

NATIONAL WATER AND SEWERAGE CORPORATION

Five Year Strategic Direction 2013—2018



NWSC SERVICE COVERAGE ACROSS UGANDA (2013)



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Board Chairman's Foreword



Dr. Eng. Christopher Ebal
AG. BOARD CHAIRMAN

It gives me great pleasure to make some remarks regarding the Five Year Strategic Direction that the National Water and Sewerage Corporation (NWSC) envisages to take for the period 2013 to 2018. As a Board, our mandate includes among others; overseeing the functionality and performance of the Corporation, which is achieved through providing Strategic Direction and ensuring that the Corporate Plan is adhered to, and monitored.

As a Board, we have reviewed the Five Year Strategic Direction, and take pride in the context within which it has been formulated for the following reasons:

- a) Firstly, it is aligned to the NWSC Corporate Plan 2012–2015, and therefore does not in any way conflict with the aspirations of the Plan.
- b) Secondly, it contextualises the NWSC futuristic goals in a longer term perspective, which implies that the next Corporate Planning cycle will seamlessly flow in tandem with the Strategic Direction.

- c) Thirdly, it takes into account the strategic and dynamic overarching Government Policy direction of transforming the Ugandan economy from a peasantry to a modern and prosperous economy, as enshrined within the National Development Plan and the Vision 2040.
- d) Fourthly, it is also aligned to the ambitious, and achievable Urban Water Sector goal of achieving 100 % water coverage in the medium term through building of synergies via the expansion of the mandate of the Corporation to cover all the large Urban areas.
- e) Lastly, the strategic Direction was formulated professionally through a consultative process involving all stakeholders, implying that the buy-in process was comprehensively addressed.

Therefore, as a Board, we positively associate to the undertakings and aspirations of the Strategic Direction which will witness the Corporation's proficient growth in its operations and geographical expansion.

I wish to reiterate that, the National Water and Sewerage Corporation's operations are cardinal to the achievement of the Government programmes, and therefore, we as a Board welcome novelty and innovation at the tactical planning level of the Corporation.

On behalf of the Board, I take this opportunity to thank management for coming up with this long-term outlook, and we pledge our support to ensure its successful implementation.

Thank you



Dr. Eng. Christopher Ebal

AG. BOARD CHAIRMAN

Managing Director's Message






Dr. Eng. Silver Mugisha
MANAGING DIRECTOR

The NWSC Five Year Strategic Direction (2013–2018) comes at a time when the Corporation is at cross roads with a good historical performance record, but increasing demand for services across the urban divide in Uganda.

As Albert Einstein said, “the challenges we face today cannot be solved at the same level of thinking we were at when they were created. We therefore have to put on a new mind if we are to succeed in our search for solutions.” This statement summarises the predicament of increasing expectations and demands that the Corporation is currently faced with.

The Five Year Strategic Direction is therefore aimed at gearing the Corporation for transformational changes in its operational and geographical mandate.

In formulating the Strategic Direction, due cognisance was given to the history of the Corporation that has defined its current status, the existing NWSC Corporate Plan (2012–2015) aspirations and the various stakeholder expectations, key among which are the Government Policy expectations.



In summary, the Five Year Strategic Direction is premised on the four (4) perspectives of the **Balance Score Card**, namely: Business Process and Growth, Customer Perspective, Financial Perspective, and Learning and People Perspective.

Key among the strategic focus areas will be increased coverage and supply reliability, improved asset management aimed at tackling the current water losses, improved customer interface and delight coupled with enhanced collaboration with stakeholders, increased revenue growth and mobilization of resources for investment, improved staff capacity development and welfare, and enhanced research and innovation.

It is envisaged that the Five Year Strategic Direction will be operationalised and streamlined through the Corporation's annual budget and respective Division Annual Plans and One Minute Management Goals for the staff within the Divisions. The activities of the Strategy will further be cascaded to the various areas of operation in a bid to ensure collective responsibility and effectiveness in the implementation of the strategies. This will be undertaken through tactical Performance Improvement Programmes (PIP), including the **STEP-UP-90 Programme** that was launched recently.

As is always the case, growth and development comes at a cost.

Therefore, the Corporation will explore different financing options to ensure that it fulfills the goals and objectives enshrined within the Five Year Strategy.

