



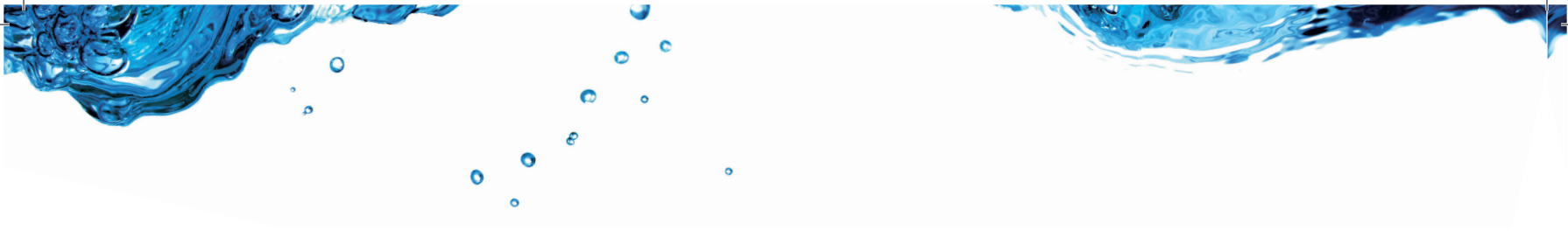
National  
Water & Sewerage  
Corporation

# FIVE YEAR STRATEGIC DIRECTION

---

2016 - 2021

---





# Contents

<b>BOARD CHAIRMAN'S FOREWORD</b>	<b>5</b>
<b>MANAGING DIRECTOR'S MESSAGE</b>	<b>6</b>
1 INTRODUCTION	8
2 PERFORMANCE REVIEW: OUR SIGNIFICANT ACCOMPLISHMENTS	13
3 STRATEGIC SWOT ANALYSIS	18
4 STRATEGIC FOCUS: FIVE YEAR GOALS AND TARGETS 2016-2021	20
4.1 Goals and Targets	21
4.2 Annual Targets 2016-2021	22
4.3 Key Assumptions	22
5 FIVE YEAR STRATEGIES AND KEY DELIVERABLES	23
5.1 SPA1: SMART Systems, Business Continuity and Infrastructure Growth	24
5.2 SPA2: Financial Growth and Sustainability	29
5.3 SPA3: Customer and Stakeholder Delight	33
5.4 SPA4: Productivity and Capacity Development	37
6 IMPLEMENTATION STRATEGY, MONITORING AND EVALUATION	39
 <b>APPENDIX I: NWSC Regions &amp; Operational Areas as at 30th June 2016</b>	 <b>43</b>







# Board Chairman's Foreword



**Dr. Eng. Christopher Ebal**  
BOARD CHAIRMAN

It is an honor to present the Five Year Strategic Direction for National Water and Sewerage Corporation the period 2016 to 2021. The board's key mandate is to oversee the functionality and performance of the Corporation which can only be achieved through providing strategic guidance and ensuring that the Corporation's strategic plans are upheld and well monitored.

The board has reviewed the Five Year Strategic Direction and is confident that it will effectively guide the Corporation in the service delivery drive on account of the following reasons.

- First and foremost, it is in line with the Corporate Plan 2015 – 2018 since for the first two years, the activities to be undertaken are in line with the existing Corporate Plan aspirations.
- Secondly, it encompasses the goals and aspirations of the Corporation in a longer term perspective. In its latter 3 years, it will guide the preparation of the NWSC Corporate Plan for the period 2018 – 2021.
- Thirdly, it is committed to the goal of rapid expansion of water coverage to reach all major urban centers which is within the context of the overarching government policy of “Transforming Uganda from a Peasant

to a Modern and Prosperous Economy” as elaborated in the National Development Plan (NDP II), in the NRM Manifesto (2016-2021) and in Uganda Vision 2040.

- Lastly, it is focused on improving sustainability and operational efficiency through enhancing collaboration with various stakeholders and strengthened regionalization of operations in order to create synergies for sustainable socio-economic development and environmental protection.

We are confident that the goals and aspirations of the Strategic Direction will advance the Corporation's Vision 'To be the leading customer centered utility in the world' and we commit to ensure that it is fully adhered to.

On behalf of the Board, I take this opportunity to thank Management for this far-sighted, long-term perspective and pledge our commitment, guidance and support to ensure that the Strategic Direction is successfully implemented, as we steer the Corporation towards 'Water for all, for a Delighted Customer, by a Delighted Workforce'

For God and my country.

## Managing Director's message



**Dr Eng. Silver Mugisha**  
MANAGING DIRECTOR

The NWSC Five Year Strategic Direction 2016-2021 comes at a time when the Corporation is being recognized on the world stage for its exceptional practices geared towards provision of safe, clean and reliable water for all by taking bold steps aimed at expanding water coverage to cover all urban centers in Uganda.

Key among the achievements include;

- a). Expansion of geographical coverage from 23 towns in 2013 to 165 towns as at June 2016,
- b). Increase in the customer base from 317,000 accounts in 2013 to over 468,015 accounts as at 30th June 2016,
- c). Increase in daily water production from 239 million liters/day to over 286 million liters/day and'
- d). Annual water network expansion of over 1000Km compared to the previous average of 80Km
- e). The customer satisfaction index as at June 2016 was 88% against the GoU performance contract target of 70% .
- f). All these achievements have only been possible through the collective effort of staff, management and committed guidance from the board.

Now is not the time to relax. We need to refresh our energy and focus as a Corporation if we are to achieve the bold goals in our country's transformative journey from a peasant to a middle-income country; hence the need for this strategic direction.

In summary, this Five Year Strategic Direction is hinged on four (4) Strategic Priority Areas of the balance score card, in line with the Corporate Plan 2015-2018, namely:

1. SMART Systems, Business Continuity and Infrastructure growth
2. Financial growth and sustainability
3. Customer and stakeholder delight
4. Productivity and capacity development.

Some of the key Strategic focus areas include water service reliability, increased water coverage, comprehensive asset management, non-revenue water reduction, sewerage services enhancement, ICT-driven systems, environmental protection, customer satisfaction, stakeholder engagement, skills development as well as research and development.

The Strategic Direction will be operationalized through focused and well-tailored Annual Action Plans for Business Streams, Directorates, Regions, and Operational Areas.

To realize the goals of the Strategic Direction, the Corporation will require several resources and will therefore utilize a combination of financing options including internally generated revenue, mobilized funds from the Government of Uganda and development partners, market finance, and PPP arrangement among others.

The Corporation aspires to enhance stakeholder management through assessing the needs of various partners, planning for and implementing activities geared towards addressing these needs. The corporation commits to follow the guidance of the board in implementing these strategies.

I am confident that with this refreshed direction, we will steer the Corporation to higher service delivery and operational efficiency levels for the benefit of our customers and stakeholders.

For God and My Country.

---

# 1,000km

---

Annual water network expansion of over 1000Km compared to the previous average of 80Km







# 01

---

## Introduction

---

National Water and Sewerage Corporation 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 2016, the Corporation operates in 165 Urban Centres.

