pages 79-107-Implementation of Capital Dep't Project
G4-EC8	Significant indirect economic impacts, including the extent of impacts.	YES	Table 7 Page, 57.
G4-EC9	Proportion of spending on local suppliers at significant locations of operation.	YES	Being implemented under the BUBU Policy.
ENVIRONMENTAL INDICATORS			
ENVIRONMENTAL PERFORMANCE, INCLUDING MATERIALS, ENERGY, WATER, BIODIVERSITY, EMISSIONS, EFFLUENT & WASTE, COMPLIANCE AND TRANSPORT.			
G4-EN1	Materials used by weight or volume.	YES	Chemicals, Fuel etc.
G4-EN2	Percentage of materials used that are recycled input materials.	NO	shredding of used paper; and production of gas from Bugolobi Wastewater Treating Plant. (on-going).
G4-EN3	Energy consumption within the organization.	YES	Note 10, Page 134 (Ushs.70.3 Bn. & Ushs.494m, Note 12 Page 135.
G4-EN6	Reduction of energy consumption.	YES	Page 57; Table 7 under Environmental & Ecological Sustainability.
G4-EN7	Reductions in energy requirements of products and services.	NO	Not reported here
G4-EN8	Total water withdrawal by source.	YES	Annexed 1; page 150
G4-EN8	Water sources significantly affected by withdrawal of water.	YES.	Page 86; Utingo River in Gulu and R. Rwizi Page 88-Affected by climate change and human activities. River Rwizi.
G4-EN10	Percentage and total volume of water recycled and reused.	YES	Page 57; Table 7. Under Environmental and Ecological sustainability
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas outside of high biodiversity value outside protected areas.	YES	Noted reported here
SOCIAL INDICATORS – HUMAN RIGHTS			
HUMAN RIGHTS PERFORMANCE, INCLUDING STRATEGY & MANAGEMENT, NON-DISCRIMINATION, FREEDOM OF ASSOCIATION, CHILD LABOUR AND FORCED LABOUR			
G4-HR3	Total number on incidents of discrimination and corrective action taken.	NO	-
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	NO	-
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour and measures taken to contribute to the effective abolition of child labour.	NO	-
G4-HR6	Operations and suppliers identified as having significant risk, for incidents of forced or compulsory labour and measures to contribute to the elimination of all forms of forced or compulsory labour.	NO	-
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	NO	-
SOCIAL INDICATORS – SOCIETY			
SOCIETY PERFORMANCE, INCLUDING COMMUNITY, CORRUPTION, PUBLIC POLICY AND COMPLIANCE			
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society.	NO	-
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken.	NO	-
SOCIAL INDICATORS – PRODUCT RESPONSIBILITY			
PRODUCT RESPONSIBILITY, INCLUDING CUSTOMER HEALTH & SAFETY, PRODUCTS & SERVICES, MARKETING & COMMUNICATION AND CUSTOMER PRIVACY			
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvements.	YES	-Page 72-75 (Quality Assurance).
G4-PR5	Results of surveys measuring customer satisfaction.	YES	Customer Satisfaction survey report (87%)
END			

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NAKAWA BRANCH

Tel: 0313-315656

NAKULABYE BRANCH

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NDEJJE BRANCH

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CENTRAL REGION

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Guaranty Trust Bank

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Diamond Trust Bank

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