In implementing the Five Year Strategy, the Corporation envisages to enhance collaboration with various stakeholders in order to ensure harmony and effectiveness in the implementation of its activities. Furthermore, the Corporation will monitor the implementation of the Strategic Direction through a corporate scorecard system coupled with an Annual Evaluation System.

It is my strong conviction that these renewed efforts will bear fruits that will see the NWSC services grow in leaps and bounds.

Thank you



Dr. Eng. Silver Mugisha
MANAGING DIRECTOR



1. Introduction

Overarching Government Policy

Currently, the overall Government Policy direction is guided by three major Documents, namely: the **National Strategic Direction** (NDP), the **National Resistance Movement Manifesto** (2011–2016) and the **Vision 2040**. The common aspiration of these key policy documents is to “transform the Ugandan society from a peasant to a modern and prosperous country within 30 years”. Within these policy Documents, it is noted that the Water and Environment sectors are key drivers to the transformation process. Underpinning the transformation process is the desire by Ugandans to have world class infrastructure services including clean, affordable and reliable water services, among others. It is Government’s objective to ensure that the water resources are efficiently utilised, and all steps are taken to effectively harness water (including rainfall) for human and economic development purposes. Furthermore, the discovery of oil in Uganda, coupled with the rapid population growth and urbanization, call for the proactive and


efficient management of water supply and waste water disposal activities in order to ensure long-term sustainability of service delivery. The NWSC, being a major player within the Water and Environment sector, therefore takes due cognizance of the above mentioned Government Policy aspirations.

National Water and Sewerage Corporation

The NWSC is a Public Utility Company and state-owned Corporation whose mandate, as defined in the NWSC Act Section 5(1), is to operate and provide water and sewerage services in areas entrusted to it on a sound commercial and viable basis. Effective July 1st 2013, the Corporation operates within 28 Urban Centres, with the addition of the towns of Kitgum, Pader, Mityana, Kisoro and Nebbi.

Operational and Governance Framework

The NWSC governance and operational framework is based on the Corporate Plan and the Performance Contract with the Government of Uganda. Within the overall framework of the



Corporate Plan and the Performance Contract with Government, the NWSC has over the years adopted several high impact short-term performance improvement programmes. These have resulted into significant structural, operational and financial improvements.

Context of the NWSC Five Year Strategic Direction

Within the context of the overarching Government Policy, there has arisen a need to re-define and contextualise the goals and aspirations of the Corporation in a longer term perspective in order to effectively contribute towards the longer term vision of the Government. Some of the critical aspects relate to the need for the rapid expansion in urban water coverage to reach 100 % by 2016, and the expansion of sewerage services in all areas of NWSC operation. Furthermore, in accordance to the Urban Water Sector reform agenda and the Government Manifesto, The Corporation is envisaged to expand its mandate to cover all major urban centers within Uganda in a bid to ensure accelerated service delivery in the urban centers. The purpose of this Strategic Document therefore, is to provide the Corporations outlook and key strategic interventions for the next five years building upon the Corporation's existing Corporate Plan, and taking into account the wider stakeholder expectations, policy directions and competitive environment.



2. NWSC Vision and Mission

The NWSC corporate Vision is

“To Be A Leading Water Utility In The World,”

and the Mission is

“To Provide Efficient And Cost Effective Water And Sewerage Services Applying Innovative Managerial Solutions To The Delight Of Our Customers.”

During the next five years, management hopes to contribute towards this vision by focusing on the following key areas:

- Financial sustainability,
- Infrastructure growth,
- Increased coverage for water and sewerage services,
- Learning and innovation,
- Customer delight, and
- Meeting stakeholder aspirations.

In pursuing the above key focus areas, the Corporation will draw lessons and build on the past successes, and espouse the elements of investment in infrastructure, provision of services to the Urban poor, uplifting the profile and delivery of sewerage services, undertaking of restructuring activities aimed at improving efficiency through creating regional structures and enhancing collaboration with various stakeholders in a bid to create synergies for sustainable socio-economic development and environmental protection.

As an overall strategy, the activities to be undertaken during the

five year period will be aligned to the four Themes of the Balance Scorecard, namely: Business Processes and Growth, Customer Perspective, Financial Perspective, and Learning and People Perspective. This system strikes a balance between all aspects of the Corporation's business.

3. Point of Departure – Strategic SWOT Analysis

This chapter analyses the situation of the NWSA and that of the external environment as of 2013, with the purpose of developing viable strategies for the next five years.

