



National Water and Sewerage Corporation
Integrated Annual Report
2018/19

Contents

Vision	1
List of Acronyms	2
About NWSC	4
Caring for our Customers	6
Our Nationwide Footprint	10
Our Geographical Growth - Since 1972	11
Our Core Values	12
Our Strategy to (2018-2021)	13
Our Performance Trend for the Past Six Years	16
Awards and Recognition	18
About this Report	20
Addressing Our Biggest Challenges	21
Statement of the Board Chairman	24
Statement of the Managing Director	26
Our Governance and Leadership	28
Our Board of Directors	34
Our Executive Management	36
Our Value Creation Model	38
Our Sustainability Approach	40
Tackling Environmental Issues Head-on	49
Stakeholder Engagement and Materiality	54
Building a Strong Infrastructure Base	56
Responding to Water and Sanitation Challenges Across the Country	59
Operational Performance for 2018-19	73
NWSC Financial Statements for the Year Ended 30 June 2019	91



Our Vision is:

**“To be the Leading Customer Service
Oriented Utility in the World.”**

List of Acronyms and Abbreviations

ACORD	Agency for Cooperation and Research in Development
AFD	French Development Agency
AfDB	African Development Bank
AfWA	African Water Association
BOD	Biological Oxygen Demand
BSc	Bachelor of Science
CEO	Chief Executive Officer
CRM	Customer Relationship Module
CSR	Corporate Social Responsibility
DANIDA	Danish International Development Agency
DFCU	Development Finance Company of Uganda
DMA	District Meter Area
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EIB	European Investment Bank
ESAMI	Eastern and Southern Africa Management Institute
ES	External Services
EU	European Union
FY	Financial Year
GIS	Geographic Information System
GKMA	Greater Kampala Metropolitan Area
GoU	Government of Uganda
IAS	International Accounting Standards
ICT	Information and Communications Technology
IFRS	International Financial Reporting Standards
IPILC	Intergraded Program to Improve the Living Conditions in Gulu
IREC	International Resource Centre
IWMDP	Integrated Water Management Development Program
KfW	Kreditanstalt Fur Wiederaufbau
kms	kilometers
KSP	Kampala Sanitation Project
KSWSP	Kampala South Water and Sanitation Project
KW	Kampala Water
LSA	Long Service Award
LVWATSAN	Lake Victoria Water and Sanitation Project
m ³	Cubic meters
MD	Managing Director
Mgt	Management
MTAC	Management Training and Advisory Centre
MWE	Ministry of Water and Environment
NDP	National Development Plan
NEMA	National Environment Management Authority (NEMA)
Nos.	Numbers

NRM	National Resistance Movement
NRW	Non-Revenue Water
NSSF	National Social Security Fund
NWSC	National Water and Sewerage Corporation
PC	Performance Contract
PhD	Doctor of Philosophy
pH	Potential of Hydrogen
PSPs	Public Stand Posts
SCAP 100	100% Service Coverage Acceleration Project
SC	Sub-county
SDGs	Sustainable Development Goals
STC	Scientific and Technical Council
SWAS	School Water and Sanitation Clubs
SWC	South Western Cluster Project (Isingiro, Mbarara and Masaka)
TB	Town Board
TC	Town Council / Trading Centre
TSS	Total Suspended Solids
UShs	Uganda Shillings
UIPE	Uganda Institution of Professional Engineers
UK	United Kingdom
URA	Uganda Revenue Authority
USD	United States Dollar
VAT	Value Added Tax
VEI	Vitens Evides International
VSDF	Vocational Skills Development Facility
WACOCO	Water Community Communication Clubs
WATSAN	Water and Sanitation
WEDC	Water Engineering and Development Centre
WHO	World Health Organization
WMDP	Water Management and Development Project (Gulu, Arua and Bushenyi)
WTP	Water Treatment Plant



About NWSC

Our Legal Framework

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

The Legal Framework governing the operations of the Corporation is defined by the NWSC Act, 1995, Cap. 317, Laws of Uganda. The principal business of the Corporation is to manage and provide water and sewerage services in areas entrusted to it. As at 30th June 2019, the Corporation was operating in 253 towns across the country.

Our Customers

The Corporation served more than 659,157 water subscribers at the end of the reporting period of which 17,187 are pro-poor Public Stand Posts (PSPs) whose tariff is subsidized.

Our Employees

NWSC is endowed with 3,778 skilled, experienced, and motivated staff.

Vision & Mission

Our Vision is **"To be the leading customer service oriented utility in the world"** and our Mission is **"To sustainably and equitably provide cost effective quality water and sewerage services to the delight of all stakeholders, while conserving the environment."**

Our Concern for the Environment

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



Our Products & Services

The core business of the Corporation is the provision of water and sewerage services in urban centres in Uganda. Overtime, NWSC has also developed capacity to provide External Services (consultancy/advisory) to sister utilities across the region and other parts of the world. The details of our products and services are summarized here below;

Water

NWSC extracts raw water from various sources, treats it and distributes to our esteemed customers.

Sewerage

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

We have various categories of consumers for our water and sewerage services, namely: Domestic, Commercial/Industrial, Institutions/Government and Public Stand Posts/Kiosks.

External Services (Consultancy/Advisory)

Over time, NWSC has developed capacity to offer consultancy and advisory services to other utilities. These services include: laboratory services, GIS surveying & mapping, ICT services, billing & customer care, capacity development and international conference facilities. We offer our services to utility firms in: Uganda, East Africa, African continent and other parts of the World



The Minister of State for Water, Hon. Ronald Kibuule and other guests sing the National Anthem during the opening ceremony of the 79th AfWA Scientific and Technical Council (STC) Meeting held at the NWSC International Resource Center, Kampala in July 2018.

Caring for our Customers

Our Vision is “To be the Leading Customer Service Oriented Utility in the World.” This Vision guides us to treat our customers as the reason for our existence. We have therefore, put in place a number of mechanisms through which they can engage with us. We take customer feedback very seriously and endeavour to offer solutions.

Listening to our Customers

Customer Relationship Module

This is a system that has been designed by NWSC to receive customer complaints or comments from all sources. These complaints can be through walk-ins, emails, phone calls and social media platforms. These complaints are analyzed and routed to the respective NWSC Branch/Area for action. The system has provision

for giving feedback to the customers on how their complaints have been addressed. Management is able to track the complaints which remain outstanding and make follow up.

During the FY 2018/19, 166,698 complaints were received and 163,557 were resolved. The rest of the complaints were handled at the beginning of FY 2019/20.



NWSC MD, Dr. Eng. Silver Mugisha, answering questions from customers during a meeting in Kanungu.



Stakeholder Engagements

Under this program, members of Executive Management make visits to various Areas of operation, and engage with local leaders, customers, and the public. During these engagements, Management shares with the public the challenges in the Area; what NWSC is doing to address them and makes appeals to the local leaders and the community to own and support those projects. This is also an opportunity for the public to speak directly to NWSC Management about the quality of services they are getting.

Water Committees

Water Committees have been set up in all our areas of operations. They consist of the NWSC Area Management and Local Council and Municipal leaders. The committees assist NWSC in addressing the key challenges affecting the provision of water and sewerage services.

Water Community Sensitization Clubs (WACOSE)

Through WACOSE Clubs, NWSC updates local leaders about the upcoming development programs (water extensions and other infrastructure projects) and asks for their participation and support. During these meetings, the leaders also give their feedback on the NWSC services in their Areas.

“Come We Talk (CWT)” Program

The program is intended to reach out to all customers who have been disconnected for over 3 months - to come for a discussion aimed at wooing them back on supply.

Empowering our Customers with the Relevant Information

Customer Charter

NWSC has developed a Customer Charter that sets out the obligations of the Corporation and the customers relating to our services. The key issues covered in the Charter include; our commitments, customer obligations, customer service standards, NWSC services, new connection procedures, customer services, debt recovery, defaulting customers, water theft and illegal use, tips on water usage and the NWSC network. Details of the Charter are published on our website. www.nwsc.co.ug.

Table 1: NWSC tariff structure (effective December 2018)

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

HOW TO ACQUIRE A NEW CONNECTION WITH NWSC

Start by visiting your respective NWSC branch nearest to you and get entered into the system

BRING WITH YOU THE FOLLOWING:

- One passport size photographs for individuals or a corporate stamp
- Proof of ownership of the property or a copy of the sales agreement.
- A copy of your identification card.
- A letter from the Local council chairperson.

The information entered is then processed and a surveyor is sent to the customer's premise to determine the material requirements.

1

Connection expenses are calculated by the surveyor based on the connection type, distance from the mains, whether its a new connection or seperation of the account.

2

The customer is then given a payment advice slip and pays new connection fees, whose amount depends on the size of the service for instance a half inch, three quarter inch or a one inch connection.

3

When all the above is done, the customer is connected to NWSC service(s) by the staff in charge. We also know and understand that the policies that govern water and sewerage connections may be quite intricate, that's why we are here to provide all the help and information that you need to get your connections at your desired time.

CAUTION: NEVER CONNECT YOURSELF, IT IS ILLEGAL AND WILL RESULT IN ARREST, A PENALTY OR BOTH

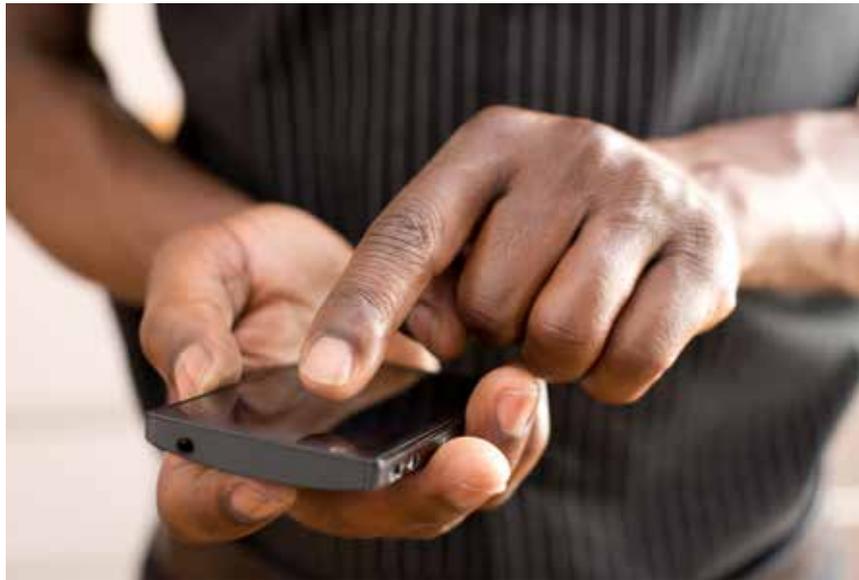
Taking Services Nearer to our Customers

Simplified ways of paying water bills

We continue to provide as many payment options as possible to make it convenient and comfortable for our customers to pay for the services they receive from us. The payment options include; e-payments in collaborating banks, electronic funds transfer, mobile banking, mobile money payments, direct debit among others. We continue to innovate in this area with the objective of coming up with ultra-convenient bill payment options for our customers.

Taking Services Closer to the People

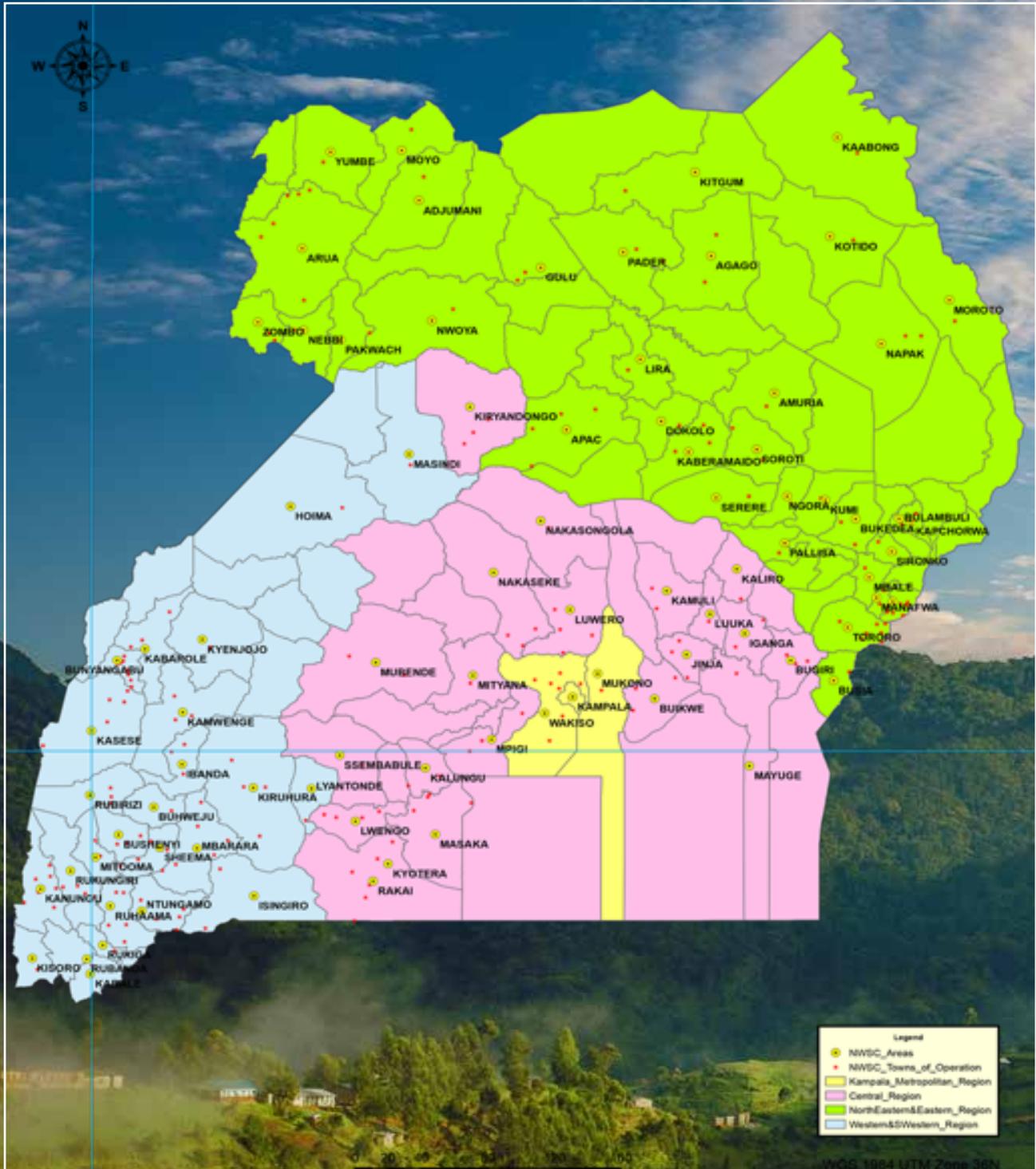
We have opened more Branches countrywide, to enable our customers access our services easily. Under Kampala Service Area, we have 29 Branches, while North & Eastern Region has 44 Branches. Central Region has 29 Branches, West and South Western Region has 41 Branches.