## Overarching National Strategic Framework

The formulation of the NWSC 5-Year Strategic Direction (SD) for the period 2016-2021 has been premised on the overarching national strategic framework that includes the following:

- a). Sustainable Development Goals (SDGs):  
SDG No.6 tasks member states and nations to ensure availability and sustainable management of water and sanitation for all by 2030 in an environmentally sustainable manner.
- b). Vision 2040: Uganda Vision 2040 aims at “A Transformed Ugandan Society from a Peasant to a Modern and Prosperous Country within 30 years”. To this end, NWSC is required to increase the percentage of the population with access to safe piped water to 100%.
- c). National Development Plan: under the NDP II 2015-2020, with the theme “Strengthening Uganda’s Competitiveness for Sustainable Wealth Creation, Employment and Inclusive Growth”; NWSC is expected to increase water coverage to 100% and sewerage coverage to 30% by 2020.

- d) NRM Manifesto 2016-2021: the NRM Manifesto 2016-2021 with theme “Taking Uganda to Modernity through Job-creation and Inclusive Development”, tasks NWSC to increase access to clean and safe water from the current 77% to 100 % in urban areas by increasing piped water coverage in both small and big towns.
- e) The Corporate Plan 2015-2018 is a statutory document duly provided for under the NWSC Act. The Strategic Direction, therefore, stems from the commitments already enshrined in the Corporate Plan and makes further projections beyond June 2018 to ensure sustained improved service delivery.

## 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 last three years implemented internal reforms, internal performance contracting framework code-named PACE (Performance, Autonomy &

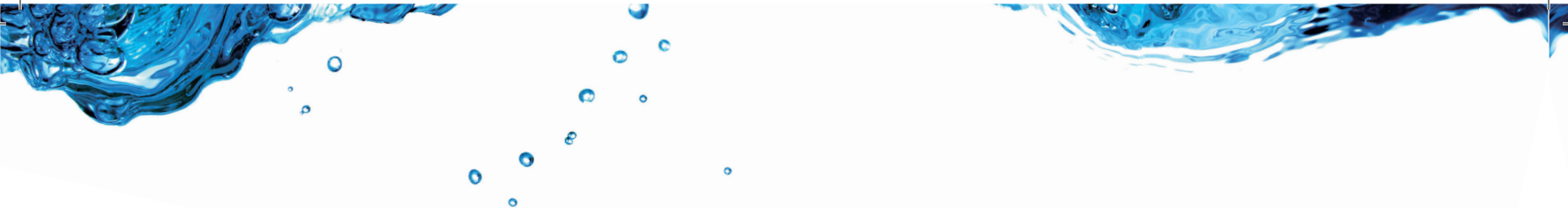
Creativity Enhancement) contracts as well as several high impact short term performance improvement programmes. These have resulted into significant service delivery, operational and financial improvements.

## Our Vision, Mission and Core Values

The NWSC Corporate Vision is “TO BE THE LEADING CUSTOMER CENTRED WATER UTILITY IN THE WORLD”, and the Mission is “TO SUSTAINABLY AND EQUITABLY PROVIDE COST EFFECTIVE, QUALITY WATER AND SEWERAGE SERVICES TO THE DELIGHT OF ALL STAKEHOLDERS, WHILE CONSERVING THE ENVIRONMENT”.

**Core Values:** The system of shared values and norms in an organization shapes the culture of that organization. The NWSC recognizes that having the right values will result in increased efficiency, enhanced productivity and performance focus. The overriding drivers on how management and staff work and act as teams and employees of the Corporation are centered on the following shared values (PRIITER);

**Professionalism:** Exude skills and ability in the work environment



**Reliability:** The NWSC is committed to ensuring reliability and adequacy of Water Supply to all its customers.

**Integrity:** We embrace honesty in everything we do and are determined to adhere to ethical Business principles and good corporate governance at all times.

**Innovation:** Continuously develop and apply creative solutions towards improved service delivery

**Team Work:** The NWSC consists of people with many different skills, knowledge and experience. We value each individual's contribution to our collective effort as we strive to work together for the good of the Corporation and the Country at large.

**Excellency:** We look for and promote innovativeness, proficiency and leadership in all aspects of water and sewerage service delivery.

**Result Oriented:** We strongly believe in effectiveness in service delivery. During the next five years, management hopes to contribute towards this vision by focusing on the following key areas:

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.





## Context of the NWSC Five Year Strategic Direction 2016-2021

The NWSC 5Year Strategic Direction 2016-2021, builds on the NWSC SD 2013-2018.

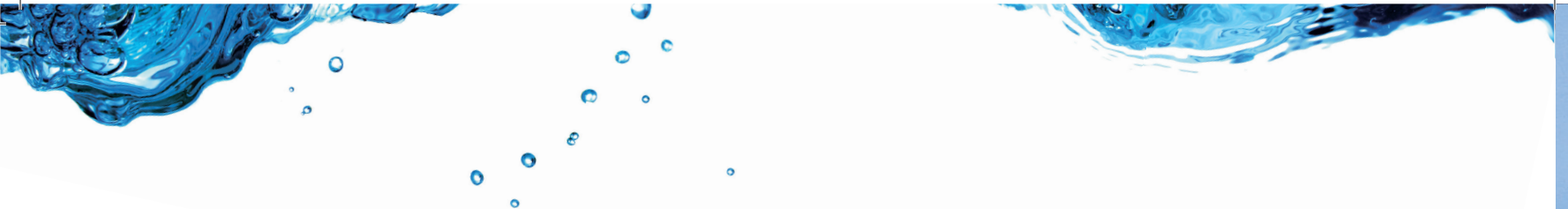
A review of the NWSC SD 2013-2018 was undertaken during the months of April and May 2016, to assess progress of implementation, achievement of the enshrined goals and targets as well as to identify and take due cognizance of key emerging issues. The review process led to the formulation of the NWSC SD 2016-2021 in view of the following key emerging issues:

- a). Surpassing of the quantitative targets:** The mid-term review of the NWSC SD 2013-2018 showed that most of the quantitative performance targets as of June-2016 had been surpassed. This implied the need for re-focusing and setting new baselines in view of the drive for continual performance improvement.
- b). Sustainable Development Goals (SDGs):** The SDGs were formulated in 2015 and raised that bar for water and sanitation. SDG No.6 tasks member states and nations to ensure availability and sustainable management of water and sanitation for all by 2030 in an environmentally sustainable manner.
- c). National Development Plan:** The NDP II was formulated in 2015. Under the NDP II 2015-2020, with the theme “Strengthening Uganda’s Competitiveness for Sustainable Wealth Creation, Employment and Inclusive Growth”; NWSC is expected to increase water coverage to 100% and sewerage coverage to 30% by 2020 in the service areas of its jurisdiction.
- d.)NRM Manifesto 2016-2021:** It was noted that Uganda went through a period of general elections that were concluded in Feb-2016, through which a new government, based on the National Resistance Movement (NRM) party manifesto, was elected and given mandate for the next five years. The new government (NRM Government) effectively assumed office in May-2016. The theme for NRM Manifesto is, “Taking Uganda to Modernity through Job-creation and Inclusive Development”. Government Ministries, Departments and Agencies were tasked

---

The theme for NRM Manifesto is,  
“Taking Uganda to  
Modernity through  
Job-creation  
and Inclusive  
Development”.

---



to review and effectively re-align their respective strategic and development plans with the NRM Manifesto 2016-2021 and as such ensure the successful implementation of the said Manifesto. Given that the NRM Manifesto 2016-2021 substantially enshrines the expectations of Ugandans for the next five years, it is prudent for NWSC, a government parastatal, to ensure that the plans of the Corporation are well aligned to the said manifesto that includes key aspects such “Operation Wealth Creation”, “Rural-Urban Integration”, “Effective Coordination of MDAs for better service delivery” etc.