Internal		External	
Strengths	Weaknesses	Opportunities	Threats
<ol style="list-style-type: none"> 1. Experience and track record in implementing successful internal reforms 2. Competent and committed staff complement able to multi-task and work as a team 3. Existence of operational and financial data spanning over many years 4. Good governance structures, documented policies and well established systems and procedures 5. Good customer focus 6. An established external services unit, which has enhanced NWSA image internationally 	<ol style="list-style-type: none"> 1. Low water and sewerage service coverage (about 75 % for water and 6 % for sewerage) 2. Inadequate infrastructure resulting in limited supply reliability in some Areas 3. High NRW (averaging at 34 %) 4. High level of Arrears (Average 3 months debt age) 5. Inadequate mechanism for effective credit management 6. Inadequate Research and Development (R&D) 7. Low capacity to self-finance major capital investments 8. Inadequate Asset management system 9. Inadequate Management Information Systems 10. Lack of an effective communication strategy 11. Inadequate staff capacity development strategy 12. Inadequate customer service systems 	<ol style="list-style-type: none"> 1. Political stability 2. An enabling legal, institutional and policy framework 3. Government support to the Corporation 4. Support from Development Partners 5. Rapid population, urbanization, and economic growth 6. Good public image and good will 7. Potential to diversify income and financing sources 8. Availability of raw water resources 9. Availability of advanced technology options 10. Availability of skilled manpower in the labour market 11. Potential to increase geographical coverage 	<ol style="list-style-type: none"> 1. Unstable macro-economic environment 2. Adverse climatic change and variability 3. Pollution and deteriorating raw water sources due to poor catchment management 4. Poor physical planning 5. Culture of water theft and network vandalism 6. Counterfeit products in the market

4. Five Year Goals and Targets



4.1 Goals and Targets

The following strategic goals and targets were developed to capture the key focus areas for the next five years and give the global picture of what the Corporation intends to achieve.

1. Service Coverage

Carry out network expansion and intensification to increase service coverage (people accessing NWSC services) from a current level of 75 % to 100 % and from 6 % to at least 30 %; for water and sewerage, respectively.

2. Geographical Coverage (Increasing Services to More Small Towns)

Ensure that NWSC services are extended from the current level of 28 towns to at least 80 towns of Uganda.

3. Capital Investment Efficiency

Ensure capital projects are implemented using least cost investment unit costs to create maximum value-for-money.

4. Environmental Protection

Ensure that NWSC conforms to national laws, regulations and standards, in

order to promote good environmental management practices and public health.

5. Asset Management Efficiency

Reduce water losses from the current level of 34 % to less than 25 % and enhance cost optimisation of operations.

6. Working Capital Management

Reduce the debt age from the current level of 3 months to less than 2 months, and reduce creditor days from the current level of about 90 days to 45 days.

7. Business Growth

Increase customers base from 317,000 connections to at least 450,000 connections, increase the annual turnover from US\$ 168 billion currently to at least US\$ 278 billion and ensure that at least 50 % of the towns breakeven.

8. Water Production Capacity and Supply Reliability

Increase water production capacity from the current level of about 250 million litres/day to at least 400 million litres/day and hence increase supply reliability to 24/7 in all towns where NWSC operates.

9. Customer Satisfaction

Increase customer satisfaction index (proportion of customers

satisfied with NWSC services) from the current level of 86 % to at least 95 %.

10. Business Process Re-engineering

Review business processes, structures and procedures and implement strengthening measures through focus on cost structure; technologies; staff welfare; research; training and development.


4.2 Key Assumptions

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

- Government and Donor funding is secured in time to finance the planned capital projects
- Stable macro-economic environment
- Political and social harmony in the Country
- Government support and smooth takeover of new Towns
- Climatic conditions will not adversely affect NWSC operations
- Government meets its bill payment obligations
- There will be no major changes in the National Water Policy



5. Five Year Strategies and Key Milestones



This Chapter outlines the fundamental strategies and key milestones that the Corporation intends to implement in the next five years in order to achieve the goals and targets set-out in Chapter Four, and taking into account the SWOT analysis in Chapter Three. The strategies are broadly grouped under the four (4) perspectives of the BSC framework, namely: Business Processes and Growth, Customer Perspective, Financial Perspective, and Learning and People Perspective. The Corporation has defined clear Strategic Focus Areas under each perspective that will shape its strategic direction. The implementation of the respective strategies and milestone will be carried out by project teams led by the Division indicated for each strategy.