NWSC staff invoicing a customer for the water consumed using the ON-SPOT billing device



Our Nationwide Footprint



Our Geographical Growth - Since 1972

The NWSC was established in 1972 with operations in the 3 towns of Kampala, Jinja and Entebbe. Over the years, we have expanded our geographical coverage to reach more Ugandans. By 2013, the Corporation was operating in 27 towns. The period 2013 to 2019, witnessed a rapid growth in coverage from 27 to 253 towns. The Corporation took over 17 additional towns in the current Financial Year. Illustrated below, is our geographical expansion since 1972.

June 2019 (17 New Towns)

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

June 2018 (18 New Towns)

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

June 2017 (48 New Towns)

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

June 2016 (60 New Towns)

Kira Municipality, Nansana TC, Buloba, Kawuku, Abaita ababiri, Bugembe, Bukakata, Mpugwe, Sembabule, Mpigi, Rakai, Bukedea, Kachumbala, Unyama, Nagongera, Bubuto SC, Bunanbwana SC, Sisuni SC, Butiru TB, Manafwa, Lirima, Lwakhakha, Buwoni SC, Kwapa SC, Mella SC, Osukuru SC, Pajule, Nyapea, Pakwach, Busia, Kapchorwa, Kyabugimbi, Kyenjojo, Kashenshero, Mitooma, Kinoni, Kibiito, Rwimi, Rubona, Katebwa, Kicucu, Rugendabara, Kasunga-nyanja, Hima, Nyakigumba, Muhanga, Ishongororo, Omungyenyi, Rubaare, Kagarama, Rwentobo, Rwashemeire, Ruhama, Kitwe, Kikagati, Mirama Hills, Irembezi, Rutookye, Buhweju/Nsiika, Kabale-Kabarole.

June 2015 (44 New Towns)

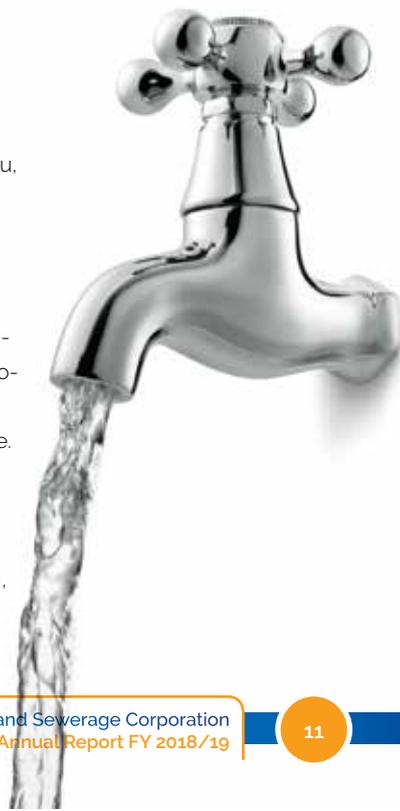
Kakiri, Buwenge, Kagoma, Bugiri, Naluwerere, Buwuni, Kalungu, Lukaya, Buwama/Kayabwe, Ziropwe, Semuto, Kapeeka, Nakaseke, Kiganda, Kamuli, Mbulamuti, Kyotera, Sanje, Kakuuto, Mutukula, Ibuje, Wandí, Budadiri, Sironko, Atiriri, Kalaki, Moroto, Matany, Kangole, Adjumani, Ryeru, Magambo, Bugongi, Rubirizi,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

June 2014 (39 New Towns)

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

1972-2013 (27 Towns)

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



Our Core Values



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



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



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



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



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



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



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

Our Strategy (2018-2021)

Our Strategy is broadly guided by our Vision: “To be the Leading Customer Service Oriented Utility in the World” and our Mission: “To Sustainably and Equitably Provide Cost Effective Quality Water and Sewerage Services to the Delight of all Stakeholders, while Conserving the Environment.”



The Board of Directors approved the Corporate Plan to guide our planning and operations for the period 2018-2021 with the theme; **"Accelerated sustainable growth and service reliability through innovation"**. The FY 2018/19 is the first year of implementation of the Corporate Plan (2018-2021). The Corporate Plan (2018-2021) focuses on the key strategic areas as illustrated below.



Service Coverage

The Corporation continues with the policy of geographical expansion and infrastructure development in a bid to serve more Ugandans. There are plans to establish a water-meter assembling plant in the country, to reduce costs and improve on delivery periods for water meters.

Water service coverage is expected to increase from approximately 83.7% in June 2018 to 100% in June 2021 in Areas where we operate. Sewerage service coverage, on the other hand, is expected to increase from 21.5% to at least 30% in the same period.



SMART Technologies

NWSC has embarked on a project to develop the pre-paid water metering system using our in-house IT Staff. We are also rolling out the on-spot billing system in all our Areas of operation to improve efficiency and accuracy of our billing. We have introduced several electronic bill payment platforms for the convenience of our customers. NWSC will continue to look for innovative ways of automating our operations to reduce the cost of service delivery.



Business Viability And Sustainability

Emphasis will continue to be put on business growth and promotion of cost effective technological innovations for water production such as electrolyser systems, ion exchange and dual filtration. Water supply is expected to increase from 128 million litres in June 2019 to at least 385 million litres in June 2021 and ensure 24/7 water supply reliability.

Capital projects will be implemented timely and within the projected costs. In addition to funding from GoU and Development Partners, NWSC will explore alternative sources of finance from the Capital markets to fill the current gap in project financing.





Green Economy & Resilience to Climate Change

We are committed to protecting and restoring the raw water sources by intensifying tree-planting campaign. The Corporation continues to adopt alternative sources of energy; use of energy efficient systems and in-house generation of electricity using biogas in order to protect our environment.



Human Capital & Capacity Development

The Corporation envisages to undertake the following;

- Continue to restructure the organisation so that it can adequately respond to the geographical expansion and business growth.
- Establish the NWSC Vocational Skills Development Facility (VSDF) at Kachingo to cater for capacity building of our staff and staff of other utilities in the North East and West Nile Regions as well as South Sudan and the Democratic Republic of Congo. The facility will focus on providing high quality and practical vocational skills to our young people.
- Implement Policies that enhance work-life balance.



Good Governance

NWSC is committed to developing policies and guidelines to promote good governance. The Corporation continues to review and adopt international guidelines on Corporate Governance in order to improve transparency and accountability. We endeavour to operationalize the Whistle Blowers' Policy, so as to protect members of the public who may wish to report any wrongdoing.



Corporate Citizenship

The key issues of focus in the period (2018-2021) include the following:

- Raise the sanitation profile by establishing the comprehensive Sanitation Financing Facility.
- Implement and participate in Corporate Citizenship Programmes.
- Ensure full compliance with environmental and social safeguards when implementing capital projects.
- Contribute to the promotion of the rights and wellbeing of the underprivileged members of the community.

Implementation and Monitoring of the Progress of the Corporate Plan

The Corporation signed the Performance Contract (PC 6) with the Government of Uganda for the period 2018-2021. The Contract sets out the key performance parameters and the minimum performance targets. The Corporate Plan (2018-2021) has been harmonized with the Performance Contract PC 6.

The Corporate Plan and the PC6 targets are stretched and implemented through the annual budgeting process.

The achievement of the budget targets will automatically lead to the achievement of the Corporate Plan.

The Corporation monitors progress in achieving the Corporate Plan targets by reviewing the quarterly, semi-annual and annual performance reports.



Our Performance Trend for the Past Six Years

The Corporation has developed the key performance indicators together with the Ministry of Water and Environment to guide us in gauging our performance. We have registered consistent improvements in all the key performance indicators over time as illustrated in the summary table below. The detailed performance of the Corporation in the FY2018/19 is explained from page 73 to page 89

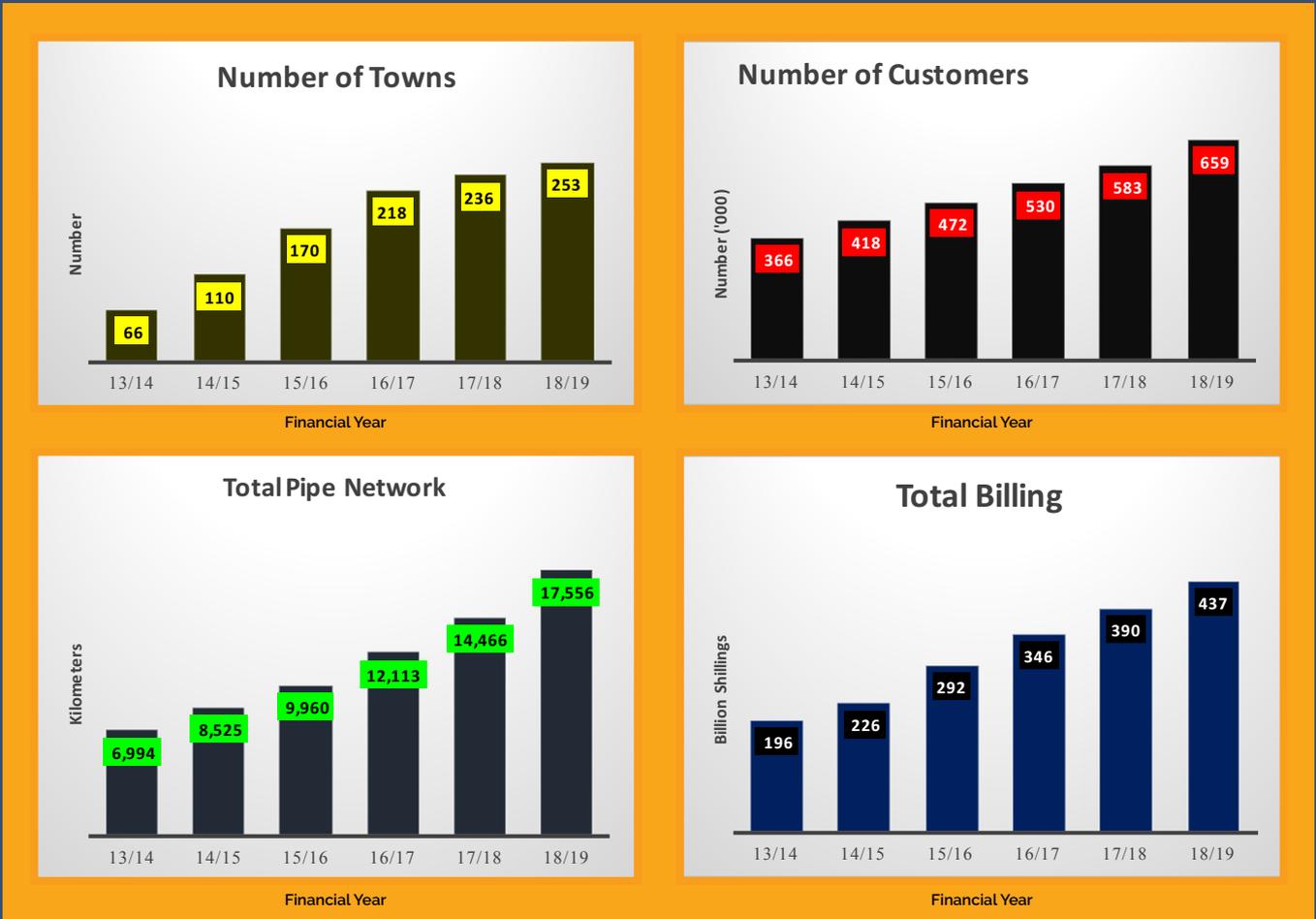
Table 2: Key Performance Indicators

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



NWSC contractors laying pipes to deliver water for the new Katosi Water Treatment Plant to Nsumba Reservoir.

Figure 1 : Graphical presentation of some selected Key Performance Indicators



Awards and Recognition



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

Award	Awarding Body
Distinguished excellence in utility management	World Confederation of Businesses, St. Thomas in USA
Best Government Agency on Social media and Best Customer Service	Digital Impact Awards,2017
Intellectual development of today's society	International Socrates Award of Intellectual Development (Paris, France)
Water Leaders Award 2017	World CSR Congress in Mauritius.
Utility Water Leader Award	Global Water Awards, UK
Bizz 2017 Award	World Confederation of Business awards, USA
Outstanding business results, best practices, quality awareness and achievements in regional and global markets	European Society for Quality Research Award (London, UK)
Financial Reporting Award,2017	FiRE Awards, Kampala
Best Utilities' Services Brand on Social Media and Best Digital Customer Experience Brand	Digital Impact Awards, 2018
Utility Distinction Water Leader	Global Water Awards 2019 ceremony
Service Delivery Excellence Award, 2019	World Confederation of Businesses, San Francisco, California
Glory Award, 2019	
Visionary Leader Extraordinary Award, to the Board Chairman, Eng. Dr. Christopher Ebal, 2019	



NWSC Board Chairman, Eng. Dr. Christopher Ebal (Middle) leads a team of NWSC officials at the function to receive various awards from the World Confederation of Businesses in California, USA. On the left is the Deputy Managing Director-Board Affairs, Ms. Edith Katete, on the right is the Principal Corporate Marketing Officer Mr. John Fisher Sekabira.

NWSC MD, Dr. Eng. Silver Mugisha receives the utility Distinction Water Leader Award during the Global Water Awards 2019 ceremony held at Natural History Museum, London, UK in April 2019.



About this Report

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

The first Section contains a message from the Board Chairman; a message from the Managing Director and insights into the governance and leadership of the Corporation. It also contains the sustainability report, which measures, discloses and gives accountability about our commitment to meet our present obligations, without compromising the ability of the future generation to meet their own needs.

We have also highlighted in this Section, our various stakeholders and role of the Board in balancing their competing needs. The Section further highlights the key areas of focus for the Board over the next 3 years, which include: business growth, green economy, business viability, good governance, corporate citizenship and infrastructure growth. It ends with the operational performance in line with the key performance indicators which include: service coverage, water production, growth of connections, non-revenue water and performance on capital projects.

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





Addressing Our Biggest Challenges

Non-Revenue Water (NRW)

NWSC is faced with a problem of water losses that currently stand at about 29% of water supplied. The problem is more acute in Kampala Water, where NRW stands at about 35%. The water losses are mainly attributed to the following factors:

- Old water networks that are prone to leaks and bursts
- Illegal water use by some customers
- Old water meters which under register consumption.