**e). Accelerated Increase in number of NWSC Towns:** At the formulation of the NWSC SD 2013-2018, it was anticipated that the number of NWSC towns would increase from 28 to 80 over the five year period. However, within the duration of about 2.5 years the NWSC towns has instead more than doubled rising up to 165 towns as of June 2016. This accelerated increase in geographical coverage requires review and re-adjustment in the structural set-up, in the regionalization framework as well as the mechanisms to mitigate the financial burden that could be imposed on the Corporation as a result of the takeover of the towns.

**f). Innovation and ICT Drive:** Given the enormous and rapid growth of the NWSC operations it has become very necessary to stimulate more innovations and deliberately step-up the ICT functions in a bid to promote ICT driven systems within NWSC and thus realize more effective and efficient operations.



# 02

---

## **Performance review:** Our significant accomplishments

---

As a part of strategic planning, NWSC evaluated its previous goals and objectives under the Strategic Direction 2013-2018. The following are the highlights of some of the Corporation's accomplishments since the 2013-2018 Strategic Direction was adopted.





### **Geographical expansion:**

The Corporation systematically and aggressively expanded its geographical coverage to increase the number of NWSC service towns from 24 in 2013 to 162 towns in 2016 across the country. This is a significant transformation in the business and service model of the Corporation and has redefined NWSC's role in the Uganda Water Sector and service delivery.

### **Infrastructure growth:**

NWSC implemented a systematic infrastructure expansion programme to improve service coverage and ensure growth in assets and service foot-print. Through the Infrastructure Service Delivery Programme (ISDP), the water mains extensions increased from a previous average of 80 km per annum to 470 km (2013/14), 1,400 km (2014/15) and 1,320 km (projected for 2015/16). It is worth noting that all these extensions have been funded from internally generated funds.

### **Water supply reliability and Water Loss Prevention:**

The Corporation implemented systematic rehabilitation, upgrade and expansion of the production facilities through Water

Stabilization Programmes (WSP), to improve water production and supply reliability in response to the increasing demand. In 2014, the Corporation enacted programmes to reduce Non-Revenue Water from 33% to 31.6% in the space of a year. Among the programmes was the a pro-active community-based illegal use reduction programme code named WALOPU (Water Loss Prevention Unit) where the Corporation partnered with the police and community to fight illegal water use and hence reduce water theft.

### **Business Growth:**

The growth in infrastructure translated into 48% growth in the customer base from 317,000 water connections in 2013 to 468,015 in June-2016. Water sales increased from 56.7 million cubic meters in 2013 to 73.6 million cubic meters in FY2015/16. The annual turnover increased from Ushs 170.4 billion in 2013 to Ushs 269.44 billion in 2016, representing a growth of 58%.

### **Community Engagement:**

Targeted Community engagement initiatives were introduced that included; Water Community Communication Clubs (WACOCO), Annual Water Baraza's, The

Customer Action Programmes (CAP) for effective engagement with religious institutions/centres and market places, as well as, opinion pieces in local dailies and airtime on radio and television stations.

### **Innovation:**

Using the in-house IT team, NWSC developed a number of in-house innovations that have greatly enhanced customer services. Among these innovations included: (a) the E-Water Payment System; (b) The new billing system developed, which in addition to saving the Corporation money, is more interactive and with improved interfacing functionalities; and (c) the smart phone mobile application that enables customers check their accounts, pay bills and send queries through their smart phones.

### **Pro-poor initiatives:**

Public Stand Pipes (PSPs) remain a major means of providing services to the urban poor in informal settlements. A total of 2,795 PSPs has been installed during the last 3 years (2013-2016) across the country. Additionally, the Corporation has systematically increased the number of pre-paid public water points in a bid to improve services for the urban poor

communities and eliminate the exploitation of the urban poor by the vendors. Public Sanitation facilities have also been built to complete the water and sanitation chain. 44 sanitation facilities have been constructed in last three years.

**Water and Sanitation in schools:**

School Water and Sanitation (SWAS) clubs, were introduced as a very novel initiative that targets the next generation (school children). Through the SWAS clubs, NWSC creates awareness about and promotes water, sanitation and hygiene in the country through sensitization and empowerment of the children and through support to the schools' WASH initiatives.





### Summary of NWSC Key Achievements:

The renewed efforts have seen the NWSC services grow in leaps and bounds. Table below summaries NWSC performance since the adoption of the 2013-2018 SD.

#	Performance Indicator	1998	2011	2013 (Baseline)	2014	2015	2016 (p)
1.	Water Service Coverage (%)	48	75	77.5	78.5	76	76
2.	Sewerage Service Coverage		6.4	6.4	6.4	6.4	6.4
3.	Geographical Coverage (Number of NWSC Service Towns)	12	23	28	66	110	165
4.	Water Production (000 m3 per day)		212	239	257	273	286
5.	Water Sold (million m3 per year)		50.8	56.7	61.1	66.4	73.6
6.	Non-Revenue Water (%)	60	33	34%	33.7%	31.2%	28%
7.	Water Mains Extensions (km/Year)	60	123	86	470	1,447	1,300
8.	Sewerage Mains Extensions (km/Year)		1	0	17	38	30
9.	New Water Connections per year	3,317	25,633	21,637	28,068	33,982	37,947
10.	New Sewerage Connections per year		301	235	360	235	325
11.	New Public Stand Pipes (PSP per year)		469	95	921	924	950
12.	Customer Base (Water Connections)	50,826	272,406	317,000	366,330	417,938	468,015
13.	Customer Base (Sewerage Connections)		15,329	17,888	18,810	19,045	20,042
14.	Staff Productivity (staff per 1000 connections)	36	6	6	6	6	6
15.	Turn over (Ushs Billion/annum)	21	132	170.4	184.5	221.9	269.44
16.	Debt age (Months)		3.7	3.8	4	2.8	2.5
17.	Collection Efficiency (%)	60	96	96	96	105	100





## Main Challenges Faced during the Review Period

The Corporation experienced a number of challenges during the implementation of the 2012-2015 Corporate Plan that included;

- Turbulent macro-economic situation which saw operating costs rising faster than anticipated.
- Water sources challenges including deteriorating raw water quality as a result of encroachment on the catchment area; and prolonged drought in some areas that affected water supply reliability
- Unreliable and intermittent power supply that affected water production
- Insufficient resources to meet the growing demand for services.
- Low level of connectivity in the newly taken over towns which renders the unit cost of operation high
- Low sewerage coverage which calls for a need to upscale sewerage services through infrastructure development in all areas of operation.



# 03

---

## Strategic SWOT analysis

---

This chapter analyses the situation of the NWSC and that of the external environment as of 2016, with the purpose of developing viable strategies for the next five years.

## STRENGTHS

1. Experience and good track record in implementing successful internal reforms
2. Competent and committed staff who are 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. Enhanced NWSC Image
7. A well-established External Services Unit
8. Ability to develop in-house IT systems and applications
9. Wide geographical coverage
10. Established vocational Institute and capacity building programme
11. Existence of an effective communication strategy

## WEAKNESSES

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 28%)
4. High level of Non GoU Arrears (Average 1.9 months Debt Age)
5. Long creditor period
6. Low level of Research and Development (R&D)
7. Non Full cost recovery tariff to finance major capital investments
8. Inadequate Asset management system
9. Lack of an integrated Management Information System
10. Inadequate staff capacity development strategy
11. Inadequate customer Service Support systems
12. Inadequate O & M for sewerage facilities
13. Slow implementation of capital projects
14. Lack of a well-established risk management system.
15. Inadequate inter-departmental coordination and knowledge sharing
16. Fragmented CSR programs
17. Inadequate resources and facilities for comprehensive analysis of water quality
18. Inadequate OHS strategy
19. Limited innovative staff retention mechanisms

INTERNAL

## OPPORTUNITIES

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 advanced technology options
9. Availability of skilled man-power in the labour market
10. Potential to increase geographical coverage.
11. PPP opportunities

EXTERNAL

## THREATS

1. Unstable Macro-Economic Environment
2. Adverse Climatic Change and variability
3. Deteriorating and depleting raw water sources.
4. Poor Physical Planning
5. Culture of Water theft and network vandalism
6. Counterfeit products in the market
7. Alternative water sources



# 04

**Strategic Focus:**  
Five year goals and  
targets 2016-2021







#### 4.1 Goals and Targets

The following goals 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 during the period 2016-2021.