5.1 Business Processes and Growth

Strategic Focus Areas

- a) Improved service reliability and coverage
- b) Improved cost and operational efficiency
- c) Improved asset management

#	Strategies and Key Milestones	Time Frame
1	<p>Kampala Water Lake Victoria Water and Sanitation Project (<i>P&CD</i>)</p> <ul style="list-style-type: none"> • Package 1 and 3: Refurbishment of Gaba I and II and limited water network interventions • Package 2: Water network modeling and master planning and re-zoning and extension • Package 4: Katosi water treatment plant • Package 5: Improvement of water supply and sanitation in the informal settlements • Package 6: Accompanying measures including asset management and capacity building 	<p>June 2015</p> <p>December 2017</p> <p>December 2016</p> <p>December 2015</p> <p>June 2014</p>
2	<p>Kampala Sanitation Programme (<i>P&CD</i>)</p> <ul style="list-style-type: none"> • Lubigi sewer system • Bugolobi waste water treatment plant • Sewer network 	<p>December 2013</p> <p>December 2015</p> <p>December 2015</p>

#	<i>Strategies and Key Milestones</i>	<i>Time Frame</i>
3	Uganda Water Development and Management Project (<i>P&CD</i>) <ul style="list-style-type: none"> · Gulu · Bushenyi · Arua · Mbale 	February 2018 December 2015 December 2015 May 2017
4	Integrated Project to Improve Living Conditions in Gulu (IPILC) – KfW Funded Project (<i>P&CD</i>)	June 2018
5	South West Water and Sanitation Project (<i>P&CD</i>) <ul style="list-style-type: none"> · AfD funded project including Masaka and Mbarara · Feasibility studies, detailed design and commencement 	June 2018
6	New Intake for Soroti (<i>P&CD</i>)	November 2014
7	Buloba Water Supply Project (<i>P&CD</i>)	May 2014
8	Small Towns Water Rehabilitation and Expansion Programme to extend NWSC Services to at least 50 new towns of Uganda (<i>P&CD</i>)	June 2018
9	Preparation of bankable project proposals for expanding water and sewerage infrastructure in priority towns: Kampala, Greater Bushenyi, Albertine region (Kasese, Fort Portal, Hoima), Masindi, Lira, Lugazi, Jinja and new towns etc (<i>P&CD</i>)	June 2015

#	Strategies and Key Milestones	Time Frame
10	Non–Revenue Water Reduction Initiatives: (<i>Eng Services, P&CD</i>) <ul style="list-style-type: none"> • Multi–stakeholder based illegal use reduction project • Establish hydraulic zones and District Meter Areas and roll out NRW reduction programme with performance accountability mechanisms • Effective meter management policy and framework 	June 2014 June 2015 June 2014
11	Short–term Innovative Dry Zone Interventions in Water Stressed Areas (<i>Eng Services, KW</i>) <ul style="list-style-type: none"> • Priority boosting and groundwater options • Selected rationalization • Systematic rationing 	June 2014 June 2014 Continuous
12	Enhanced IT Solutions and Systems Applications (<i>F&A</i>) <ul style="list-style-type: none"> • Management reports and business intelligence • Completion and roll out of in–house billing system and integration with key applications • Electronic archiving solution and document management/control • Improved information security (Data recovery and business continuity) and off–site storage • Automate and computerise operational processes • Mobile office options and solutions • Improved web based customer service options • Operational ERP System 	March 2014 December 2014 June 2015 June 2014 Continuous June 2014 June 2014 June 2018



#	Strategies and Key Milestones	Time Frame
13	Establish a Comprehensive Asset Management System (<i>Eng. Services, F&A</i>) <ul style="list-style-type: none"> • Asset management policy and strategy • Updated ten year investment plan • Annual asset replacement and disposal plans • Asset management Department/Unit • Asset re-evaluation • Performance measurement system for asset management system • Systematic standardization of assets 	December 2013 June 2015 Every September June 2014 June 2015 June 2014 Continuous
14	Supply Chain Improvements (<i>F&A</i>) <ul style="list-style-type: none"> • Formulate a specifications manual • Establish performance measurement framework for the supply chain processes • Systematic development of 'low-cost' local contractors • Enhance capacity to effectively test and inspect delivered materials, goods and services 	June 2014 June 2014 June 2014 March 2014
15	Upscale Implementation of Pro-poor Services to other parts of Kampala and other towns (<i>P&CD</i>)	June 2016
16	Institutionalise Water Safety Plans in all Areas including new towns and roll out an Environmental Management System (<i>Eng Services</i>)	June 2015
17	Develop and roll out a priority raw water source protection programme (<i>Eng Services</i>)	June 2015
18	Establish a Catchment Management Collaborative Framework with Stakeholders such as Local Governments, NEMA and DWRM (<i>Eng Services</i>)	June 2014