We are addressing the above challenges in the following ways:

- Funds have been secured from AFD for water network rehabilitation, re-zoning and extension in Kampala. The contract for consultancy

services is expected to be signed by December 2019. This will go a long way in addressing the problem of NRW in Kampala.

Water Loss Prevention programs are being implemented in all our Areas of operation. This involves investigating cases of illegal water use and prosecuting the culprits in the Courts of Law. In FY 2018/19, 1,017 cases of water theft were registered and UShs. 1.9 Billion in fines was levied, of which UShs. 918 million was collected.

In 2017, the Corporation embarked on a program to replace the under registering meters over a period of five years. As at June 2019, over 15,000 meters had been replaced.

We plan to replace 15,000 meters in the FY 2019/20. NWSC has also setup a meter workshop for testing, servicing and repairing water meters.

Environment

Our business is dependent on the environment. The impact of climate change adversely affects our water supply especially in the dry seasons. The impact of the dry spells have been severely felt in Mbarara, Arua, Gulu, Mbale, Mityana, Tororo and Mpigi Areas. The quality of the raw water continues to decline due to unregulated human activities in the water catchment areas. This has resulted into increased costs of water production like water treatment costs.

NWSC is implementing a number of initiatives, which are designed to address the environmental concerns. They include source protection, tree planting, community engagement and involving school children in water and sanitation issues. The details of our approach to our environment issues is on page 49 of this report.

Gaps in Investment Financing

The Corporate Plan (2018-2021) puts emphasis on infrastructure growth and development. This is intended to meet the growing demand for water and sanitation services and is in line with the NDP II. The funds for Capital Investment are mainly provided by the Government of Uganda and the Development Partners. Unfortunately, the funds provided for infrastructure development are not enough to meet our investment requirements. This is because the Government and Development Partners have many other priorities to address. The Corporation has, therefore, been experiencing a gap in investment financing. Many planned projects have, therefore, not taken off which affects service delivery.

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

- We continue to engage with Government and the Development Partners for their continued support to the water sector.
- The Corporation plans to take medium-term bank loans to solve immediate water supply challenges.
- We are exploring the possibility of raising additional long-term investment funds by issuing infrastructure bonds.

- Explore the possibility of entering into Public Private Partnership (PPP) arrangements for financing future projects.
- The Corporation is also considering setting up an investment vehicle to reduce the cost of implementing capital projects.

Sewerage Coverage

Sanitation is still a challenge for the population. The sewerage coverage in towns where we operate still stands at 21.5% compared to 83.7% for water. The main reason for the low sewerage coverage lies in the high cost of investing in sewerage infrastructure. The Corporation has made a deliberate effort to improve sewerage coverage to 30% by 2021. The measures which are being taken to improve and increase sewerage coverage are elaborated on pages 66 to 68.

Our charges for sewerage services are based on the volume of water consumed. Domestic consumers are charged 75% of their water bill while the rest of the consumers pay 100% of their water bills. This cost is considered high by many of our customers who instead use other sewage disposal mechanisms such as septic tanks and pit latrines. To ensure that this sewage is treated properly, NWSC provides sewage disposal and faecal-sludge treatment sites.





Statement of the Board Chairman



Eng. Dr. Christopher Ebal
Chairman, NWSC Board of Directors

NWSC was established in 1972. We have a 47-year history of providing clean, safe water and reliable sewerage services to Ugandans. This responsibility drives the Board and the entire NWSC team to continuously improve what we do to serve our esteemed customers. We understand the importance of reliable services to the growth of our economy and to the quality of life of every Ugandan. The Financial Year 2018/19 was a period of continuous improvement in terms of service delivery and engagement with all our stakeholders.

A Corporation Focusing on Service Delivery and Equity

The Vision of NWSC is 'To be the Leading Customer Service Oriented Utility in the World'. The Board has developed the Corporate Plan (2018-2021) to guide Management in achievement of our Vision. The theme of the Plan is; Accelerated Sustainable Growth and Service Reliability through Innovation. It has synergies with SDGs, NDPII, Vision 2040 and the NRM Manifesto (2016-2021), especially on the need to provide universal access to clean and affordable water.

The Corporate Plan 2018-2021 focuses on expanding service coverage, green economy and resilience to climate change, SMART technologies, business viability and sustainability, good governance, good corporate citizenship and development of human capital.

While pursuing the need for strong financial performance and a healthy balance sheet, the Board has not lost sight of the fact that there is need for equity in the provision of water and sanitation services. The Board has approved the SCAP 100 project (100% Service Coverage Acceleration Project) to extend 8,000 km of water mains, install 20,000 Public Stand Posts (PSPs) and connect 140,000 new consumers and take services to 12,000 villages in the period 2018-2020.

We are pleased to note that after the two years of implementing the SCAP 100 Project, more than 4,500 kms of water mains have been extended, 6,700 PSPs installed, 4,000 villages covered and 120,000 new consumers were connected. The success of the SCAP 100 Project has convinced the Board of the need to extend the project beyond 2020.

The Board is also focusing on improving sanitation in all the towns where we operate. We have constructed toilet facilities and handed them over to the various Town Councils across the country as part of our Corporate Social Responsibility. The Board is now working on the

Sanitation Investment Plan (SIP) in order to address sanitation challenges in a more comprehensive way. This will involve sewer expansions and extensions, improvements on sewage treatment facilities, construction of communal and public toilets, construction of faecal sludge systems and procurement and deployment of cesspool emptier trucks. The SIP will be implemented with effect from 2019.

The Board attaches great importance to refurbishing, expanding and developing new infrastructure projects in order to cope with the current and future demand. The Board is pleased to inform our stakeholders that despite a number of setbacks, challenges and delays which were out of our control; the three key components of the Kampala Sanitation Project were substantially completed. These include; the Nakivubo Waste Water Treatment Plant, Nakivubo and Kinawataka Sewers Project and Kinawataka Pre-treatment and Pumping Station. This project will increase sewerage coverage from approximately 21.5% to 30% by 2021. Other key projects, which were delivered during the year, include; the Arua Water and Sanitation Project and the Bushenyi Water Supply Project. There are a number of other projects which are at various stages of completion.

The Board has embarked on implementing two major projects; the Integrated Program for Improving Living Conditions of People in Gulu which will draw water from River Nile at Karuma and transmit it to Gulu and six other towns enroute a distance of about 80kms. We have also commenced on a detailed design and supervision of the Water and Sanitation Infrastructure Project for the Isingiro, Mbarara and Masaka Areas. This project will draw water from River Kagera for production and domestic use in the mentioned towns. The existing infrastructure will also be rehabilitated.

There are a number of other projects across the country where NWSC is working to improve and expand the infrastructure. The Board is working around the clock to ensure completion of the on-going projects.

Financially, we registered strong performance and met most of the targets set and agreed upon with the GoU through the Performance Contract.

During the review period, we registered growth in geographical coverage from 236 to 253 towns. The Board warmly welcomes customers in the 17 additional towns to the water family and would like to assure them of an improvement and expansion of services. Our aim is to ensure that they enjoy 24-hour services, seven days a week.

The achievements notwithstanding, the Corporation is faced with a number of challenges, which are holding back our progress. Non-Revenue Water stands at about 29% of water supplied caused mainly by the old pipe network and illegal water connections. The impact of climate change adversely affects our water supply in the dry seasons especially in Mbarara, Arua, Gulu, Mbale, Mityana, Tororo and Mpigi Areas. There is a financing gap which is causing delays in implementation of many infrastructure projects. The Board has come up with measures to address the major challenges which are hampering the delivery of services to our esteemed customers.

Five members of the Board of Directors retired during the Financial Year 2018/19 after serving their full terms, namely: Dr. Cecilia Atim Oyet, Mr. Nduhura Mwebaze Dennis, Mrs. Ziria Aliza Ndifuna, Mr. Henry Kibirige and Eng. Aaron M. Kabirizi. On behalf of the Board, I would like to pay tribute to the retired Board members and sincerely thank them for their distinguished service to the Corporation and to the people of Uganda for the time they were on the Board. They surely will be missed by the Board, Management and the entire staff of NWSC. We wish them success in their new endeavors. They, forever will remain part of the NWSC family.

The Honorable Minister of Water and Environment appointed Ms. Racheal Kiconco Mbabazi, Ms. Sarah Onyiru, Mr. George Runge Muzungyo and Col. (Rtd) Stephen Mwesigye Basaliza to replace the outgoing Board members. We would like to congratulate them upon their appointment and sincerely thank them for accepting to serve. Their wealth of experience will surely enrich the Board. We warmly welcome them to the NWSC family.

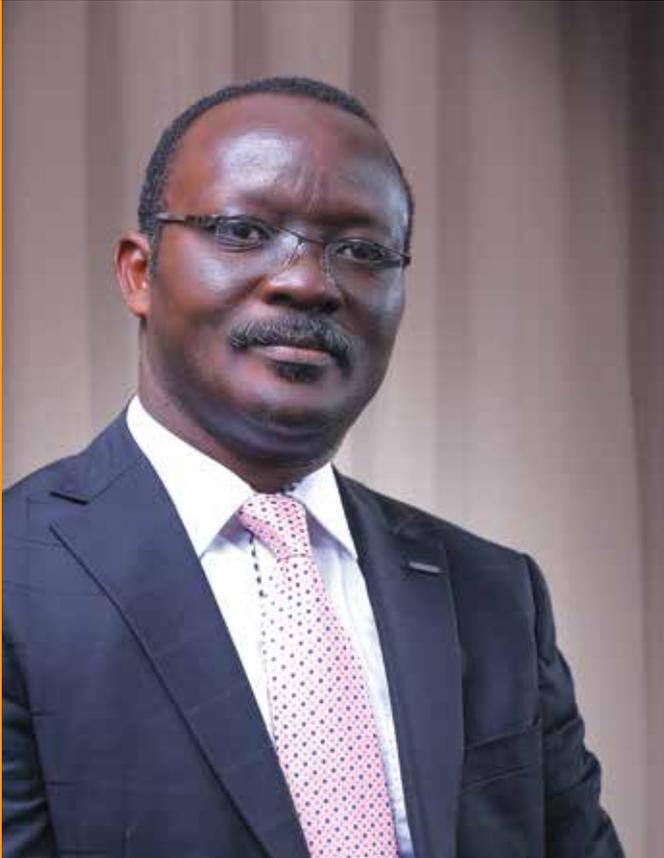
On behalf of the Board of Directors, I take this opportunity to thank the Government of Uganda, the Development Partners, our esteemed customers, the Management and staff of NWSC, and all the key stakeholders for the contributions they continued to make during the year.

For GOD and my Country.



Eng. Dr. Christopher Ebal
Chairman NWSC Board of Directors

Statement of the Managing Director



Dr. Eng. Silver Mugisha
Managing Director

It gives me pleasure to present to our stakeholders, the report and financial statements for the year 2018-19. We continued to register improvements during the year. Our Turnover increased by 14% from UShs. 388 billion to UShs. 442 billion, Operating Profit increased by 4% from UShs. 92 billion to UShs. 96 billion largely due to growth in income and operational efficiency. We connected 69,215 new water consumers, bringing the total number of water subscribers to more than 659,000. We have extended our coverage from 27 towns in 2013 to 253 as at June 2019, spread across the country in a bid to serve more Ugandans. We extended our water network by over 2,700kms.

NWSC Focusing on Infrastructure Growth and Customer Satisfaction

Building a Strong Infrastructure Base

NWSC is a customer centric organization. We go an extra mile to ensure that we satisfy the needs of our dear customers. The Corporation faces the challenge of increasing demand for water throughout the country due to urbanization and high population growth. In order to meet the current and future demand for water and sewerage services, NWSC has embarked on a vigorous program to revamp and expand our infrastructure across the country.

NWSC invested **UShs. 508 billion** (approximately USD. 136 million) in various infrastructure projects, compared to **UShs. 334 billion** (approximately USD. 89 million) in the FY 2017/18. We are grateful to the Development Partners, Government of Uganda and the NWSC Board for supporting and financing our investment activities.

The Corporation made substantial progress relating to implementation of a number of projects. The Bushenyi Water Project has been completed. New water systems have been constructed and the existing systems rehabilitated.

The Arua Water Project was fully completed. New water systems were constructed and the existing ones rehabilitated. A new sewerage system was also constructed.

All the three components of the Kampala Sanitation Project have been substantially completed and the plants are operational.

We have also completed a number of other water and sanitation projects across the country during the financial year ended.

NWSC commenced the process of implementing new projects, which include; The Katosi Water Treatment Plant, the Karuma Water Treatment Plant and bulk transfer of water to Gulu and six other towns, and the Water and Sanitation Infrastructure for Isingiro, Mbarara and Masaka. We have also embarked on the rehabilitation and expansion of water systems in Kapchorwa, Fort Portal, Jinja, Iganga, Sembabule, Lira, Bushenyi, Parombo and Kisoro using market finance.

We continued to make progress on implementation of SCAP 100 Project running from 2018-2020. The Board designed this project with equity in mind to benefit a majority of Ugandans. It is being implemented in urban, peri-urban and rural settings, and so far, over four million Ugandans are being served as a direct result of this project.

Management is working closely with the Board to ensure that the project is extended to 2023 to reach more Ugandans.

A number of projects are at the planning stage and funds are being sourced for their implementation. The Corporation will continue implementing the ambitious investment plans to ensure that the current and future demand is met.

Sanitation Investment Plan (SIP)

Traditionally, NWSC has been in charge of piped sewerage systems. The takeover of new towns has, however, brought on board components of faecal sludge systems which were formerly managed by the town councils. These facilities are inadequate to serve the ever growing population. The country is therefore faced with related sanitation challenges. The

corporation will implement the Sanitation Investment Plan (SIP) from 2019 - 2024 to address these challenges.

The key components of SIP will include Sewer expansions and extensions; improvements on sewage Treatment facilities; construction of communal and public toilets; construction of faecal sludge systems and Procurement and deployment of Cesspool Emptier trucks.

The SIP will be partly funded using a sanitation levy. We also count on the Government and the Development Partners for funding.

Staff Motivation and Teamwork

The achievements registered over the year wouldn't have been possible without the motivation, teamwork and professionalism of our dear staff. I am very grateful and proud to work with such a great team. We have deliberate schemes for ensuring continuous training and development of our staff and we take great pride in our staff retention schemes. We pay particular attention to the health and safety of our staff while they work with us. Management highly appreciates the staff for continued commitment and dedication to the Corporation.