1. Service Coverage: Increase Water Service Coverage from 76% to 100% and Sewerage Services from 6.4% to at least 30%, and increase NWSC geographical coverage (Areas of Operation) to at least 200 towns by 2021.
2. Water Production and Supply Reliability: Increase water production from 286 million litres/day to at least 384 million litres/day, and ensure 24/7 water supply reliability in all towns.
3. Business Growth: Increase customers base from 468,000 to at least 600,000 total connections and annual turnover from 269 to at least US\$ 480 billion, and improve the working ratio from 80% to 75%
4. Asset Management Efficiency: Optimize utilization of assets and deliver acceptable service levels in a cost effective manner, and reduce Non Revenue Water from 28% to less than 25%.
5. Water and waste water quality: Ensure compliance to water and waste water national standards
6. Customer Satisfaction: Improve customer satisfaction and ensure an annual customer satisfaction index of at least 70%.
7. Working Capital Management: Maintain a debt age of less than 2 months, and creditor days of less than 60 days.
8. Capital Investment Efficiency (implementation): Ensure that infrastructure projects are completed within the projected costs and timelines.
9. Environmental & Social Safeguards: Ensure compliance to environmental and social safeguard requirements
10. Business Process Re-engineering: Ensure continuous business process re-engineering to enhance service delivery efficiency, customer delight, cost optimization, and business growth.
11. Governance & Compliance: Ensure compliance to good governance principles and practices.
12. Branding & CSR: Promote the NWSC brand through targeted CSR programmes.

## 4.2 Annual Targets 2016-2021

The table summarizes the Annual Targets for the period 2016-2021.

Table 4.1: Summary of Annual Targets 2016-2021

#	Performance Indicator	2016 (Baseline)	2018	2021
1	Water Service Coverage (%)	76	82	100
2	Sewerage Service Coverage	6.4	30	40
3	Geographical Coverage (Number of NWSC Service Towns)	165	180	200
4	Water Production (million m3 per day)	286	329	384
5	Water Sold (million m3 per year)	73.6	75.2	102
6	Non-Revenue Water (%)	28	29	25
7	Water Mains Extensions (km/Year)	1,300	800	1,000
8	Sewerage Mains Extensions (km/Year)	30	35	35
9	New Water Connections per year	37,947	28,000	28,000
10	New Sewerage Connections per year	325	345	345
11	New Public Stand Pipes (PSP per year)	950	800	800
12	Customer Base (Water Connections)	468,015	524,000	600,000
13	Customer Base (Sewerage Connections)	20,042	20,732	21,767
14	Staff Productivity (staff per 1000 connections)	6	6	6
15	Turn over (Ushs Billion/annum)	269.44	350	480
16	Debt age (Months)	2.5	1.4	1.4
17	Collection Efficiency (%)	100	101	101
18	Working Ratio (%)	80%	77%	75%

## 4.3 Key Assumptions

In order to achieve the above goals and targets, 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 all its bill payment and financing obligations
- There will be no major changes in the National Water Policy



# 05

## Five year strategies and key deliverables

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 and aligned to the four Strategic Priority Areas (SPA) of the Balance Scorecard, namely;

- SPA 1: SMART Systems, Business Continuity and Infrastructure Growth
- SPA 2: Financial Growth and Sustainability
- SPA 3: Customer and Stakeholder Delight
- SPA 4: Productivity and Capacity Development

Each of the Four SPAs is buttressed by Strategic Focus Areas which are further defined by key undertakings and milestones. The implementation of the respective undertakings and deliverables will be carried out by project teams led by the Directorates (Champions) through the annual action plans.





## 5.1 SPA1: SMART Systems, Business Continuity and Infrastructure Growth

### Strategic Focus Areas

- Asset Management
- Non-revenue water
- Water Service reliability (water sources, water quality & quantity)
- Water Service Coverage
- Timely and efficient delivery of capital investments
- Risk Management
- Sewerage Services Enhancement

### a). Comprehensive Asset Management System

Establish and implement an asset management system that enhances business continuity and supply reliability while optimizing the cost of acquisition and management of the infrastructure

#	Key Undertakings and Deliverables	Time Frame
1.	Approved asset management policy and strategy (Eng. Services, KW)	October 2016
2.	Revaluation and standardization of assets (F&A)	June 2017
3.	Functional asset management unit (Eng. Services, KW)	December 2016
4.	Integrated asset management information system (IT)	December 2017
5.	Developed Comprehensive specifications manual for non-stock items (Logistics)	December 2016
6.	Strengthened capacity for quality assurance of technical operational inputs (Eng. Services, Logistics)	June 2017
7.	Investment Master Plan (P&CD, CS&IF)	June 2018



### b) Non-Revenue Water Reduction

Implement systematic, adaptive and multipronged NRW reduction measures and initiatives that adequately respond to the multifaceted components and causes of NRW

#	Key Undertakings and Deliverables	Time Frame
1.	Improve accuracy of water production measurement (Eng. Services)	June 2018
2.	Pilot District Metering Areas (Eng. Services)	June 2017
3.	Develop and implement SMART metering solutions in Jinja, Entebbe and Masaka (Eng. Services)	June 2018
4.	Priority Consumer Meter Replacement Programmes (Eng. Services)	Annually
5.	Pressure management programmes for at least 5 large towns, rolled out (Eng. Services, KW)	December 2016
6.	Strengthened tailor made multi stakeholder based Illegal Use reduction programmes (Eng. Services, KW)	Annually
7.	Establish a water tribunal for water theft (Legal Services)	June 2017
8.	Approved Meter Management Policy (Eng. Services)	December 2016
9.	Regionalization of meter management and laboratories/workshops (BSS, Eng. Services)	June 2017
10.	Proactive leakage management through priority pipe replacements (Eng. Services, KW)	Annually

### c) Water Service reliability (water sources, water quality & quantity)

Undertake cost effective programmes that will reduce production plant downtimes, increase water production, reduce water stressed areas and ensure satisfactory water quality

#	Key Undertakings and Deliverables	Time Frame
1.	Annual Area Specific Water Supply Stabilization plans to improve water production (Eng. Services, KW)	June 2021
2.	Annual Area Specific Water Supply Stabilization plans for distribution networks through network rationalization, enhancements, upgrades and reconfiguration (Eng. Services, KW)	June 2021