#	Strategies and Key Milestones	Time Frame
19	Promotion of Rain Water Harvesting in selected Peri–Urban Areas as part of NWSC Corporate Social Responsibility (<i>Public Relations</i>) <ul style="list-style-type: none"> • Develop concept paper • Roll out implementation of the selected initiatives 	June 2014 June 2015
20	Strengthened Internal Audit function and Improved Governance of Capital Projects (<i>IA, P&CD</i>) <ul style="list-style-type: none"> • Comprehensive annual audit plans for the entire corporation • Use of ICT in the audit processes • Establish and roll out a framework for increased stakeholder involvement in project implementation, evaluation and audits 	Every July December 2014 March 2014
21	Establish Internal Service Standards (<i>M&E, Top Mgmt</i>) <ul style="list-style-type: none"> • Establish measurable Service Agreements between Departments 	June 2014
22	More Efficient Fleet Management Framework (<i>Mgmt Services</i>) <ul style="list-style-type: none"> • Use of ICT in fleet management • Scope of fleet and acquisition plan • Balance between leasing and ownership 	December 2014 March 2014 March 2014
23	Risk Management (<i>Eng Services, F&A</i>) <ul style="list-style-type: none"> • Establish and roll–out implementation of a Risk Management Policy and Strategy 	December 2014
24	Customer Data Integrity Project (<i>Comm & Cust Services</i>) <ul style="list-style-type: none"> • Comprehensive data validation and data cleaning in all Towns – including new Towns • Upscale block–mapping to GIS for all Towns 	December 2014 June 2015

5.2 Customer Perspective

Strategic Focus Areas

- a) Improved customer satisfaction
- b) Enhanced collaboration with stakeholders
- c) Enhanced corporate social responsibility

#	Strategies and Key Milestones	Time Frame
1	Design and roll out an innovative corporate communication and public relations strategy (<i>Mgmt Services</i>)	June 2014
2	Develop a strengthened Customer Relationship Management and Call Centre Strategy (<i>Comm & Cust Services</i>)	June 2015
3	Establish a Comprehensive Stakeholders Engagement Agenda to guide NWSC collaboration with Sector Stakeholders to improve service delivery (<i>All Divisions</i>)	June 2014

5.3 Financial Perspective

Strategic Focus Areas		
a) Revenue growth b) Cost optimization c) Mobilise financing for investment		
#	Strategies and Key Milestones	Time Frame
1	Customer Base Growth – to at least 450,000 Accounts: <ul style="list-style-type: none"> · Network extensions and intensification by at least 80km annually (<i>Eng. Services</i>) · Takeover of new towns at least 50 towns as indicated in Appendix A (<i>Eng. Services</i>) 	June 2018
2	Bills collection and arrears reduction project (<i>Comm & Cust Services</i>) <ul style="list-style-type: none"> · Pre-paid meter installation program (Lot 1) · Pre-paid meter installation program (Lot 2) · Bi-Annual Arrears reduction programmes 	June 2014 March 2015 Every January & July
3	Roll out of more cost effective water treatment options (e.g. salt electrolysis, polymers, etc) in at least 10 Areas annually (<i>Eng Services</i>) – w.e.f. FY 2014–2015	June 2018
4	Energy Optimization Programme (<i>Eng Services</i>). <ul style="list-style-type: none"> · Establish Area energy management teams with clear bi-annual TOR · Undertake energy audits and implement energy efficiency management recommendations in at least 10 towns annually 	July 2014 Every July
5	Investment Finance Mobilization – from different Sources such as Debt factoring, Bonds, Market Finance , Government, Development Partners and PPP (<i>F&A Division</i>) <ul style="list-style-type: none"> · Develop concept note on finance mobilization · Mobilization of finances 	June 2014 June 2016