Customers

At NWSC, everything we do is aimed at ensuring customer satisfaction and delight. We leave no stone unturned in ensuring that we provide adequate, safe and reliable water supply to all our consumers at all times. In order to meet this objective, we rely very heavily on the feedback from our customers. We have seen improved levels of engagement

by our consumers and increasing willingness to fully pay our water bills. We have realigned the organization by regionalizing our service centres across the country and as a result, we are now more responsive. We have created a team dedicated to community support using the Customer Relationship Module (CRM). Each Customer has a contact of the Customer Relationship Manager who can be contacted for any assistance required at any given time. We want to assure our customers that you are the reason we exist.

On behalf of Management, I would like to wholeheartedly thank our dear customers for the unwavering support they have given us over the years. We encourage them to continue engaging with us. I take this opportunity to thank the Government of Uganda for their continued support and guidance. I also, would like to thank our Development Partners for standing with us and supporting our projects over the years. We acknowledge and appreciate the support rendered to the Corporation by our dear customers, suppliers and staff. Finally, I would like to sincerely thank the Board of Directors for the continued guidance and support they give Management.

May GOD bless you all.



Dr. Eng. Silver Mugisha
Managing Director



Our Governance and Leadership

Overview

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

The Board of Directors

The NWSC Board is comprised of eight (8) Non-Executive members and one (1) Executive member, the Managing Director. According to the NWSC Act CAP, 317 Section 8(1), the laws of Uganda 2000, appointment of the Board of Directors (except for the Managing Director who is appointed by the Board) shall be done by "the Minister of Water and Environment" and this appointment will be for three years, with eligibility for reappointment for another term. The Board is accountable to the Minister of Water and Environment.

The Board plays the following key Roles;

- Developing policies to guide the operations of the Corporation, taking into account the interest of the various stakeholders.
- Putting in place the Corporate Plan that serves as a broad framework for guiding management in the medium term.
- Approval of major capital expenditure in the Corporation.
- Risk management and monitoring of operational and financial performance.
- Reviewing and approving accounting policies, financial statements and annual reports.
- Reviewing and approving the Corporation's annual budgets and forecasts.

- Authorizing material borrowings and changes to the Corporation's capital structure.
- Appointment of the Managing Director, Management and staff.
- Overseeing and reviewing the effectiveness of the risk management and internal control systems.
- Formulating medium and long-term plans of the Corporation, including development strategy, major Investments, acquisitions and disposal of major assets.

The Board delegates certain responsibilities to its committees to assist it in carrying out its functions. The recommendations of the Board Committees are presented to the full Board for review and final approval. Five (5) Board Committees are in place, namely:

Audit Committee

Role: Oversight and integrity of the financial statements and performance reports.

Risk Management Committee

Role: Overseeing the identification, classification and management of risks.

Human Resources, Legal and Administration Committee

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

Finance and Planning Committee

Role: Resource mobilization and allocation, Annual Budgets, Corporate Plans, Strategy and implementation.

Technical Services Committee

Role: Oversight on infrastructure planning, development and operational efficiency of the existing assets.

Key Board Achievements for the FY 2018/19

During the year, the Board oversaw the completion of the following infrastructure projects; Arua Water Supply Project, Bushenyi Water Supply Project and Kampala Sanitation Programme Phase 2 which includes;

- Construction and operation of Nakivubo Waste Water Treatment Plant
- Construction of Nakivubo and Kinawataka Sewers Project, and
- Construction of Kinawataka Pre-treatment and Pumping Station.

The Board also monitored, reviewed and guided Management on the progress of the on-going infrastructure projects and plans, which include the following;

- Kampala Water Lake Victoria WatSan Project
- The emergency Gulu Water Supply and Sanitation Project
- Integrated Program to improve Living conditions in Gulu
- Development of Water and Sanitation Infrastructure for the Isingiro, Mbarara-Masaka Areas-South Western Cluster.
- Oversaw the implementation of the SCAP 100 project, which is intended to extend water to 12,000 villages all over NWSC areas of operation by the year 2021.
- Oversaw the implementation of the Corporate Plan (2018-2021)

and the Budget for FY 2018/19. The Board also reviewed the progress made during the year in the implementation of the Strategic Direction (2016-2021). These documents are the pillars that guide the operations of the Corporation in the medium term.

- Oversaw the geographical expansion of the Corporation from 236 to 253 towns across the Country.

Key Priority Areas for the Board over the next 3 Years

Corporate Plan and Strategic Direction

Oversee the implementation of the Corporate Plan (2018-2021) and the Strategic Direction (2016-2021) in line with the overall objectives of ensuring universal access to clean, safe and affordable water.

Completion of Ongoing infrastructure projects

The Board would like to ensure that the projects which are ongoing and those which are planned are successfully delivered. These projects include;

- The Kampala Water Lake Victoria WATSAN project aimed at improving water supply reliability through the upgrading & rehabilitation of water supply systems.
- Kampala Sanitation Projects; (Nakivubo Wastewater Treatment Plant, Kampala Sewers, and Kinawataka Pre-treatment Plant Projects), aimed at improving the sewerage coverage and the sanitation situation in Kampala.
- Integrated Water Management Development Programme (IWMDP) aimed at expanding and developing new infrastructure to address water and sanitation challenges in Gulu, Mbale and Adjumani Areas.
- Implementation and extension of SCAP100 Project
- Oversee the implementation of projects aimed at addressing water challenges in Jinja, Iganga, Bushenyi, Kisoro, Parombo, Sembabule, Kyotera, Mbarara, Masaka, Isingiro, Kasese, Fort Portal and Lira.

Board Skills, Experience, Gender and Age

The Board has appropriate balance of skills, experience and diversity of expertise to enable it discharge its duties and responsibilities effectively. Table 3 below shows the individuals that served on the Board during the FY 2018/19.

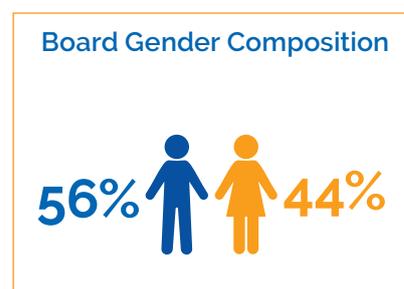


Table 3: Board Skills, Experience, Gender and Age

Name	Professional Background	Occupation	Gender	Age Range
Eng. Dr. Christopher Ebal (Board Chairman)	Engineer	Commissioner Engineering and Technical Services (Judiciary)	M	51-55
Mrs Ruth Asimwe Kanyaraju (Vice Chairperson of the Board)	Economist	Development Consultant - Specializing in Gender Mainstreaming	F	51-55
Dr. Cecilia Atim Oyet (Chairperson Human Resource Committee)	Veterinary Doctor	Ordained Pastor	F	51-55
Mrs. Faridah .M. Mpiima (Board Member)	Communication Skills & Literature	Board Member Nakivubo War memorial Stadium, Resident City Commissioner (RCC), Kampala	F	35-40
Mr. Nduhura Mwebaze Dennis (Chairman Finance Committee)	Social Worker	Deputy Executive Director, Equal Opportunities Commission	M	46-50
Mrs. Ziria Aliza Ndifuna (Chairperson Risk Committee)	Mgt. Accountant	Consultant Allied Mgt. Consultants	F	56-60
Mr. Henry Kibirige (Chairman Audit Committee)	Banking and Financial Specialist	Board Member Centenary Bank	M	70-75
Eng. Aaron M. Kabirizi (Chairman Technical Committee)	Engineer	Director, Directorate of Water Development (MWE)	M	55-60
Dr. Eng. Silver Mugisha (Managing Director)	Engineer	Managing Director, NWSC	M	51-55

Directors Remuneration

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

Table 4: Directors Remuneration (US\$)

Directors	2019	2018
Managing Director	614,528,000	512,820,000
Non-Executive Directors	381,400,000	481,364,709
Total	995,928,000	994,184,709

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

The Corporation hired a consultant in the Financial Year 2017/18 to independently evaluate the effectiveness and achievements of the Board over the past 3-years and give advice to the Board on the Areas for improvement.

The performance of the Board was rated as satisfactory in the following areas:

- Board actively involved in the strategic review.
- Studying and challenging management reports before making resolutions.
- Board communication to management of their roles and responsibilities.
- Development and review of professional and financial policy manual.
- Development and pursuance of a vibrant stakeholder relationship policy.
- Alignment of the NWSC Policy with the operational environment.
- Raising the Corporation risk to a strategic objective level and

establishment of the Risk Department.

- Establishment of oversight system (independent audit, regular reports and reviews).
- Numerous accolades and awards Local, Continental and International

The Consultant recommended that the Board could improve in the following areas:

- Regular reviews of the relevance and competency of the Board committees.
- Regular evaluation of the Board, Board Chair, Managing Director and Corporation Secretary

The Board took serious note of the achievements and areas that need improvement as highlighted by the consultant. The Board has put in place mechanisms for addressing the above concerns. The next review of the performance of the Board is planned to take place in the Financial Year 2019/20.

Table 5: Board Meetings for FY 2017/18 and FY 2018/19

Meetings	FY 2017/18	FY 2018/19
No. of Full Board Meetings	5	4
No. of Special Board Meetings	8	3
Audit Committee Meetings	4	4
Risk Management Committee Meetings	4	4
Human Resources and Legal Administration Committee meetings	4	4
Finance and Planning Committee Meetings	5	5
Technical Services Committee Meetings	4	4

Our Board Members Profiles



Eng. Dr. Christopher Ebal

Chairman Board of Directors

Eng. Ebal holds a PhD in Construction Management, Masters in Business Administration from ESAMI/Maastricht School of Management, Netherlands and an MSc (Construction Management (with Distinction) from Loughborough University, UK and a BSc. Engineering from Makerere University, Kampala. His other post graduate qualifications include a Diploma in Project Management from Swaziland and a Diploma in Business Administration, Jersey Britain and several certificates in various management disciplines.

He is a registered civil engineer and a fellow of the Uganda Institution of Professional Engineers and has over 30 years' experience in the field of infrastructure and construction engineering. He is currently the Commissioner Engineering & Technical Services and Head of Infrastructure in the Judiciary and a Corporate member of UIPE and Chairman of Higstan Technical Services Limited, Kampala, among others.



Mrs. Ruth Asimwe Kanyaraju

Vice Chair Person Board of Directors

Mrs. Kanyaraju is a Development Economist with more than 28 years of working experience. She holds a Master's Degree in Development Studies majoring in Local and Regional Developments, with a focus on Project Planning and Management, Promotion of Local Economic Development, Gender and Development, Decentralisation and Empowerment for Eradication of Poverty from the Institute of Social Studies (ISS) in The Hague, Netherlands. She holds a Bachelor's degree in Economics and Rural economy from Makerere University, a Post Graduate training in Project Planning and Management focusing on Gender mainstreaming into Development Programmes from Aalborg Technical College, Ramboll in Denmark. She served as a Principal Policy Analyst in the Ministry of Information Communication and Technology (ICT). She is currently the Chairperson, District Service Commission Lyatonde District Local Government.



Eng. Aaron Kabirizi

Chairman Technical Services Committee of the Board

Eng. Kabirizi holds a Master's of Science in Water and Waste Water Engineering from WEDC Loughborough University of Technology, United Kingdom and a Bachelor of Science in Civil Engineering from Makerere University, Kampala, Uganda. He has worked in various positions in the Ministry of Water and Environment in Uganda for about 30 years, rising from Pupil Engineer, Principal Engineer, Assistant Commissioner, to Commissioner.

Presently, he is the Director, Directorate of Water Development, Ministry of Water and Environment, Uganda. Eng. Kabirizi has vast experience in waste and sanitation sector in the field of Policy formulation, Strategic Planning, Decentralized Implementation, Gender and Social Analysis and Procurement, among others. He is a member of the Uganda Institution of Professional Engineers.



Dr. Cecilia Atim Oyet

Chairperson, Human Resources, Legal and Administration Committee of the Board.

Dr. Oyet holds a Bachelor of Veterinary Medicine (B.V.M) from Makerere University. She is a Board Member of "From Nobody to Somebody" and has pioneered the formation of Winning Women, the Women's Department of the Life Line Ministry, She spearheaded the formation of the Rural Farmer's Scheme Pilot Project in Lango and the Corporate Credit Section of Centenary Bank. She is an ordained Pastor of the Life Line Ministries and also Board Member of Lango Transformation Trust/Relocation.



Dr. Eng. Silver Mugisha

Managing Director

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

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

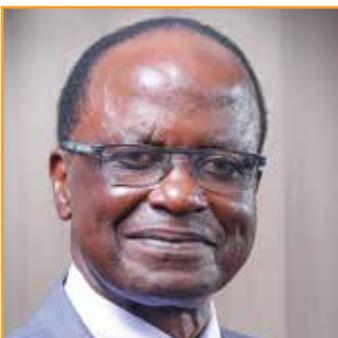


Ms. Ziria Aliza Ndifuna

Chair Person Risk Committee of the Board

Ms Ndifuna holds a Master's in Business Administration from Maastricht/ESAMI and a Bachelor of Commerce (Accounts) from Makerere University Kampala and several other Post Graduate qualifications in various fields. She is a Financial and Strategic Management Expert who has served in various organizations in senior positions as Chief Accountant, Senior Management Analyst, Principal Consultant, rising through ranks to become Head Consultancy Division and Head Entrepreneurship Division in Management Training and Advisory Centre (MTAC).

Ms Ndifuna served as a National Expert and Institutional Specialist in the Uganda Government Restructuring and Re-organization (1993 – 2000). She has also participated in the divestiture of various Government departments, including the department of Museums and Antiquities and, the department of Records and Archives. Ms Ndifuna served as the Vice Chairperson of the Local Government Finance Commission for the period 1999 - 2008.



Mr. Henry B. Kibirige

Chairman Audit Committee of the Board

Mr Kibirige holds a Bachelor of Arts from Makerere University, and has vast experience in Banking, Administration and Corporate Governance.

Mr Kibirige has served in various institutions including Bank Of Uganda, East African Community, Uganda Development Bank and Uganda Insurance Commission. He also served as project coordinator with Citi Bank Uganda Limited. Currently he serves on the Boards of Kitebi Senior Secondary School, Lion Assurance Company Limited and Centenary Bank where he is the Chairman of the Audit Committee. Mr Kibirige is also the Chairman of the Audit committee of the NWSC Board of Directors.



Mr. Nduhura Dennis Mwebaze
Chairman Finance Committee of the Board

Mr. Nduhura holds a Master of Arts in Development Studies from the University of East Anglia, Norwich, United Kingdom and a Bachelor of Arts in Social Administration from Makerere University, Kampala, Uganda.

Mr. Nduhura is the Deputy Executive Director, Equal Opportunities Commission; he held the position of Country Director for Cooperation and Research in Development (ACORD), an African-led International Alliance working for Social Justice and Development in Africa. He has carried out research work and consultancies for ACORD, World Food Programme, DANIDA, Plan International, ASPSP/Ministry of Agriculture, Animal Industry and Fisheries.