3.	Improve supply chain and logistical support: <ul style="list-style-type: none"> <li>• Construction of Regional Stores (P&amp;PM)</li> <li>• Acquisition of trucks and materials handling equipment (Logistics)</li> </ul>	June 2011 June 2018
4.	Effective Water Quality Management <ul style="list-style-type: none"> <li>• Update and roll out Water Safety Plans in at least 2 Areas per Region (Eng. Services, BSS)</li> <li>• Adequately equip 40 Labs including 6 Regional Labs (BSS)</li> <li>• Establish 2 Accredited Laboratories (BSS)</li> <li>• Develop a laboratory management system and roll out in all Areas (BSS, IT)</li> </ul>	December 2021
5.	Annual water treatment processes optimization programmes (Eng. Services, BSS)	June 2020

#### d). Water Service Coverage

Increase service coverage through systematic takeover of towns, continuous network expansion and intensification as well as proactive growth of the customer base with social equity considerations

#	Key Undertakings and Deliverables	Time Frame
1.	Expand NWSC geographical coverage to at least 200 towns (Eng. Services)	June 2021
2.	Water infrastructure service delivery plans - 800 kms of mains extensions per year (Eng. Services, KW, Logistics)	June 2021
3.	Develop and roll out annual programmes to attain 100% service coverage (Eng. Services, KW, Logistics)	June 2021
4.	Upscale urban pro poor initiatives in all major towns (Eng. Services)	June 2021
5.	Effective collaborative frameworks to ensure effective coverage in the rural, rural-urban and peri-urban settlements within NWSC's jurisdiction <ul style="list-style-type: none"> <li>• Integrated planning (Eng. Services, CS&amp;IF)</li> <li>• Develop and implement a collaborative framework to improve the functionality of rural water systems (Eng. Services)</li> <li>• Develop and implement "Village-Level Universal Access to Safe Water" Project and establish tariff structures/regimes that are cognizant of the goals for universal access</li> </ul>	June 2021



### e) Timely and efficient delivery of capital investments

Implement capital projects to increase coverage and water supply reliability within the agreed costs and timeframes

#	Key Undertakings and Deliverables	Time Frame
1.	Delivery of Kampala Water –Lake Victoria WATSAN project (P&CD) <ul style="list-style-type: none"> <li>• Refurbishment of Gaba 1 and II and limited water network interventions (Package 1&amp;3);</li> <li>• Water network modelling and master planning and re-zoning (Package 2)</li> <li>• Katosi water treatment plant (Package 4)</li> <li>• WATSAN Improvements in urban poor areas (Package 5)</li> <li>• Accompanying measures (Package 6)</li> </ul>	September 2016 June 2021 June 2020 June 2020 June 2020
2.	Delivery of Kampala Sanitation Program (P&CD) <ul style="list-style-type: none"> <li>• Bugolobi WWTP</li> <li>• Sewer network</li> </ul>	December 2020 December 2020
3.	Substantial Completion of Uganda Water Management & Development Project (P&CD) <ul style="list-style-type: none"> <li>• Gulu</li> <li>• Bushenyi</li> <li>• Arua</li> <li>• Mbale</li> </ul>	June 2018 Dec 2017 Nov 2016 Sept 2018
4.	Integrated Project to Improve Living Conditions in Gulu (IPILC) (P&CD) <ul style="list-style-type: none"> <li>• Phase 1– substantial completion</li> <li>• Phase 2; Nile Option – study completed and works commenced</li> </ul>	June 2018 December 2018
5.	South West Water & Sanitation Project (Mbarara-Masaka Corridor) (P&CD) <ul style="list-style-type: none"> <li>• Financing secured and works commenced</li> </ul>	June 2018
6.	Completion of New Intake for Soroti (P&CD)	October 2017
7.	Bankable project proposals for water and sewerage infrastructure in priority towns: Kampala South, EPC Gaba IV Turnkey, Fort Portal, Kasese, Lira, Kitgum, Bugiri, Moroto & Soroti (P&CD)	June 2018
8.	Albertine Graben North (Hoima & Masindi) WATSAN Projects – works completion (P&CD)	June 2021
9.	Completion of other ongoing infrastructure programmes (P&CD) <ul style="list-style-type: none"> <li>• Kapeeka Water Supply Project</li> <li>• Masindi Water Production Improvement</li> </ul>	December 2016 December 2016
10	Develop a project implementation tracker (P&CD, IT)	June 2017



#### f). Risk Management

Establish a cost effective risk management framework to enhance business continuity in NWSC

#	Undertakings and Deliverables	Time Frame
1.	Approved Risk Management Policy and Register (P&PM)	September 2016
2.	Annual Risk Register updates (P&PM)	June 2021
3.	Develop and implement risk management plans to ensure business continuity (P&PM)	Annually
4.	Implement Quality Management Systems in NWSC (BSS, P&PM)	June 2018
5.	Migration of IT data to offshore backup (IT)	June 2017
6.	Implement an electronic document management system (IT)	June 2017

#### g). Sewerage Services Enhancement

Undertake programmes and initiatives to strengthen the sewerage services function and increase sewerage services coverage and compliance to the effluent standards

#	Undertakings and Deliverables	Time Frame
1.	Improve Effluent compliance to National Standards in 16 towns (Eng. Services, BSS)	June 2018
2.	Development and implementation of sewerage infrastructure development plans in all Areas - at least 20 kms of sewer mains extensions (Eng. Services)	Annually
3.	Approved structure for sewerage services fully implemented (DMD-TS)	June 2017
4.	Rehabilitation of critical sewer networks in selected Areas (Eng. Services)	June 2017
5.	Implement packaged waste water treatment plants in the towns of; Masaka, Fort Portal, Kitgum, Kisoro and Kasese (P&CD)	June 2018
6.	Lubigi STP expansion (P&CD)	June 2020
7.	Small scale sewage collection and treatment systems for small urban communities (Eng. Services, P&CD)	June 2018

## 5.2 SPA2: Financial Growth and Sustainability

### Strategic Focus Areas

- Enhancing viability of new towns (connectivity)
- Value for money investments
- Investment financing
- Income diversification
- Cost optimization and efficiency
- Revenue growth
- Compliance and Governance
- Integrated ICT solutions

### a) Enhancing viability of new towns (connectivity)

Enhance viability through of growth of customer base, optimized operations and improved supply reliability

#	Undertakings and Key deliverables	Time Frame
1	Expand the water distribution network by 5km annually for each of the New towns (Eng. Services)	Annually
2	Increase production capacity through rehabilitation/upgrading of existing systems and exploration of new water sources (Eng. Services, P&CD)	June 2021
3	Increase new connections by at least 100 per annum in each of the new towns (Eng. Services, C&CS)	June 2021
4	Optimize water production costs through energy and chemical cost reduction (Eng. Services)	June 2021



## b). Value for money investments

Value-for-money investments through competitive procurements and focus on financially viable projects

#	Undertakings and Key deliverables	Time Frame
1	Updated pricing benchmarks based on open market surveys on prices and unit rates (Logistics)	Biannually
2	Invest at least 20% of NWSC internally generated funds for CAPEX to target investments with greater returns (F&A)	Annually
3	Strengthen internal capacity to undertake design & implementation of small to medium WATSAN projects (P&CD, KW)	June 2018

## c). Investment financing

Proactively mobilize investment financing to accelerate delivery of major infrastructure projects

#	Undertakings and Key deliverables	Time Frame
1	Leverage Market Finance using the infrastructure fund (F&A, CS&IF)	June 2018
2	Annual financing for investments and social mission projects from GoU (F&A, CS&IF)	June 2017
3	Feasibility report on PPP options for infrastructure development in NWSC (F&A, CS&IF)	June 2018
4	Market Finance including; Bond financing, PPP, EPC (F&A)	June 2019