#	Strategies and Key Milestones	Time Frame
6	Establishment of a Water Fund (WF) to contribute towards Capital development projects, including review of the new connection policy (<i>F&A Division</i>) <ul style="list-style-type: none"> · Develop concept note on Water Fund · Creation of Water Fund · Review New Connection Policy 	June 2014 June 2015 June 2014
7	Establishment of NWSC Business Subsidiaries – for business diversification and foreign exchange earnings (<i>IDES</i>) <ul style="list-style-type: none"> · Develop concept note on the business subsidiaries · Transform IREC into a fully-fledged profit center – semi autonomous with expanded scope of products and services. · Develop concept note on NWSC Construction/Contracting Unit 	June 2014 December 2014 December 2014
8	Enhance NWSC Tariff (<i>Comm & Cust Services</i>) <ul style="list-style-type: none"> · Review the recommendations of the tariff review study report · Roll out implementation of agreed recommendations · Establish mechanisms for charging customers within NWSC service area with alternative water sources (boreholes) 	December 2013 March 2014 June 2014
9	Implementation of the Bottled Water Project (<i>P&CD</i>) <ul style="list-style-type: none"> · Approval of the feasibility study report by the Board · Secure funding · Commission project 	December 2013 December 2014 June 2016
10	Bi-annual Creditors Management Programmes – to ensure that all Procurements are harmonised with cash flows (<i>F&A Division</i>).	Every January & July 2013
11	Non-Core Assets Review Programme – to reduce operating costs and enhance cash flow and income generation potential (<i>Mgmt Services</i>).	December 2013

5.4 Learning and People Perspective

Strategic Focus Areas

- a) Improved welfare and staff motivation
- b) Staff capacity development and empowerment
- c) Foster research and innovation

#	Strategies and Key Milestones	Time Frame
1	Review of NWSC Structure and Re-organizing of NWSC Operations for Efficient Service Delivery and Effective Outreach <ul style="list-style-type: none"> • Approved Restructuring Programme (<i>HR, Mgmt Services</i>) • Approved Road map for regionalization (<i>Eng Services, IDES</i>) 	March 2014 June 2014
2	Review and rationalise staff related costs and re-deployment (<i>HR, Mgmt Services</i>)	June 2014
3	Enhance staff performance accountability through a robust and quantifiable productivity measurement system for teams and individual staff (<i>IDES, HR</i>)	June 2014
4	Innovative staff welfare and incentive with a view to improve staff morale and retention (<i>HR</i>) <ul style="list-style-type: none"> • Matching funds strategy • Revolving low interest loan scheme • Housing scheme for deserving long service staff 	June 2014 June 2014 June 2014
5	Elevate the Profile for Sewerage Services Management within NWSC (<i>Eng Services, Mgmt Services</i>)	December 2015

#	Strategies and Key Milestones	Time Frame
6	Improved Working Conditions and Environment for Staff (<i>P&CD, HR</i>) <ul style="list-style-type: none"> • Approved Occupational Health and Safety Policy with annual M&E framework • Construction of a modern NWSC Headquarter Complex, with clear business objectives in mind • Improvement of other selected NWSC offices • Improvement of staff quarters in selected areas 	June 2014 June 2018 June 2017 June 2016
7	Robust Research and Development Framework (<i>IDES</i>) <ul style="list-style-type: none"> • Establishment of an 'Incubation System' policy development, review and strengthening • Research policy and strategy • Research agenda • Innovation policy and strategy 	June 2014 December 2013 March 2014 December 2013
8	Strengthen and Streamline Training (<i>IDES, HR</i>) <ul style="list-style-type: none"> • Comprehensive annual training calendar and programmes • Operationalise the Gaba vocational training centre • Establish the Kachung vocational training centre 	Every June December 2013 June 2015
9	Predictive HR Management and Succession Planning (<i>HR</i>) <ul style="list-style-type: none"> • Develop a talent management and succession policy • Establish a framework for career development and growth path • Establish a predictive HR Management framework 	June 2014 December 2014 December 2014
10	Annual Staff Satisfaction Surveys (<i>HR</i>)	Every June



6. Implementation Strategy, Monitoring and Evaluation

Implementation Strategy

The Strategic Direction will in the first two years correspond to the current NWSC Corporate Plan for the period 2012–2015. The activities will therefore be undertaken in line with the existing Corporate Plan aspirations. The later three years of the Strategic Direction will guide the preparation of the NWSC Corporate Plan for the period, 2015–2018. As a means of operationalizing the Strategic Direction, each Division will be responsible for formulating strategies to achieve the key strategic activities and milestones enshrined within the Strategic Direction. These will be streamlined through the Corporation’s annual budget, and respective individual annual Divisions’ Plans and the One Minute Management goals for the staff within the Divisions. The activities of the plan will furthermore cascade downwards to the various Areas in a bid to ensure effective implementation of the strategies.