Mrs. Faridah Mayanja Mpiima
Board Member

Mrs. Faridah holds a Masters Degree in Urban Governance and Management; a Bachelor of Arts Degree in Literature and Communication skills. She the Resident City Commissioner (RCC), Kampala and also a Board Member of Nakivubo War Memorial Stadium.

NWSC Board Chairman, Eng. Dr. Christopher Ebal (5th right) leads members of the Board and Management to inspect the completed Kapeeka Water Treatment Plant.



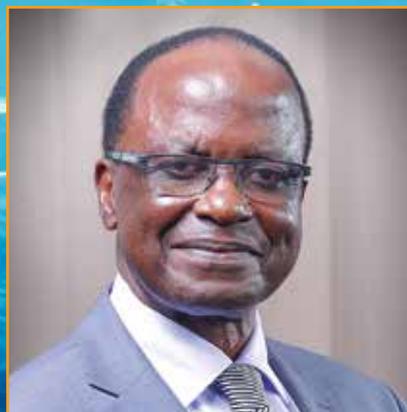
Our Board Of Directors



Eng. Dr. Christopher Ebal
Chairman Board of Directors
Reappointed: March 2016.



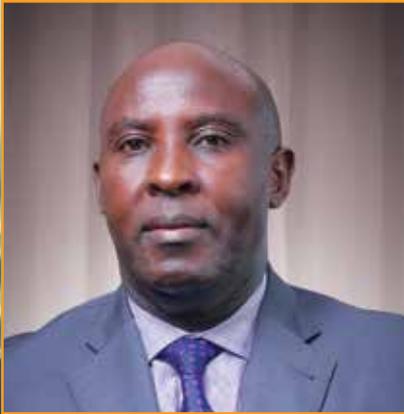
Mrs. Ruth Asimwe Kanyaraju
Vice Chair Person Board of Directors
Reappointed: March 2016.



Mr. Henry Kibirige
Chairman Audit Committee of
the Board
Appointed: March 2016.



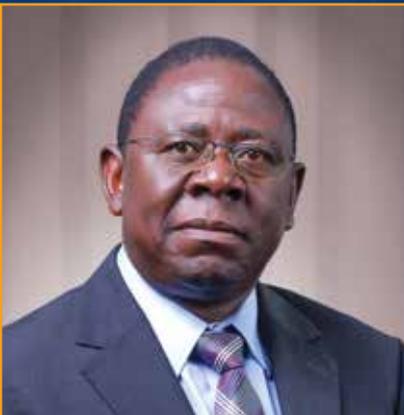
Ms. Ziria Aliza Ndifuna
Chair Person Risk Committee of
the Board
Reappointed: March 2016.



Mr. Nduhura Dennis Mwebaze
Chairman Finance Committee of
the Board
Reappointed: March 2016.



Dr. Cecilia Atim Oyet
Chairperson, Human Resources, Legal
and Administration Committee of the
Board. Reappointed: March 2016.



Eng. Aaron Kabirizi
Chairman Technical Services
Committee of the Board
Reappointed: March 2016.



Mrs. Faridah M. Mpiima
Board Member
Appointed: 2018



Dr. Eng. Silver Mugisha
Managing Director



Dr. Edith Kateete
Corporation Secretary

Our Executive Management



Dr. Eng. Silver Mugisha
Managing Director



Eng. Johnson Amayo
Deputy Managing Director Technical
Services



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

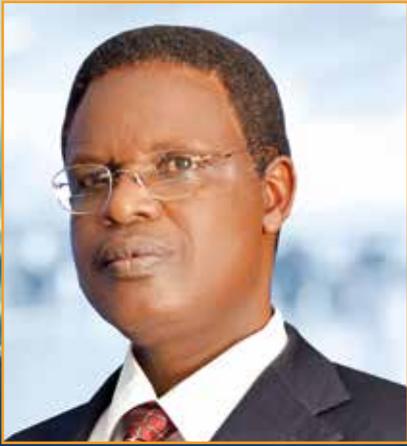
The Board is the highest decision making organ in the Corporation. The key roles of the Board is to ensure that the various competing interests are harmonized. To ensure effective implementation of the policies, the Board delegates the day-to-day running of the Corporation to the Managing Director who works with 12 Executives, heading various strategic Business Streams and functional Directorates.

The Executive Management is the highest technical decision-making body in the Corporation. The Key Roles of Management includes the following:

- Implementation of the policies and guidelines issued by the Board.
- The day-to-day running and decision making regarding the affairs of the Corporation.
- Planning and implementation of short, medium and long-term plans.
- Ensure that the Corporation Complies with all the applicable laws, regulation and best practice.
- Human Resource Management including staff recruitment, retention, development, motivation and retirement.
- Securing, managing and maintaining the assets of the Corporation.



Dr. Edith Kateete
Deputy Managing Director Board
Affairs and Management



Eng. Alex Gisagara
Director Engineering Services



Mrs. Prossy A. Lubowa
Director Internal Audit



Mr. George E. Okol
Director Commercial and Customer Services



Mr. Paddy Twesigye
Director Planning and Capital Development



Mr. Francis Owot
Director Finance, Accounts and Revenue.



Dr. Rose Christine Kaggwa
Director Business and Scientific Services



Eng. Andrew Sekayizzi
General Manager Kampala Water

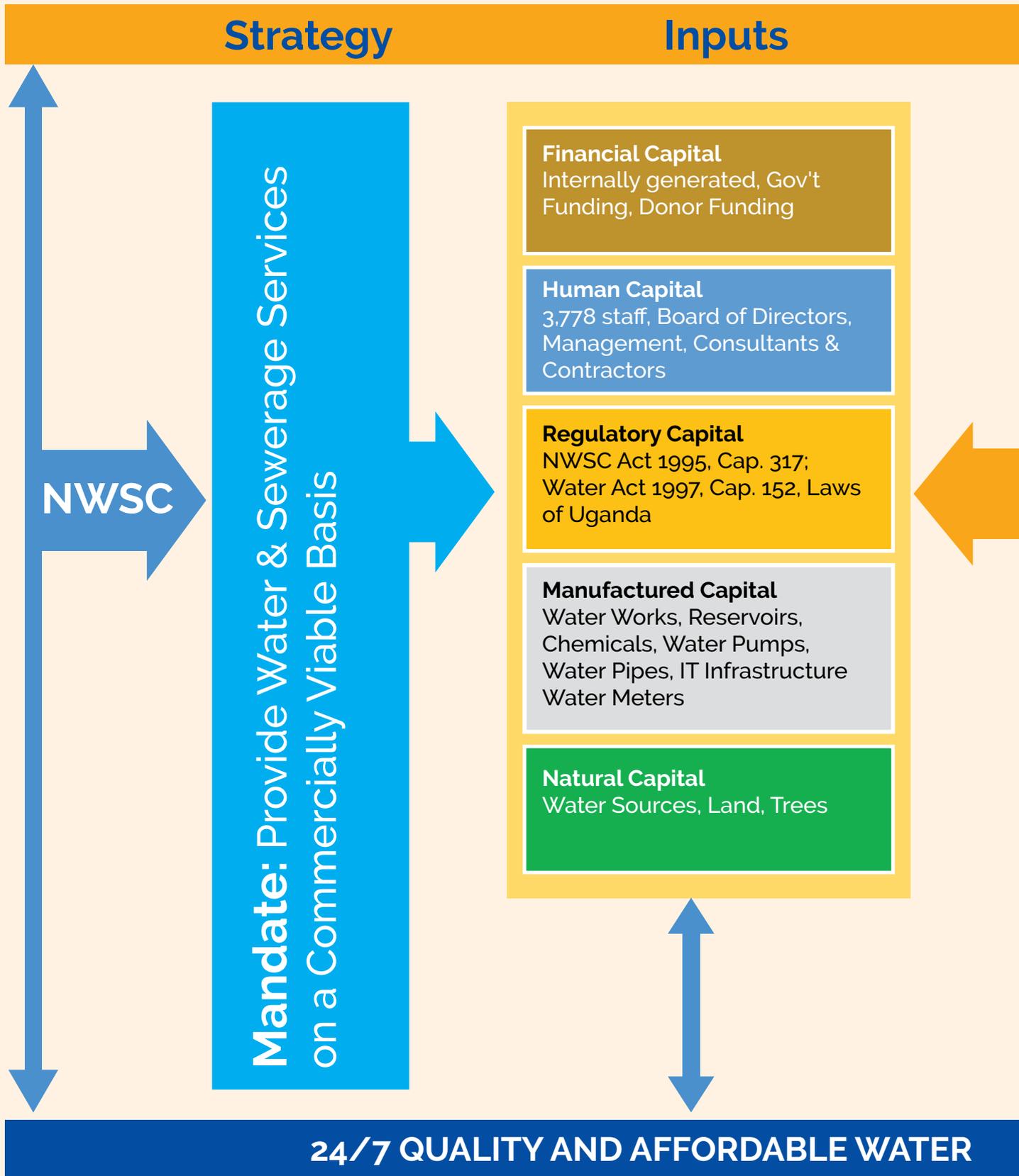


Ms. Christine Amucu
Director Human Resources.

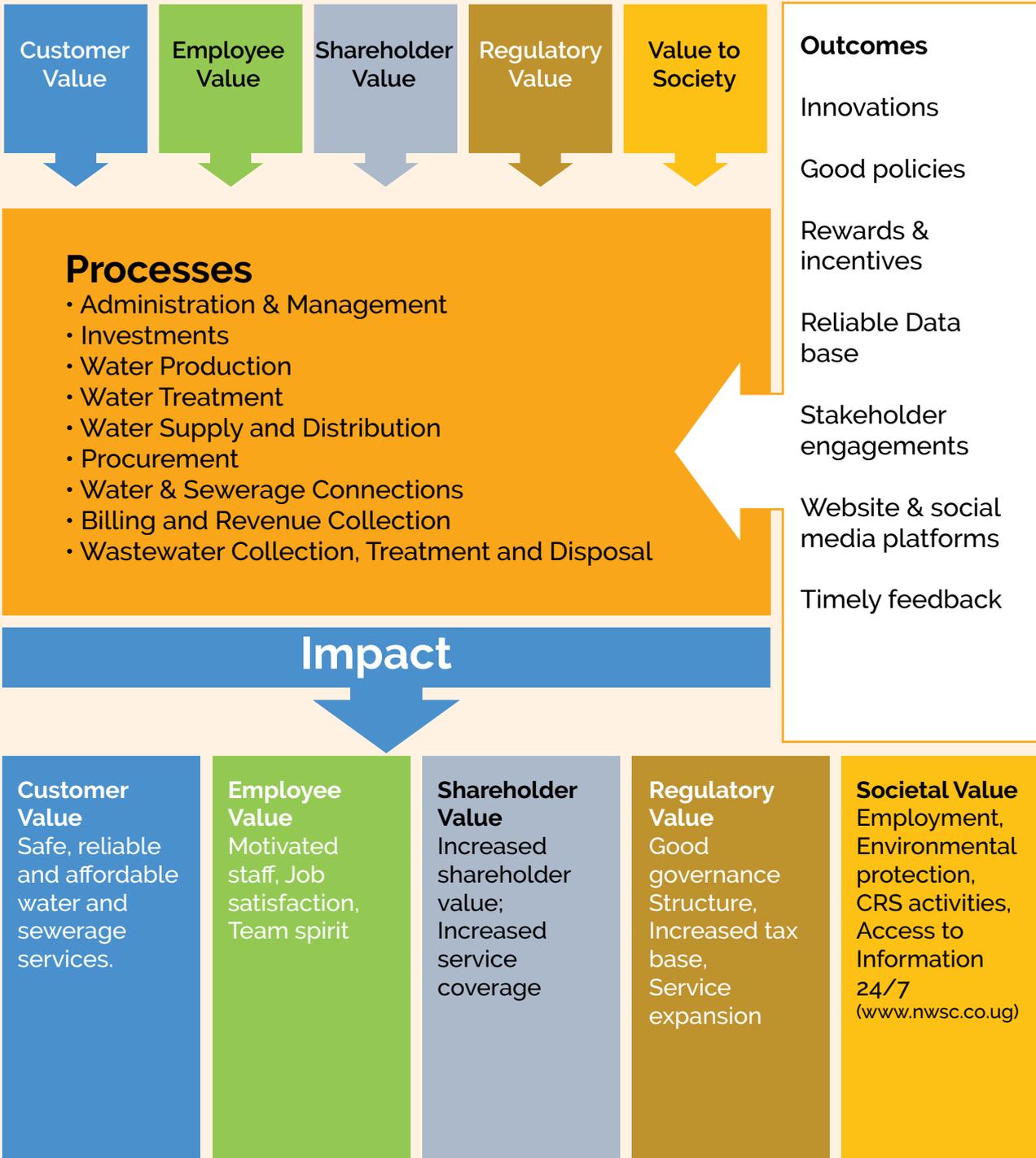


Mr. Jude Mwoga
Director Information and Business Solutions

Our Value Creation Model



Outcomes and Impact



AND SEWERAGE SERVICES



Our Sustainability Approach

The Corporation's sustainability approach is premised on the need to meet its present development needs without compromising the ability of future generations to meet their own needs. We recognize that in our business, there is interdependence of economic, social and environmental factors. We take account of the interests of the poor in planning for society. The measures that the Corporation has put in place to address sustainability issues go beyond the legal requirements and industry standards.

As an organization therefore, we measure our success in terms of financial performance, the quality and range of products and services we offer and how we impact on the environment and the communities in which we operate.

Our Sustainability approach is in line with the Corporation's Mission
**“To sustainably and equitably provide cost effective and quality
 Water and Sewerage services to the delight of all stakeholders
 while conserving the environment”.**

The responsibility for implementing sustainability policies rests with the responsible Heads of Directorates and Departments. Internal Audit and Risk Management Departments are charged with monitoring and reporting on the status of compliance with the sustainability framework.

This report measures, discloses and gives an accountability to our internal and external stakeholders on the Corporation's performance towards sustainable development in line with the guidelines issued by the Global Reporting Council. We are also guided by the United Nations Sustainable Development Goals (SDGs), Agenda 2030 on Social and Economic Development.

The SDG goals include; eradication of poverty, ending hunger and achieving food security, good health, quality education, minimizing the negative impact of climate change on the environment, gender equality, clean water and sanitation, affordable and clean energy and social justice.

The report provides a balanced presentation of the sustainability performance, results and outcomes of NWSC for the FY 2018/19.

The sustainability guidelines are summarised under the following categories.

- Economic Sustainability
- Environmental and Ecological Sustainability
- Social Sustainability.

Economic Sustainability

We take keen interest in ensuring the economic sustainability of the Corporation and making a positive contribution to the economic growth of the country.