## d). Income Diversification

Continuously explore options for income diversification

#	Undertakings and Key deliverables	Time Frame
1	Develop and implement a marketing strategy for IREC facilities (BSS)	June 2018
2	Develop and implement robust marketing strategy for External services (BSS)	December 2016
3	License our internally developed systems to other entities (IT, Legal Services)	July 2018
4	Revamp facilities at IREC (BSS, P&PM)	June 2018

### e) Cost optimization and efficiency

Establish and maintain a corporate-wide culture cost optimization and efficiency

#	Undertakings and Key deliverables	Time Frame
1	Adopt and implement efficient sewerage treatment and water production technologies and processes (Eng. Services) <ul style="list-style-type: none"><li>• Application of energy-efficient technologies</li><li>• Optimization of chemical usage by applying smart technologies</li><li>• Co-generation (producing energy using other options )</li><li>• Water &amp; Sewage treatment processes optimization</li></ul>	June 2017 April 2018 June 2021 June 2021
2	Annual energy optimization plans for priority Areas (Eng. Services)	June 2021
3	Annual cost efficiency benchmarks for Areas, process & functions (F&A, P&PM)	Annually, June 2021
4	Annual mechanisms for expenditure accountability by cost centre managers (F&A)	Annually, June 2021

### f). Revenue growth

Establish frameworks that will effectively enable increase in annual revenue from UGX 270bn/= to UGX 480.bn/=

#	Undertakings and Key deliverables	Time Frame
1	Increase connections <ul style="list-style-type: none"><li>• Targeted Marketing to increase new connections (C&amp;CS)</li><li>• Review and strengthen mechanisms for allocation and delivery of materials (Eng. Services, Logistics)</li><li>• Fast track payments for new connection materials (Eng. Services, F&amp;A)</li></ul>	June 2017 June 2017 July 2017
2	Review and revamp mechanisms for reduction of commercial losses (C&CS) <ul style="list-style-type: none"><li>• Proactive detection of system water losses in all areas</li><li>• Reduction of suppressed accounts from 11% to 9%</li><li>• Consolidate and continuously re-design the illegal water use programs</li></ul>	June 2018 June 2017 July 2017
3	Protect NWSC real tariff through review of indexation mechanism & parameters (CS&IF)	June 2018

### g). Compliance and Governance


Undertake measures to ensure upholding of good governance principles and practices

#	Undertakings and Key deliverables	Time Frame
1	Annual review of the Corporate Plan performance (CS&IF)	Annually
2	Strengthen capacity for project and IT audit (IA)	June 2017
3	Undertake targeted Value for Money (VfM) Audits (IA)	Annually
4	Review and strengthen mechanism of monitoring NWSC operations (Eng. Services, P&PM)	June 2017
5	Periodic ethics & integrity surveys and staff awareness campaigns (HR)	Biannual, June 2021
6	Ensure compliance to the gender & equity provisions in the New Public Finance Management Act (HR)	Annually, June 2021

### h). Integrated ICT Solutions

Adopt ICT driven systems to promote operational efficiency and service delivery effectiveness

#	Undertakings and Key deliverables	Time Frame
1.	Develop in house applications for NWSC to improve efficiency and optimize costs (IT) <ul style="list-style-type: none"><li>• Messaging solutions (SMS solution)</li><li>• Web platform to track the movement of invoices</li><li>• Integration of IT solutions for NWSC</li><li>• Implementation of the BI tool</li></ul>	June 2017
		June 2017
		June 2018
		June 2018
2	Implement smart storage computing - Migrating of non-core IT data to cloud (IT)	June 2017
3.	IT Infrastructure optimization (IT) <ul style="list-style-type: none"><li>• Leasing IT equipment</li><li>• Outsource maintenance of IT hardware at regional level</li><li>• Optimize IT network connectivity to areas to ensure uptime of up to 99.9%</li></ul>	June 2018
		June 2017
		Annual; June 2021



4.	Adopt/ implement smart ICT Systems (IT) • Develop an in-house e-learning system	Dec 2016
5	Setup a Disaster Recovery Site	June 2017
6	Automation and computerization of operational processes (IT) • Library Information Management System • E-procurement • E-Inventory • Human Resource Information Management System • Water Quality Management Information System	June 2017 Dec 2016 Sept 2016 Dec 2016 Dec 2017
7	Review ICT Policy and Procedures Manual (IT)	June 2017

### 5.3 SPA3: Customer and Stakeholder Delight

#### Strategic Focus Areas

- Environmental protection
- Corporate social responsibility
- Customer Satisfaction (accountability)
- Stakeholder engagement
- Staff satisfaction



### a) Environmental protection

Environmental protection to promote sustainability of raw water sources

#	Key Undertakings and Key deliverables	Time Frame
1	Source protection plans developed and implemented in all Areas <ul style="list-style-type: none"> <li>• Implementation source protection plans for at least 8 critical sources in the towns of Arua, Gulu, Bushenyi, Mbale, Mbarara, Fort Portal, Kasese and Masindi. (Eng. Services, P&amp;CD)</li> <li>• Development and implementation of a decision support water quality model for Inner Murchison Bay (P&amp;CD, KW)</li> <li>• Adopt appropriate technologies for new and existing plants to ensure source protection through resource recovery and sludge reuse among others. (P&amp;CD, Eng. Services, BSS)</li> </ul>	June 2018  June 2021  June 2021
2	Compliance of waste water effluent to National standards <ul style="list-style-type: none"> <li>• Rehabilitation and upgrade at least two wastewater plants annually including use of wetlands where applicable (Eng. Services, BSS)</li> </ul>	June 2021
3	Appropriate handling of Hazardous substances <ul style="list-style-type: none"> <li>• Develop and implement a policy for chemical and hazardous waste discharge (BSS)</li> </ul>	June 2018
4	Continuous collaboration with relevant stakeholders to ensure potential polluters have appropriate systems to handle waste (Eng. Services)	Annual
5	Sanitation and Hygiene promotion (Eng. Services, CC&PR) <ul style="list-style-type: none"> <li>• Develop &amp; implement Sanitation Safety Plans</li> <li>• Hygiene promotion through local water councils, young water professionals, School Water Sanitation Clubs</li> </ul>	June 2020
6	Environmental protection and sustainability plans <ul style="list-style-type: none"> <li>• Promote community awareness on environmental protection through local water councils, young water professionals, School Water Sanitation Clubs. (Eng. Services, CC&amp;PR)</li> <li>• Promoting green technology (Eng. Services, CC&amp;PR)</li> </ul>	Annual  Annually

### c) Customer Satisfaction (accountability)

Increased customer satisfaction and responsiveness

#	Undertakings and Key deliverables	Time Frame
1	Approved CSR policy that promotes NWSC brand and connectivity to the communities it serves. (CC&PR)	December 2016
2	Annual CSR Programmes designed and implemented (CC&PR)	Annual; June 2021
3	Develop and implement a policy on NWSC fellowship programmes for undergraduate students (HR, CC&PR)	June 2017