Financing Strategy

The NWSC will require considerable resources in order to be able

to realise its goals and objectives over the next five years. As a strategy, the Corporation will use a mix of financing options to cover its Operation and Maintenance, and Capital Investment costs. In a strict sense, all operation and maintenance costs, plus minor investments will be covered from internally generated sources. On the other hand, the Corporation will mobilise funds for major capital investments using various financing options. These will include the options of market finance, concessionary loan financing, PPP arrangements, and Grants from Development Partners and Government, among others.

The source of finance to be used will depend on the rate of return anticipated from the project. Where projects will drive returns commensurate with commercial capital costs, commercial finance will be mobilised to fast track those investments. Such investments include the rationalization of high cost infrastructure (e.g. replacement of old and inefficient electro–mechanical equipment, etc) and investments that yield high marginal revenues at a relatively low marginal cost (e.g. network infilling where bulk capacity is sufficient). On the other hand, new investments such

as the construction of new water treatment plants and sanitation facilities, plus investments of social nature (non-viable), will still require support from Government and Development Partners. Table 1 below summarises the NWSC cash flow and investment needs over the next five years.

Over the next five years, the Corporation is envisaged to grow its income from US\$ 183 billion to US\$ 277 billion an annual growth of about 12 % per annum. This will be underscored by an achievement of an operating profit of US\$ 60 billion by 2018. On the other hand, the investment needs over the next five years

Table 1: NWSC simplified cash flow and investment needs (US\$ millions).

Year	2013–2014	2014–2015	2015–2016	2016–2017	2017–2018	Total
Total Income	183,296	201,234	221,357	247,920	277,671	1,131,478
Total O&M Expenses	142,260	156,486	172,134	189,348	208,282	868,510
Investment needs	200,000	232,200	235,800	248,400	210,610	1,127,010
Investment from internal Sources	30,000	35,000	40,000	40,000	50,000	195,000
Financing Gap	170,000	197,200	195,800	208,400	160,610	932,010

Notes: Income to grow at a rate of 12 % per annum, while operating expenditure is envisaged to grow at a rate of 10 % per annum.

Table 2: Cash flow for Projects that have already secured funding (US\$ millions).

Source of Funding	2013–2014	2014–2015	2015–2016	2016–2017	2017–2018	2018–2019
Total Donor Funding	180,659	176,299	205,884	195,671	155,425	9,619
GoU (Kampala Sanitation Project)	33,029	32,136	31,630	19,556	–	–
GoU (KW – LV WatSan Project)	10,874	14,986	18,249	21,736	18,564	1,188
GoU (UWMDP)	–	–	–	–	–	–
Total GoU Contribution	43,903	47,121	49,879	41,292	18,564	1,188
Total NWSC Contribution	15,035	17,496	20,622	19,203	9,456	509

will amount to US\$ 1.13 trillion, an average of US\$ 225 billion per annum, covering the towns of Mbarara, Bushenyi, Masaka, Hoima, Fort Portal, Kasese, Jinja, Tororo, Lira, Kisoro, Mityana, Kitgum, and Nebbi. Of this, the NWSC will contribute about US\$ 195 billion from its internal sources, an average of US\$ 39 billion per annum, and the balance will be sought from other sources. It should be noted that these investment needs are over and above the on-going projects which cover the towns of Kampala, Gulu, Arua, Mbale and Bushenyi as shown in Table above.