Sustainability of the Corporation

The NWSC Act 1995, Cap. 317, Laws of Uganda requires the Corporation to operate on a sound commercial basis and ensure that the revenues are sufficient to provide for depreciation, amortization, operation and maintenance costs, with a reasonable return on investment. In line with this requirement, the Corporation has made the following progress:

Our **turnover** has been growing on an annual basis. During the FY 2018/19, the turnover grew by 14% from US\$ 388 billion to US\$ 442 billion. This is a result of the deliberate steps to extend the water networks, stabilise water supply in the existing towns and growth in the number of towns from 236 to 253. During the FY 2018/19, we extended our water mains by 2,727kms and connected of 69,215 new water consumers. We extended our sewer network by 59 Km and connected 368 customers.

The Corporation has diversified income sources to include revenues from

Consultancy Services, hire of Training facilities in Bugolobi and Gaba.

NWSC has put a lot of emphasis on **cost optimisation** despite the volatile economic environment. Cost optimisation measures include; the decision to lease rather than purchase motor vehicles and the clustering of towns, which are in the same location to be jointly managed. Operating expenditure amounted to US\$ 346 billion in the FY 2018/19, compared to US\$ 296 billion the previous year, representing an increase of 17%.

The growth in revenue and cost optimisation generated **Operating Profits** of US\$ 96 billion in 2018/19 compared to US\$ 92 billion in the previous year, an increase of 4%. All the profits made by the Corporation since its establishment have been reinvested in the water and sewerage Infrastructure.

The total amount invested in the FY 2017/18 was US\$ 258 billion compared to US\$ 302 billion for the FY 2018/19.





H.E. President Y.K Museveni launches a ceramics factory in Kapeeka. Factories located in the Kapeeka industrial park are beneficiaries of a reduction in water tariff from US\$4,220 to US\$2,500 per unit.

Our Impact on the General Economy

NWSC Supporting Economic Growth

We are aware of how our business directly impacts on the economic development of our country. We provide water and sewerage services to several small, medium and large industries. For instance, we provide water to the tourism industry which is the leading foreign exchange earner. The number of industries are increasing and they employ many Ugandans and also provide foreign exchange to the economy. In order to support the growth in industries, the Corporation lowered the tariff for industries from US\$4,220 to US\$2,500 per unit in the FY 2018/19.

Agriculture is the backbone of the Ugandan economy but it faces the challenge of unreliable rainfall patterns. Through the SCAP 100 Project, the Corporation has extended water to over 4,000 villages in the financial years 2017/18 and 2018/19 to address the water supply challenges.

Growing with Our Suppliers

The Corporation traded with over 500 suppliers providing various inputs sourced from within and from outside Uganda. We fully embrace the Government Policy on "Buy Uganda and

Build Uganda". Contracts worth US\$291 billion were awarded under the BUBU Scheme in the FY 2018/19. During the Financial Year under review, US\$299 billion was paid to suppliers compared to 260 billion in the FY 2017/18.

Our Contribution to the National Coffers

The Corporation is proud of its contribution to the National Treasury. We paid US\$40 billion in taxes during the FY 2018/19 compared to US\$38 billion in the FY 2017/18. NWSC was recognized as one of the most compliant taxpayers in 2017 and 2018.

Social Sustainability

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

Looking after the Interests of Our Staff

NWSC aims at having highly trained, skilled, healthy and motivated workforce at all times. We have put in place transparent recruitment, development and retention programs, which offers opportunities to all. We have a policy of Non-Discrimination on the basis of tribe, religion, gender, disability or political views. During the year under review, 335 staff were recruited bringing the total number of employees to 3,778 as at June 2019.

Gender Composition

The Corporation is an equal opportunities employer employing staff of diverse backgrounds. Table 6 below shows the gender composition in the Corporation.

Table 6: Gender Composition of Staff and Board of Directors

Category	Female	Male	Total
Board of Directors	4	5	9
Employees			
Executive Management	5	8	13
Other Staff	2,573	1,192	3,765
Total Number of Staff	2,578	1,200	3,778

Compensation and Reward

In order to retain staff, we have competitive remuneration schemes. Our staff are paid salaries and they also earn incentives based on performance. Annual gratuities are paid to staff who successfully complete the 12-months period of service. **US\$1.137 billion** was paid to staff in the FY 2018/19 compared to **US\$1.112 billion** in the FY 2017/18.

Each staff supports an average of 6 other people. NWSC therefore impacts on the welfare of over 30,000 people.

Developing Our Staff

The Corporation supports all staff in their aspirations for career development. The Corporation sponsors staff to pursue internal and external training opportunities. We encourage practical training on the job and by benchmarking with similar organisations. NWSC also offers support to staff to enable them meet their Career Professional Development (CPD) requirements by paying the fees and allowing them time off work.

All senior staff are encouraged to set aside time to mentor and coach staff in their Directorates or Departments. In the bid to increase the skills base, the Corporation set up the Gaba Vocational Institute to offer practical skills in plumbing, mechanical, electrical installations and welding. Another vocational institute will be set up in Lira in the FY 2019/20 to cater for students in the Northern, Eastern and West Nile Regions. Another vocational centre

will be set up in Bushenyi to cater for students in the western region.

In addition to supporting our own staff, the Corporation also offers internship and graduate trainee positions to young Ugandans to equip them with practical skills and boost their prospects of securing employment.

Staff Welfare

The Corporation has in place attractive welfare schemes to cater for our staff and their families. The Medical scheme is designed to treat the employees and their immediate family members. All our staff are insured under workers compensation plan.

We have activities for sports and recreation for staff including Water Football Club, which is in the Big League. The Corporation caters fully for the funeral arrangements and expenses for the fallen employees and their immediate family members.

Supporting Research & Innovation in the Corporation

The Corporation is aware of the benefits that can be derived from research and innovation. A research and innovation policy is in place and staff are encouraged to take advantage of it. During the FY 2018/19, US\$1.750 million was spent in financing research projects undertaken by staff compared to US\$1.700 million spent in FY 2017/18.

Health and Safety at work

The health and safety of our employees, customers and the general public is our greatest priority. Occupational safety and health guidelines have been developed and are monitored for compliance. All field staff are provided with adequate protective wear and work uniforms. Our offices are equipped with firefighting equipment, which are regularly serviced. Staff are entitled to Annual leave of 30



The MD, Dr. Eng. Silver Mugisha takes a team of Commercial Officers through a coaching and mentoring session.



Former ED-KCCA Mrs. Jennifer Musisi Semakula sharing her experience in the transformation of KCCA to NWSC Middle Managers.



NWSC Staff under going practical Engineering Skills training at Gaba Vocational Institute

days, compassionate leave of 7 days and maternity leave for female staff of 60 working days.

NWSC has also put in place mechanisms to ensure security of the office premises and installations. The Corporation is concerned about the safety of the general public. We have installed fire Hydrants at several locations across the country from which the police fire brigade draws water for firefighting.

Long Service Award

We have a policy of Long Service Award (LSA) scheme to reward employees who have diligently served the Corporation for over 20 years before retirement. Such employees are rewarded with building materials to enable them put up shelters where they can settle after retirement. During the financial Year 2018/19, US\$ 57 million was spent on long service awards compared to US\$ 120 million for the FY 2017/18. Twenty four (24) people benefited from the award in the year under review.

Trade Unions

NWSC allows freedom of association for its staff. We have built a good working relationship with the Trade Unions. Regular discussions are held with the unions to negotiate terms of employment and other issues affecting staff which has led to harmonious industrial relations and increased productivity over the years.

Thinking about the Welfare of Our Staff in Retirement

The Corporation promptly makes payments to NSSF, being mandatory contribution to their retirement. NWSC has set up a Provident Fund which is over and above the mandatory requirement of NSSF. Contributions to the fund are expected to start in the FY 2019/20.

These schemes are aimed at ensuring that the Corporation continues to attract and retain a committed workforce and

that adequate provisions are made towards their retirement. A total of US\$ 137 billion was paid to staff in salaries, allowances, and welfare in the FY 2018/19 compared to US\$ 112 billion in the FY2017/18.

Giving Opportunities to the Senior Citizens

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

Stakeholder Engagement

Customers

The Corporation serves a diverse categories of consumers which include; Domestic, Commercial, Institutional and Public Stand Posts. We have made deliberate efforts to grow the number of customers served in each category. NWSC values every consumer and takes it as an obligation to supply all of them with clean and reliable water and sewerage services.

We ensure that water supplied to our consumers is safe for human consumption. Regular tests are carried out to confirm that the quality meets WHO standards. The Corporation puts a lot of emphasis on ensuring that there is reliable water supply and sewerage services for all our consumers.

We have invested heavily in programmes, which are aimed at taking services to more people. In this respect, 2,727 kms of water mains and 59 kms of sewer mains were extended in the FY 2018/19 compared to 2,021 kms and 24 kms in FY2017/18 respectively. In addition, 3 major water infrastructure

projects were substantially completed. Many mini water production schemes have also been set up across the Country to improve water production.

The Corporation has substantially completed the construction of the Bugolobi Waste Water Treatment Plant and Kinawataka Pre-treatment Plant and Lifting Station, which will improve sanitation in Kampala Area and generate energy from biogas. Many other water and sewerage infrastructure projects around the Country are being implemented to improve services to our customers.

NWSC aims at making water affordable to all. The benefits of efficiency gains realized are passed on to customers through affordable tariffs. The Corporation has deliberately reduced the tariff for the PSPs to US\$ 21 per 20-litre jerrycan to aid access to clean water by the urban poor and rural population.

We value the feedback from our customers and have set up many avenues for customers to communicate with us, including a toll free telephone line, social media platforms, NWSC website and annual customer satisfaction surveys. 86% of customers surveyed during the year, expressed satisfaction with our services. The 14% of customers who were not satisfied cited the following concerns; low water pressure, delayed and inaccurate water bills, slow response to solving complaints and delays in effecting new connections. The Corporation has put in place plans and mechanisms to address the areas of dissatisfaction.



Supporting the Hotel Industry: NWSC water is used in the Kitchen, Rooms, toilets and swimming pool of Hotel Triangle in Mbarara.



Supporting Tourism: NWSC supplies water for drinking and sanitation to support the over 3,000,000 pilgrims that visit the Namugongo shrines annually.



Catering for the Poor Urban/Rural communities (PSPs): Children in Kotido drawing water from a Public Stand Pipe constructed under the recent SCAP 100 program.



Supporting Industrial Development: Water being used as a raw material for producing soft drinks at Coca cola Plant



Improving supply and reliability: NWSC installs a 1million litre capacity tank to boost water supply to Komamboga, Kyanja, Gayaza, Mpererwe, Kungu, parts of Kyaliwajjala and surrounding areas.



Improving access: 10Km of Pumping mains from Bulenga booster Kamulengwa hill to address water challenges faced by residents of Kawempe, Ttula and Namere.

The Government/Regulators/Owner

The Corporation is wholly owned by the Government of Uganda. We are proud of the contribution that the Government is making in the water sector. The Government objective is to ensure 100% access to water by every Ugandan. The Corporation is committed to making a positive contribution towards that goal. The Government and the Corporation are implementing the SCAP 100 Project (100% Service Coverage Acceleration Project) which will take water to 12,000 cells and villages from July 2017 to June 2020.

The Corporation is proud of its contribution to the economy. We paid US\$4.0 billion in taxes during the FY 2018/19 compared to US\$3.8 billion in the FY 2017/18. NWSC was recognized

as one of the most complaint taxpayers in 2017 and 2018.

Development Partners

The Corporation has over the years been supported by Development Partners, especially with the infrastructure financing. The key Development Partners include: KfW, AfDB, AFD, the World Bank, EU and EIB. We are also pleased to have Danish Business Finance entering into a lot of development partnerships with the Corporation. We have developed good working relationships with the Development Partners. NWSC takes keen interest in ensuring that donor funds are handled with the highest level of transparency and accountability and that the funds are utilized immediately.

During the FY 2018/19, the Development

Partners supported the Corporation to the tune of US\$3.38 billion compared to US\$1.82 billion in the FY 2017/18.

The key projects financed by the Development Partners during the period include the following;

- Kampala Sanitation Programme
- Lake Victoria Water and Sanitation Project
- Water Management and Development Project.
- The South Western Cluster (Masaka, Mbarara and Isingiro).
- Integrated Program to improve Living conditions in Gulu Phase 2.
- Integrated Water Management Development Projects (Mbale, Gulu Phase 2 and Adjumani).
- Wakiso West WATSAN Project (WWWSP).



The NWSC MD, Dr. Eng. Silver Mugisha (Left) and Danish Ambassador, H.E Mogens Pedersen (Middle) sign a Memorandum of Understanding between NWSC and the Danish Embassy for developing the new South and West of Kampala Water System to serve an estimated 1 million people. Witnessing the agreement is the Permanent Secretary, Ministry of Water and Environment, Mr. Alfred. O. Okidi (Right).

Corporate Social Responsibility (CSR)

The Corporations' core mandate is to provide water and sewerage services in Areas entrusted to it by Government. Over and above that mandate, we believe that we have a duty to make our country a better place to live in. We also extend a helping hand to those who are underprivileged in the society. We have developed the Corporate Social Responsibility Agenda which aims at supporting religious institutions, those who are terminally ill, the youth, women groups, disabled and urban poor. The Corporation supported a number of charitable causes during the year and they are summarized in the Table 7 below:

Table 7: NWSC CSR Beneficiaries

#	Beneficiary	Amount (UShs)	No. of Beneficiaries
1.	Gulu Archdiocese (Free Water to support Uganda Martyrs Day celebration)	3,000,000	3,000,000
2.	Religious Institutions	402,000,000	1,500,000
3.	Charity Organizations	116,000,000	500,000
4.	Educational Institutions	150,500,000	20,000
5.	Hospitals	70,000,000	5,000
6.	Others	172,916,000	8,000
	TOTAL	914,416,000	5,033,000

During the year under review, the Corporation spent **UShs.914 million** on CSR activities compared to UShs.13 billion in FY 2017/18. More than Five (5) million people benefitted from NWSC's donations in the reporting period. The amount spent does not include physical participation in activities like cleaning public places, re-painting zebra crossings, blood donations and Tree planting.



NWSC donates food items to the Bakateyamba Home for the Elderly in Nsambya



NWSC staff participate in a community cleaning exercise



NWSC Staff in a blood donation exercise



NWSC Cancer charity run 2018 team



Public toilets donated by NWSC for residents in Tororo area.



NWSC-MD donates pampers to Sanyu Babies Home in Mengo



NWSC Staff Entebbe paint the Zebra crossing-Right is Jackson Turayahirira-GM Entebbe



NWSC donates water tanks to promote rain water harvesting in Kanungu



Students participate in the NWSC Hand Washing campaign to promote sanitation.