### c) Customer Satisfaction (accountability)

Increased customer satisfaction and responsiveness

#	Undertakings and Key deliverables	Time Frame
1	Enhance customer delight through: (C&CS)	
	<ul style="list-style-type: none"><li>Adoption of interactive digital technologies for increased outreach<ul style="list-style-type: none"><li>Improved contact center infrastructure for improved customer response</li><li>Rolling out Customer Relationship Model (CRM).</li><li>Introducing an e-branch system</li><li>Rolling out on-spot billing to all Areas</li></ul></li></ul>	June 2021 June 2018 Dec 2016 June 2017 Dec 2016
2	Improved External Services Client Satisfaction and Loyalty (BSS) <ul style="list-style-type: none"><li>Develop an ES alumni network</li><li>Conduct Annual Client Satisfaction surveys</li><li>Outsource the marketing of IREC facility</li></ul>	Dec. 2017 Annually June 2017
3	Establish pro-poor functions/units in all Areas (Eng. Services)	June 2019
4	Establish a framework for Ring fencing new connection charges (F&A)	Dec. 2016



#### d). Stakeholder engagement

Continuous and focused stakeholder engagement for improved NWSC responsiveness

#	Undertakings and Key deliverables	Time Frame
1	Operationalize the stakeholder Agenda (C&CS) <ul style="list-style-type: none"><li>• Review and design innovative Stakeholder engagement ideas in all Areas</li><li>• Implement and monitor innovative ideas for stakeholder engagement</li></ul>	Annually Annually
2	Collaboration with other MDAs (all three DMDs) <ul style="list-style-type: none"><li>• Develop a collaborative framework for MDAs</li><li>• Participate in Uganda Development Forum</li></ul>	June 2017 Annual

#### e). Staff satisfaction

Improved staff satisfaction to enhance staff motivation, productivity and talent retention

#	Undertakings and Key deliverables	Time Frame
1	Implement staff welfare and incentive schemes <ul style="list-style-type: none"><li>• Review and implement improved staff welfare schemes (HR)</li><li>• Introduce a provident fund to supplement NSSF (HR)</li></ul>	Annually, June 2021 June 2017
2	Annual staff satisfaction surveys (HR)	Annually, 2021

## 5.4 SPA4: Productivity and Capacity Development

### Strategic Focus Areas

- a) Skills development
- b) Research and Development
- c) Business Re-engineering
- d) Staff productivity

#### a) Skills development

Sustained staff skills development to increase NWSC's capacity for efficient and effective service delivery

#	Undertakings and Deliverables	Time Frame
1.	Develop 5-Yr capacity development plan (BSS)	December 2016
2.	Develop and effectively implement an annual training plans (BSS)	Annually
3.	Establish Vocational Skills Development Facilities in Kachung and operationalize the Gabba VSDF Practical Demonstration Area (BSS, P&PM)	June 2018
4.	Accredit IREC courses with recognized institutions (BSS)	June 2021

#### b) Research and Development

Undertake R&D initiatives for effective process, service delivery and performance improvement

#	Undertakings and Deliverables	Time Frame
1.	Develop a Robust Research and Development Framework (BSS)	March 2017
2.	Conduct action research for energy optimization options and roll out to at least 10 selected areas. (BSS)	June 2021
3.	Action research for Water treatment options and roll out to at least 10 selected areas (BSS)	June 2021
4.	Review and update the Innovation Policy (BSS)	Dec 2016



### c) Business Re-engineering

Establish a business process re-engineering culture for sustainable continuous improvement

#	Undertakings and Deliverables	Time Frame
1.	Establish a framework for business process re-engineering (P&PM)	June 2017
2.	Establish a document control and archiving facility/system (BSS, P&PM)	Dec 2018

### d) Staff productivity

Adopt multi-pronged initiatives to enhance staff productivity

#	Undertakings and Deliverables	Time Frame
1.	Strengthen the Regional and Cluster Management Concept (Eng. Services, HR)	June 2017
2.	Strengthen and implement welfare schemes (HR)	Dec 2017
3.	Establish a performance based pay structure (Eng. Services, HR)	Dec 2017
4.	Implement the new Sewerage services management structure (HR)	Dec 2016
5.	Develop an Occupational Health & Safety Policy with an annual M&E framework (HR)	Dec 2016
6.	Provide a conducive work environment for all areas. (HR)	June 2017
7.	Establish & review innovative staff retention schemes (Provident fund, reviewing the long service award scheme, bonded training, reviewing leave policy). (HR)	June 2017
8.	Develop Human Capital through appropriate benchmarking (BSS, HR)	Sept 2016, Annually



# 06

## **Implementation Strategy, Monitoring & Evaluation**

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 and aligned to the four Strategic Priority Areas (SPA) of the Balance Scorecard, namely;

- SPA 1: SMART Systems, Business Continuity and Infrastructure Growth
- SPA 2: Financial Growth and Sustainability
- SPA 3: Customer and Stakeholder Delight
- SPA 4: Productivity and Capacity Development

Each of the Four SPAs is buttressed by Strategic Focus Areas which are further defined by key undertakings and milestones. The implementation of the respective undertakings and deliverables will be carried out by project teams led by the Directorates (Champions) through the annual action plans.



## Implementation Strategy

The Strategic Direction 2016-2021 will in the first two years correspond to the current NWSC Corporate Plan for the period 2015 – 2018. 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, 2018 to 2021.

As a means of operationalizing the Strategic Direction, each Business Stream and Directorate 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 Directorates' Annual Plans and the Individual Performance Agreements for the staff within the Business Stream/Directorates. 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 realize 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 mobilize 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 other financing sources. The source of finance to be used will depend on the rate of return anticipated from the project. Where projects are able to drive returns commensurate with commercial capital costs, commercial finance will be mobilized 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 a social nature (non-viable) will still require support from Government and Development Partners.

Table 1 below summarizes the NWSC Cash flow and Investment Needs over the next five years. 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 (see Table 2).



**Table 1: NWSC simplified cash flow and investment needs (UShs. billions).**

Year	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021	Total
<b>Total Income</b>	258,400	343,330	401,340	423,020	468,700	519,320	<b>2,414,110</b>
<b>Total O&amp;M Expenses</b>	219,640	291,830	341,140	359,560	398,400	441,420	<b>2,051,990</b>
<b>Total Investment needs</b>	264,374	291,992	291,351	188,067	230,964	169,372	<b>1,436,120</b>
<b>Investment from internal Sources</b>	9,300	17,274	19,683	22,796	21,562	16,562	<b>107,177</b>
<b>Investments Financed from Other Sources</b>	255,074	274,718	271,668	165,271	209,402	152,810	<b>1,328,943</b>

*Notes: Income to grow at a rate of 15% per annum, while operating expenditure is envisaged to grow at a rate of 15%.*

Over the next five years, the Corporation is envisaged to grow its income from Ushs.258.4 billion to Ushs.519.3 billion an average annual growth of about 15% per annum. This will be underscored by achievement of an operating profit before depreciation of Ushs. 362.1 billion over the five year period.

On the other hand, the investment needs over the next five years will amount to Ushs.1.4 trillion, an average of Ushs.239.4 billion per annum. Of this, the NWSC will contribute about Ushs.107.2 billion from its internal sources, an average of Ushs.17.9 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, Hoima and Masindi Gulu, Bushenyi, Arua and Mbale, Mbarara-Masaka Corridor, and Soroti as shown in Table 11 below.