Stakeholder Engagement

The aspiration for Stakeholder Management is a commitment of the Corporation to meet the needs and surpass the expectations of its various stakeholders. The Management of stakeholders refers to the ability to assess the needs, plan for and implement activities geared towards addressing the needs of the different partners in service. It should be noted that it is through proper stakeholder management that an organization is able to balance its stakeholder needs and achieve predictable and value for money services. The stakeholders the Corporation envisages to work with include the Customers, Government and all its partner institutions, the Development Partners, NGOs, CBOs, media and the civil society, among others. Implementation of stakeholder management activities will be promoted at all levels of the

Corporation's interface with its stakeholders. Key among the tenets for this collaboration will be an open and focused dialogue with stakeholders, building synergies, improving effectiveness of the Corporation's activities, increasing stakeholder buy-in of the activities of the Corporation, promoting transparency, effective communication, and value adding engagements. In carrying out these activities, the Corporation will enhance its accountability to its various stakeholders.

Monitoring and Evaluation

In order to ensure effective implementation of the Strategic Direction, the Corporation will introduce a corporate scorecard coupled with an Annual Evaluation System to monitor progress made in the implementation of the Strategic Direction. The proposed scorecard will greatly contribute to setting targets and performance criteria within the annual Corporate budget and respective annual Divisions' Plans and monitoring progress made by the Corporation in achievement of the set targets.

Management will conduct annual evaluation of the Strategic Direction and assess progress in implementing the Plan and including proposing any necessary adjustments. While the main strategic thrusts of the Strategic Direction are not expected to change significantly from year to year, some refinements in



timeframe and approaches may be necessary in the light of internal and external eventualities. In year five of the Strategic Direction, a more exhaustive review will be undertaken as an input into the preparation of the next five year Strategic Direction.



APPENDIX A: Schedule of Transfer of Urban Water Systems to NWSC

Year 1 – FY 2013–2014

Wakiso
Wobulenzi/Katikamu
Luwero
Kigumba
Bweyale
Kiboga
Sironko/Bulegemi
Muyembe
Budadiri
Mayuge
Paidha
Aduku
Apac
Lyantonde/Katovu
Ibanda
Rukungiri
Kalisizo
Ntungamo
Kihihi–Kanyampanga–Kateera–
Kambuga–Butogota–Kanungu regional
water system.

Year 2 – FY 2014–2015

Kakiri
Kayunga
Lukaya
Buwama/Kayabwe/Kyabadaza
Kagoma/Buwenge
Kabwohe/Itendero
Pakwach
Kibaale
Butaleja/Busolwe
Budaka/Tirinyi
Pallisa
Busia
Ngora/Nyero/Kumi
Kamuli
Moroto
Bugiri
Koboko
Dokolo
Katwe–Kabatoro
Kapchorwa
Sembabule
Kyotera

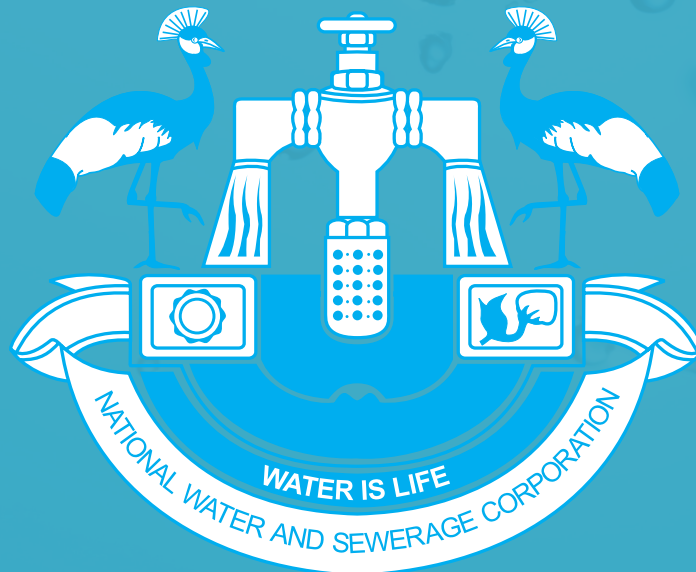
Year 4 – FY 2016–2017

Mpigi
Kinoni/Kyazanga/Mbirizi
Kotido
Adjumani
Kamdini
Amolatar
Bwera/Mpondwe
Hima/Rwimi
Rubirizi–Bunyaruguru
Muhanga

Year 5 – FY 2017–2018

All Towns situated on the following highways:

Kampala – Mbale
Kampala – Kabale
Kampala – Gulu
Mbale – Lira



A dynamic splash of clear water droplets and streams against a light blue background. The water is captured in mid-air, creating various shapes and sizes of droplets and splashes, particularly concentrated on the right side of the frame. The lighting highlights the transparency and movement of the water.

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