NWSC Kampala Water gives food items to Namugongo Catholic Church



Tackling Environmental Issues Head-On

Dr. Sylvia T. Alinaitwe

Deputy Managing Director - Finance & Corporate Strategy and Coordinator of Environmental Matters

There is a strong connection between our business and the environment. The water we supply comes from the environment and the sewage we treat is discharged into the environment. The impact of climate change has presented enormous challenges to the Corporation. Some of the water sources are drying up due to prolonged droughts and encroachment on the catchment areas.

We are making every effort to ensure that we continue to run our business in a way that takes environmental concerns seriously. NWSC works closely with Directorate of Environmental Affairs and NEMA to ensure full compliance with the environmental laws.

The Corporation has deep commitment to protecting our water sources and restoring the environment to make it a better place for ourselves and for the future generations. We are determined to live this world a better place than we found it.

The Corporation is implementing a number of programs which are aimed at protecting the environment and they include the following ; One million Tree campaign, Schools Water and Sanitation Clubs and Incorporation Tree Planting in all future water projects.



The One Million Tree Planting Campaign

NWSC embarked on a program to protect our water sources where we operate through the "One Million Tree Planting Campaign". The program involves planting trees and grass along the catchment areas. The program is spearheaded by the Young Water Professionals (an association of NWSC Staff who are under 35 years of age). The seedlings are provided by the National Forestry Authority (NFA) and the planting is undertaken by the Corporation across the country.

The program was a 3-year campaign, which commenced in October 2017 and will end in June 2020. All the one million trees, which were projected, were planted by 30th June 2019. The next one year will be a period of monitoring to ensure survival of the trees. The Corporation also plans to dedicate a tree-planting day every year for our staff to engage in environmental protection and restoration activities.





School Water and Sanitation (SWAS)

NWSC launched the School Water & Sanitation (SWAS) Clubs in October 2014. This was after NWSC realized that Schoolchildren are a critical segment of our society and need to be involved in Water, Sanitation and Environmental issues at an early age, to ensure sustainability of our business. Children are often victims of poor sanitation and hygiene, and it is important to sensitize them about water, sanitation and hygiene. They are the future leaders and decision makers for the Country. It is therefore necessary to influence them to be concerned and to care for the environment while they are still young.

SWAS started off with over 50 schools in the FY 2014/15. By the end of the FY 2018/19, 293 schools were participating in the Club. The membership of the Clubs are drawn from urban and rural schools from all the four regions of the Country as per the table below;

Table 8: NWSC SWAS Club regional membership

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

The main activities of the Clubs include; tree planting, debating, essay and poem competitions relating to water, sanitation and environmental issues and public exhibitions. These activities are financed by the Corporation through the Annual Budget.

During the FY 2018/19, the Corporation spent US\$1.1 billion on SWAS activities compared to US\$1.1 billion in the FY 2017/18.



The following achievements have been registered by the SWAS Clubs around the Country:

- 293 schools are now participating in SWAS Club activities.
- The participating schools have dedicated 2 days in a year for engaging in water, sanitation and environmental activities.
- Over 600,000 Trees planted by the SWAS Clubs since 2014.
- The Clubs have been engaging the Communities around their schools on the need to protect the environment.
- Annual conventions have been held in each of the four regions at which schoolchildren exhibited their skills in science, technology and environment. Over 10,000 schoolchildren and 5,000 members of the public attended the various exhibitions in the FY 2018/19.

The Corporation has the following plans for the future of SWAS Clubs.

- Expand the SWAS Clubs to include more schools across the country.
- Collaborate with other key stakeholders who are involved in environmental protection to bring to the lime light the issues of climate change.

In conclusion, through the SWAS clubs, the Corporation aims to create more awareness and responsible use of Environment and ensure a better future for the future generation

Incorporating Catchment Protection and Tree Planting in all Future Projects

Following the success of One Million Tree Planting Campaign and the activities under the Schools Water and Sanitation Projects, the Corporation has concluded that it can make a difference in trying to address environmental matters. The Corporation has made it a policy to include catchment protection and tree planting in all the water projects that will be undertaken. We are already implementing this policy under the KW LV WATSAN Project (Katosi), Protection of Water Catchment in Arua and Bushenyi as explained in the following paragraphs.

Source Protection Measures Under the KW-LVWATSAN Project.

With financing from the KfW Entwicklungsbank (KfW), European Union Africa Infrastructure Trust Fund (EU-ITF), European Investment Bank (EIB), Agence Française de Développement (AFD) and GoU, NWSC

is undertaking massive water supply infrastructure upgrade within the Greater Kampala Metropolitan Area, notably; Upgrading and rehabilitation of the Ggaba Water Treatment Complex, Water Network Restructuring & Rehabilitation, Extension of Water Supply in Informal Settlements, Construction of New Water Treatment Plant East of Kampala and Project Accompanying Measures.

Besides the infrastructure outputs, the Project has a component for catchment protection and management, aimed at guaranteeing and preserving the quality of raw water in Lake Victoria, and minimizing green house gases. Whereas a new location for the proposed new water treatment plant has been sought in Katosi (Mukono), it is worth noting that unless the challenges that led to the degeneration of the Ggaba catchment are properly addressed, the same could happen in Katosi. It is in this regard that buffer protection through tree planting within the Katosi and Ggaba catchment areas has been incorporated in the Project.

NFA has allocated NWSC forty-two (42) hectares of land within the surroundings of the Katosi Water Treatment Plant, i.e. Mwola Central Forest Reserve for the restoration of the biodiversity lost due to the Project activities and to maintain the Katosi catchment as a restricted area. NWSC and NFA will plant about 18,000 trees of different indigenous species within the Katosi catchment to help in sustaining biodiversity and neutralizing the carbon footprint.

The long-term preservation of the catchment will however necessitate activity restriction i.e. control of indiscriminate land use practices like farming, human settlement, industrial establishments, sand mining, logging etc. within the catchment, restoration of natural environment, creation of buffer zones, and bank protection. These activities are to be undertaken in collaboration with the Directorate of Water Resources Management, Directorate of Environmental Affairs, National Forestry Authority, Mukono District Local Government, and other key stakeholders.

Speaker of Parliament Rt. Hon. Rebecca A. Kadaga launching the campaign to Plant, the 18,000 indigenous trees in the Katosi water Catchment Area. She is being assisted by the MP for Mukono South, Hon. J. M. Ssenyonga. Looking on is Hon. Minister of Water & Environment (5th from the right), NWSC Board Chairman (4th right), NWSC MD (2nd right) & other guests



Other Environmentally Friendly Projects

- I. The Corporation has adopted the use of solar energy to power the plant operations in 20 small towns.
- II. All waste from our operations, which is harmful to the environment, is disposed of according to the NEMA guidelines and the process is closely supervised by the agency.
- III. The Corporation has continued to increase sewerage network on a yearly basis to address sanitation challenges. The Kampala Sanitation Project, which involves construction of modern sewage treatment plants and construction of sewers, is substantially complete and will go a long way in addressing sanitation concerns in Kampala. The Bugolobi Plant is also expected to generate energy from biogas.
- IV. All sewage collected is treated to National Standards before being discharged to the environment.



Table g: Summary of NWSC Sustainability Performance

Category	FY 2018/19	FY 2017/18
Economic Sustainability		
Turnover (US\$.'000)	442,000,000	388,000,000
Operating Expenditure (US\$.'000)	346,000,000	296,000,000
Operating Profits (US\$.'000)	96,000,000	92,000,000
Investment made (US\$.'000)	302,000,000	258,000,000
Asset base (US\$.'000)	3,100,000,000	1,700,000,000
Number of Towns	253	236
Environmental & Ecological Sustainability		
Number of Towns using Solar Pumps (Nos)	25	22
Number of towns using electrolysis instead of Chlorination	25	25
Volume of Sewerage treated and Discharged (Million litres)	100	95
Expenditure on Energy (In US\$ Billions)	66	57
Social Sustainability		
Domestic Customers served	535,532	479,729
Commercial/ Industrial customers served	88,340	78,761
Institutional/Government customers served	17,368	17,368
PSP consumers served	17,186	13,728
Total number of consumers served	659,157	587,863
Water Mains Extension (kms)	2,727	2,171
Sewer Mains Extension (kms)	59	24
Number of customer complaints received	166,698	147,708
Number of Customer complaint handled	163,557	138,567
Resolution rate (%age of complaints resolved)	98%	94%
Number of Staff employed	3,778	3,443
Payment to staff (employee costs) US\$.'000	137,265,190	112,000,000
New Water Connections	69,215	50,341
New Sewer Connections	368	272
Corporate Social Responsibility		
Amount spent on donations (US\$.'000)	914,000	1,300,000
Number of beneficiaries of donations	5,000,000	3,000,000
Amount paid in taxes (US\$.'000)	40,000,000	38,000,000
Human Resource Sustainability		
Number of Staff recruited	355	310
Number of Employees over 55 Years	119	117
Total number of staff + Board	3,778	3,443
Gender Composition (Staff + Board)	Female - 30% Male - 70%	Female - 29% Male - 71%
Amount spent in long time awards (US\$.'000)	57,000	120,000
Amount spent on research and training (US\$.'000)	750,000	700,000
Number of interns Trained	1,700	1,500

Stakeholder Engagement and Materiality

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

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

Table 10: Stakeholder Analysis

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

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



NWSC Staff take the Customer through the process of paying their water bill conveniently using the NWSC App.

Building a Strong Infrastructure Base



Eng. Johnson Amayo
Deputy Managing Director
Technical Services

The aspiration of the Government of Uganda is to ensure that all its citizens have access to safe water and sanitation by 2040. This goal is set out in the National Development Plan (NDPII). The Corporation is committed to support Government in achieving this goal. The country is however faced with a high population growth rate, which puts a lot of pressure on the existing water infrastructure. Most of the water facilities across the country have aged and were designed for smaller population. There is need to carry out major refurbishments on the existing facilities and new facilities need to be developed.

There is a gap in financing for capital projects, which affects the rate at which the Corporation plans to invest in the water systems. We are investing heavily in the water systems despite the above challenges. NWSC is determined to build a strong water infrastructure base to take care of the current and future demand for clean, affordable water and sanitation. This is because water is life and an engine for economic growth.



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

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

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

During the FY2018/19, the Corporation invested US\$508 billion in various infrastructure projects compared to US\$334 billion in the FY 201/18 as shown in table 22 below.

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

Projects Completed/ Substantially Completed During FY 2018/19

During the FY 2018/19, we completed three major water and sanitation projects and the new systems are already operational. The completed projects include:

- **Bushenyi Water Management and Development Project**, which entailed construction of new water systems and rehabilitation of the existing facilities.
- **Arua Water Management and Development Project**, which entailed Construction of new water systems and rehabilitation of the existing facilities. A new sewerage system and faecal sludge treatment plant were also constructed under this project.
- **Kampala Sanitation Project** has three key components; the construction of the Nakivubo and Kinawataka sewers, construction of Kinawataka pre-treatment and pumping station and the construction of the Nakivubo Wastewater treatment plant. All these components are substantially completed and are operational.

Projects Under Implementation By 30th June 2019

There are eight projects where the Corporation made significant progress during the FY 2018/19 but were not yet completed by the end of the financial year. The projects which are still under implementation include:

- Kampala Water Lake Victoria Water and Sanitation project - rehabilitation of Gaba Water Treatment Plants, construction of a new Treatment Plant at Katosi, construction of 54 Km drinking water transmission mains and 10 Km of pumping main.
- Gulu Water Management and Development Project - rehabilitation and expansion of existing water and sanitation facilities.
- The Integrated Program to Improve Living Conditions of people in Gulu - construction of a Water Treatment Plant in Karuma, and construction of facilities for bulk transfer of water from Karuma to Gulu and six other towns enroute to Gulu.
- Development of Water and Sanitation Infrastructure for the Isingiro, Mbarara and Masaka - construction a new water intake and Water Treatment Plant in Kagera, Isingiro and rehabilitation of existing systems.

Table 11: Expenditures on Capital Development Projects during the FY 2018/19 (US\$)

#	Source of Funds	FY 2018/19	FY 2017/18
1.	GoU ('000)	60,000,000	92,000,000
2.	Development Partners('000)	398,000,000	182,000,000
3.	NWSC('000)	50,000,000	60,000,000
	Total('000)	508,000,000	334,000,000



The Gaba II Water Treatment Plant after overhaul

- **Package Sewage Treatment Plants for Fort Portal** – supply and installation of sewage treatment plant.
- **Kapchorwa Water Supply Project** - construction of new water systems and delivery mains.
- **Sembabule water supply improvement** - construction of a new water treatment plant and rehabilitation of existing water supply systems.
- **Fort Portal Water Production;** modification of Water Treatment Plant to increase supply.
- **stages of planning and sourcing funds for these projects and hope to commence implementation as soon as the planning is completed and funds secured.**
- **Adjumani Water Supply and Sanitation Project** – improvements in existing Water supply and sanitation infrastructure.
- **Mbale Water Supply and Sanitation Project** – construction and rehabilitation of water and sanitation systems.
- **Wakiso West WatSan Project (WWWSP)** – construction of water and wastewater treatment plants
- **Kyotera Water Supply Project** – construction of Water Treatment Plant and bulk transfer to Kyotera, Kalisizo, Sanje, Kakuuto, Mutukula, Rakai, Lyantonde and Kalisizo.
- **Albertine Graben Cluster North WatSan Project** - development of WatSan Infrastructure for the Hoima - Masindi Areas.
- **Kiruddu Waste water Treatment Plant** – construction of wastewater treatment plant targeting Kiruddu Hospital and the surrounding community.

Table 14 on pages 69 - 72 shows a list of completed, ongoing and planned projects as at 30th June 2019. The level of progress on each of these projects is outlined therein.

Projects At Planning Stage As At 30th June 2019

The Corporation has identified a number of Areas that require Capital Investments to address the water and sewerage services challenges. We are at various

Responding To Water And Sanitation Challenges Across The Country

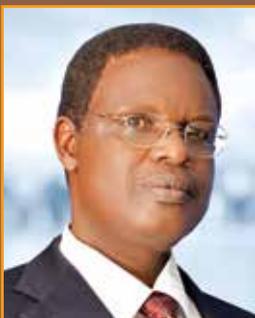


Water Infrastructure

Water is life and access to safe water is a human right. We feel the pain of our mothers and young girls having to travel long distances to collect water. Unfortunately, the water infrastructure across the country needs to be refurbished and expanded to meet the current and future demand. We are determined to restore the dignity of every Ugandan by ensuring that they have access to clean, reliable and affordable water.