**Table 11: Cash flow for Projects that have already secured funding (UShs. millions)**

Source of Funding	2015–2016 (Baseline)	2016–2017	2017–2018	2018–2019	2019–2021	2020–2021
<b>Total Donor Funding</b>	217,671	225,317	209,353	100,900	145,000	87,000
<b>GoU (Kampala Sanitation Project)</b>	30,129	29,783	13,160	9,047	14,393	24,277
<b>GoU (KW – LV WatSan Project)</b>	9,374	18,418	34,956	41,124	37,012	28,533
<b>GoU (UWMDP)</b>	629,782	1,200	1,200	1,200	-	-
<b>GoU Gulu (IPILC)</b>	-	-	13,000	13,000	13,000	13,000
<b>Investment subsidies in New Towns</b>	3,600	7,200	7,200	7,200	7,200	7,200
<b>Total GoU Contribution</b>	37,403	49,401	62,315	64,371	64,402	65,810
<b>Total NWSC Contribution</b>	9,300	17,274	19,683	22,796	21,562	16,562





## Stakeholder Management

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, NGO's, CBO's, 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 Corporations 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 Directorates' 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 I: NWSC Regions & Operational Areas as at 30th June 2016

REGION	OPERATIONAL AREA		CITIES/ MUNICIPALITIES/ TOWNS/ SUBCOUNTIES/ URBAN CENTRES IN OPERATIONAL AREA	
KAMPALA METRO-POLITAN	1	Kampala Water	Kampala City	1.
			Mukono Municipality	2.
			Kira Municipality	3.
			Nansana TC	4.
			Wakiso TC, Buloba	5.
			Kakiri	6.

CENTRAL REGION	1	Entebbe	Entebbe	7.
			Kajjansi	8.
	2	Jinja	Jinja	9.
			Njeru	10.
			Buwenge	11.
			Kagoma	12.
	3	Lugazi	Lugazi	13.
	4	Iganga	Iganga	14.
			Mayuge	15.
			Kaliro	16.
			Bugiri	17.
			Naluwerere	18.
			Buwuni	19.

	5	Mityana	Mityana	20
	6	Masaka	Masaka	21.
			Kalungu	22.
			Lukaya	23.
			Sembabule	24.
			Mukungwe	25.
			Bukakata	26.
			Mpugwe	27.
	7	Luweero	Luweero	28.
			Wobulenzi	29.
			Bombo	30.
			Ziobwe	31.
			Semuto	32.
			Kapeeka	33.
			Nakaseke	34.
	8	Mubende	Mubende	35.
			Kiganda	36.
	9	Kigumba	Kigumba	37.
	10	Bweyale	Bweyale	38.
			Kiryandongo	39.
	11	Kamuli	Kamuli	40.
			Mbulamuti	41.

	12	Kyotera	Kyotera	42.
			Kalisizo	43.
			Sanje	44.
			Kakuuto	45.
			Mutukula	46.
			Rakai	47.
	13	Mpigi	Mpigi	48.
			Buwama	49.
			Kayabwe	50.

NORTH & EASTERN REGION	1	Apac	Apac	51.
			Aduku	52.
			Ibuje	53.
	2	Arua	Arua	54.
			Wandi	55.
	3	Mbale	Mbale	56.
			Budadiri	57.
			Sironko	58.
			Bukedea	59.
			Kacumbala	60.
	4	Gulu	Gulu	61.
			Unyama	62.
	5	Lira	Lira	63.

	6	Tororo	Tororo	64.
			Malaba	65.
			Nagongera	66.
			Bubuto SC	67.
			Bunanbwana SC	68.
			Sisuni SC	69.
			Butiru TB	70.
			Manafwa **	71.
			Lwakhakha **	72.
			Lirima **	73.
			Bumbo SC	74.
			Buwoni SC	75.
			Kwapa SC	76.
	7	Soroti	Mella SC	77.
			Osukuru SC	78.
			Soroti	79.
			Kaberaido	80.
			Atiriri	81.
			Kalaki	82.
			Otuboi	83.
	8	Kitgum	Amuria	84.
			Kitgum	85.

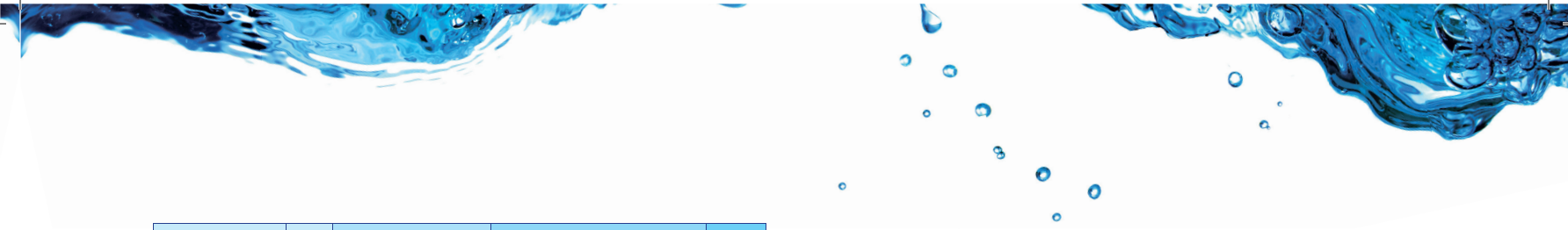
	9	Pader	Pader	86.
			Pajule	87.
	10	Nebbi	Nebbi	88.
			Paidha	89.
			Pakwach	90.
			Nyapea	91.
	11	Moroto	Moroto	92.
			Matany	93.
			Kangole	94.
	12	Adjumani	Adjumani	95.
	13	Busia	Busia	96.
	14	Kapchorwa	Kapchorwa ***	97.

WESTERN & SOUTH WESTERN REGION	1	Hoima	Hoima	98.
	2	Bushenyi	Bushenyi	99.
			Ishaka	100.
			Kitagata	101.
			Itendero	102.
			Kabwohe	103.
			Bugongi	104.
			Ryeru	105.
			Magambo	106.
			Rubirizi	107.
			Kyabugimbi	108.
			Kashenshero	109.
			Mitooma	110.
			Bitooke-Bitereko	111.
			Rutookye	112.
			Irembezi	113.
			Buhweju / Nsiika	114.
	3	Kisoro	Kisoro	115.
	4	Mbarara	Mbarara	116.
			Kinoni	117.
			Rubindi	118.
			Bwizibwera	119.
			Biharwe	120.
			Kaberebere	121.
			Kikagati	122.



5	Fort Portal	Fort Portal	123.
		Kicwamba	124.
		Kibiito	125.
		Rwimi	126.
		Katebwa	127.
		Rubona	128.
		Kicucu	129.
		Kabale - Kabarole	130.
		Kasunga-Nyanja	131.
		Rugendabara	132.
6	Kasese	Kasese	133.
		Hima	134.
		Nyakigumba	135.
7	Masindi	Masindi	136.
8	Kabale	Kabale	137.
		Muhanga	138.
9	Rukungiri	Rukungiri	139.
		Kyangyenye	140.
		Kebisoni	141.
		Buyanja	142.
		Rwerere	143.
		Nyakagyeme	144.
		Mubanga	145.

10	Kanungu	Kanungu	146.
		Kihihi	147.
		Kambuga	148.
		Butogota	149.
		Kanyampanga	150.
		Kanyantorogo	151.
		Kateete	152.
		Nyamirama	153.
11	Ibanda	Ibanda	154.
		Ishongororo	155.
12	Kamwenge	Kamwenge	156.
13	Lyantonde	Lyantonde	157.
14	Ntungamo	Ntungamo	158.
		Rubare	159.
		Omungyenye	160.
		Rwentobo	161.
		Kagarama	162.
		Rwashemeire	163.
		Kyempene	164.
15	Rushere	Rushere	165.
		Kiruhura	166.
		Kazo	167.
16	Mpondwe	Mpondwe	168.



	17	Ruhama-Kitwe	Ruhama	169.
			Kitwe	170.
			Mirama Hills	171.