Sanitation

Sanitation remains a big challenge for all the urban centers in the country. Many of our countrymen still rely on septic tanks and pit latrines. NWSC inherited sanitation facilities in Kampala, which were constructed during the colonial era and were designed to mainly serve the areas of Kololo, Bugolobi and Nakasero. The sanitation facilities in other upcountry towns, where they exist, is similar to that of Kampala. These facilities have aged and were only meant to serve a much smaller population.



Eng. Alex Gisagara
Director Engineering Services

Water and Sanitation Infrastructure Projects

The Corporation is responding to the challenges mentioned above. We have designed a number of water and sanitation infrastructure projects that cover the whole country. Many projects are already under implementation and we are sourcing for funds to implement those that have not yet commenced. Our projects are largely financed by the Development Partners and Government of Uganda. There are also a number of projects that are solely implemented by the Corporation using our internally generated funds. The following section gives an overview of the efforts being made to deal with the water and sanitation challenges around the Country.

Water Infrastructure Projects

Kampala Water Projects

There has been a water supply challenge in the Greater Kampala Metropolitan Area (GKMA) for many years. This is largely attributed to rapid urbanization, industrial growth, and expansion of the service/supply area. The challenge has been aggravated by the reduction in the water production capacities of the three Water Treatment Plants (WTP) at Gaba, as a result of the deterioration in raw water quality and old age of the plant.

NWSC commissioned a study to come up with ways of addressing the water challenge in Kampala in the short, medium and long term. The Kampala Water Supply Master Plan (KWSMP) was therefore published in 2015. The study predicted that the water demand within GKMA would increase from the current 250,000m³/d to over 320,000m³/day by the year 2025, and 530,000m³/day by the year 2040, and yet the current infrastructure is not sufficient to meet this demand. The Corporation therefore developed the Kampala Water Lake Victoria Water and Sanitation (KW-LVWATSAN) Project for addressing the water challenges in Kampala.

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

KW-LVWATSAN is aimed at providing adequate and good quality water supply to an estimated urban population of over 7.4 million people in GKMA by the year 2040, through the rehabilitation and development of new water supply infrastructure. The project has been running from 2011 and will continue until 2023. The estimated project cost is Euros 372 million, being funded by GoU (Euros 34 million), KfW (Euros 30 million Grant), AfD (Euros 225 million loan), EIB (Euros 75 million loan) and EU-ITF (Euros 8 million Grant). The key components of the project include:

- (i) Rehabilitation and upgrading of Ggaba I & II Water Treatment Plants
- (ii) Construction of the Katosi Water Treatment Plant
- (iii) Construction of the Katosi Transmission Main & Distribution System
- (iv) Water Supply and Sanitation to the Informal Settlements

- (v) Water network rehabilitation, extension and rezoning
- (vi) Institutional Support/Capacity Building and Programme Management

Rehabilitation and upgrading of Ggaba I & II Water Treatment Plants

The works under this project entailed rehabilitation and upgrading of Gaba Water Treatment Plants to increase production capacity from 180,000 m³ to 230,000 m³ per day, construction of 9.6 Km of water transmission main to Namasuba, construction of an 8 million capacity reservoir at Namasuba, including 30 Km water evacuation distribution mains, and restructuring of Muyenga reservoir outlet system. The above works were implemented between 2011 and 2015 and are fully operational.



H.E President Y. K. Museveni, M.D NWSC and other dignitaries after commissioning the rehabilitated Water Treatment Plants in Ggaba.



New Water pumping station at the Gaba 1 water treatment plant as NWSC efforts to improve water supply to Kampala Metropolitan area



Director Engineering Services, Eng. Alex Gisagara inspects the foundation of the Ssonde tank where the 16 million-litre reservoir is being constructed.

Construction of New Water Treatment Plant East of Kampala and associated Network

The Corporation is constructing a new Water treatment Plant to serve our customers, located in the eastern part of Kampala. This project entails the following key components:

- a) Construction of intake for 240.000 m³ per day at Katosi
- b) Construction of a water treatment plant with a capacity of 160.000 m³ per day at Katosi,
- c) Construction of a 54 km transmission main from Nsumba Hill to Ssonde Hill
- d) Construction of a reservoir at Ssonde hill and a booster station at Namugongo.

By the end of the FY 2018/19, **21 Km** (39% of the works) of the transmission main had been laid and excavation works for the foundation at the Ssonde hill reservoir had commenced. The pumps for the Namugongo booster station were delivered to the site, awaiting installation.

Water Supply and Sanitation to the Informal Settlements

This entails additional investments in the provision of Water Supply and Sanitation to the Urban Poor and construction of Nalukolongo Wastewater Treatment Plant, 240 toilet stances in 17 Government schools, 80 toilet stances in 7 KCCA



Ongoing construction works of the staff quarters at the Katosi Water Treatment Plant

Public toilets and 5 Non-KCCA public toilets. Procurement of works contractor is ongoing and works are expected to commence in July 2020.

Challenges experienced in the implementation of KW-LVWATSAN Project

- Securing of sites (in road reserves and built up areas) has proved to be a lengthy process This has delayed the handover of site to the contractor.
- Unexpected adverse ground conditions at some sites has contributed to delays in implementation.

Water Projects Outside Kampala Area

The Corporation is also implementing infrastructure projects in towns outside Kampala in a bid to improve access to clean, affordable water. Our water projects outside Kampala include the following:

- (i) **Bushenyi Water Management and Development Project.** The project was completed in December 2018. It involved the construction of Kitagata and Nyaruzinga water treatment plants, Kikuba-Ishaka reservoir, 17 Km of transmission mains and 5.9 Km of gravity mains. NWSC has commenced work on laying distribution mains.



A section of the new water treatment plant in Bushenyi, completed in December 2018.

- (ii) **Arua Water Management and Development Project.** This project was completed in February 2019. It entailed expansion of water distribution systems, refurbishing and upgrading of the old water treatment plant and increasing the water storage capacity from 1,400,000 litres to 5,000,000 litres. Five (5) production wells were also developed.
- (iii) **Gulu Water Management and Development Project.** This is a medium-term project which involves the upgrading and expansion of the existing water treatment plant from 4,000 to 10,000,000 litres of water per day, upgrading the existing water supply and distribution network, and construction of a new intake. The progress of work is at 70% and is expected to be completed in October 2019.
- (iv) **Integrated Program to improve Living conditions in Gulu.** This project is aimed at providing long-term solutions to the water crisis in Gulu. The Corporation has commenced works on the construction of a water treatment plant at Karuma. The treated water will be transferred in bulk from Karuma to Gulu and six other towns enroute to Gulu. The detailed design of the project is being carried out.
- (v) **Mbale Integrated Water Management and Development Project** – involves construction of new water systems and rehabilitation of existing systems to ensure water supply reliability. Procurement of consultancy services is ongoing.
- (vi) **Adjumani Integrated Water Management and Development Project.** This project entails Water supply and sanitation infrastructure improvements in Adjumani-Pakele and neighbouring towns. Currently, procurement of consultancy services is ongoing.
- (vii) **Development of WATSAN infrastructure for Mbarara, Masaka and Isingiro.** This project whose estimated cost is Euro 126 million, involves construction of a new Water Intake and Water Treatment Plant in Kagera, Isingiro and rehabilitation of existing systems to address supply challenges in the project areas.
- (viii) **Kapchorwa Water Supply Project** - involves construction of new water systems and delivery mains for the town of Kapchorwa and is expected to cost US\$ 7 billion. Works are ongoing with expected completion slated for October 2019.
- (ix) **Ssembabule Water Supply Project** - entails construction of a new water treatment plant and rehabilitation of existing water supply systems. The project is estimated to cost US\$ 9 billion and will be completed in August 2021.
- (x) **Rehabilitation and expansion of water facilities in Kapeeka, Fort Portal, Jinja, Iganga, Koboko and Parombo.** The rehabilitation and expansion works will increase volume of water produced and ensure supply reliability in the above areas.
- (xi) **100 Service Coverage Acceleration Program (SCAP 100)** - aims at achieving universal access to water in 12,000 villages across the country.

The 100 Service Coverage Acceleration Program (SCAP 100)

The aspiration of the Government of Uganda is to achieve universal access to water supply by all citizens by 2040, in line with the National Development Plan (NDPII). NWSC would like to contribute towards achievement of that goal through the "100% Service Coverage Acceleration Project (SCAP100)". The project aims at ensuring universal and equitable access to safe water supply by the population in all villages under NWSC jurisdiction by the year 2020.

Under the SCAP 100 project, the Corporation plans to lay at least 8,000 km of new water mains, install 20,000 Public Stand Pipes (PSPs), connect 140,000 new consumers and take water to 12,000 villages in towns under NWSC jurisdiction by the year 2020.

The key activities under SCAP100 includes the following:

- a) Mains extensions, installation of Public Stand Pipes and New Connections.
- b) Re-enforcing of the existing water infrastructure to support increased water demand through:
 - Construction of water reservoirs, booster stations and other mini projects to augment water production and supply
 - Construction of water distribution mains
 - Development of alternative water sources especially production wells
 - Intensification of the existing secondary and tertiary water networks
 - Land acquisition for new infrastructure.

The total financing requirement for SCAP100 over the three-year period 2017-2020 is US\$ 213 billion or US\$ 71 billion per annum. The Corporation has committed to finance 58% of the budget, totaling to an average of US\$ 41 billion per year. We are grateful for the GoU's

commitment to finance 42% of the budget, totaling to US\$ 30 billion per annum.

For the FY 2017/18 and FY 2018/19, Government released US\$ 59.9 billion for SCAP 100 and NWSC invested an additional US\$ 87 billion in the same period.

A number of achievements have been registered in the implementation of SCAP 100 in the first two years of the project. 4,904Kms of water mains extensions were laid against a period target of 5,539Kms, 89% target achievement. We extended water to 3,832 villages out of the planned target of 5,235 villages (73% target achievement). We connected 119,250 customers and installed 6,996 public standpipes (PSPs).

The first phase of the SCAP 100 Project is expected to end in June 2020. The Corporation expects to complete all the pending SCAP 100 activities by the end of the project timeline. However, basing on the success of this project, the Corporation is working on the proposal to extend the project beyond 2020.



NWSC staff extending water mains to Nyakyera Town Council in Ruhaama County, Ntungamo District

Table 12: Summary of SCAP 100 performance as at June 2019

FY 2017/18 and FY2018/19						
REGIONS	LENGTH/PIPES		VILLAGES		PSPs Implemented (No.)	No. of New Customers
	Period Target (Km)	Implemented (Km)	Period Target (No.)	Villages Covered (No.)		
Kampala Water	869.4	587.8	189	349	201	57,175
Central Region	1,357.8	1,233.6	1,128	920	1,927	23,782
Northern & Eastern	1,322.3	1,183.1	1,488	1,387	2,230	16,500
West & South West	1,989.5	1,899.7	2,430	1,176	2,538	21,793
Total	5,539	4,904	5,235	3,832	6,896	119,250

SCAP 100 Project brings Joy to residents of Kayei, Apac District

Kayei village is found in Northern Uganda over 200 kms north of the capital city Kampala. There are over 200 people in this village. Kayei is a landing site on Lake Kwania and fishing is the main economic activity. Atopi primary school is approximately 5 Kms from the above village and has a population of over 350 pupils without a proper source of water. Most residents of Kayei were fetching water from the lake due to lack of clean, reliable and affordable water leaving the residents exposed to contracting water borne diseases.

The Corporation came up with an idea of providing water to the school and Kayei village under the SCAP 100 project. A borehole with a yield of 8m³ per hour was constructed in kayei village to provide a reliable water source. A reservoir and water distribution network were set up for the village. Water mains extension was constructed from the borehole up to Atopi primary school a distance of up to 5 Kms. To enable the local residents access to clean water, NWSC erected 8 PSPs in the village and another at the primary school. The above works were completed in September 2018 and water services have been provided since then.



The newly constructed borehole to supply water to Kayei village and surrounding areas



Children of Atopi Primary School in Apac draw water from a newly constructed PSP under the NWSC SCAP 100 project.

Feedback from Beneficiaries

When Ms. Mercy Angwech, a 22 year old resident of Kayei was asked about the above project, she responded in the Luo language.

"An nyinga Angwech Mercy, atye kede mwaka pyerarowie aryo (22) dok abedo i calo me kayei. Abedo kede gum me bedo iyi akina jo cato pii tap (NWSC PSP). Pii ame an acato konyo wi wudi tutumia apar. Acato jeriken acel ciling pyerabic (US\$50) ame welere yot pi joo me wang kwang man.

Ikare ame pii me NWSC pwod pe otunu icalo ni, onwongo terra lwak cawa me omo pii idog nam. Pi tic me mako rec odog nam, pii me dog nam tye acol. Ento ikare ame NWSC onyono kayei, kwo na olokere irwom amalu oyotoyot iyore magi;

- I. Pii acol ame yaa i nam pol kare miyo two ame yaa itic kede pii nam, dang otino na oboe I two magi. Kede pii acil iyaa ibot NWSC, yot kom waa oyubere dang wel two aya i pii acol odok ping apetwere.*
- II. Acalo ngat ame cato pii tap (NWSC PSP), anwongo cente me gwoko jo oda, ni beo I culu kwan, wilo jami atitino me yi ot bala moo dek, bongo, cem, naka gweno inino adongo.*

Wan opwo NWSC kede Gamente me Uganda pi tamo pir wa te kubo pii acil i calo me Kayei."

Which translates to English as follows;

"My name is Angwech Mercy. I am 22 years old and a resident of Kayei village. I was lucky to be among those chosen to manage the NWSC PSPs. My PSP serves at least 10 households and I sell a jerrican of water at US\$50, which is affordable for most households on the landing site.

Before NWSC came to my village, I used to take several hours per day drawing water from the lake. Due to the fishing activities on the Lake, the water is dirty. However, ever since NWSC set foot in Kayei, my life has improved tremendously;

- i. The dirty water from the lake always led to water borne diseases and my kids were always affected. With clean water from NWSC, our health has improved.*
- ii. I am able to raise some money from my PSP business to take care of my family. I can now pay school fees, buy a few household essentials like cooking oil, clothes and chicken on special occasions."*

We surely thank NWSC, the Government of Uganda for thinking about us and extending clean water to Kayei village."



Mercy expressing her joy of managing the NWSC PSP in Kayei, village

Other SCAP 100 Undertakings in Apac

Kayei is not the only village benefiting from the SCAP 100 project. The Corporation plans to take water to every village in Apac. Other villages that have already benefited include; Akaidebe, Akot A, Adyeda T.C, Odeo Corner, Otorongole, Atakara, Anginyi, Alany, Bung Teduka, Aboko, Ogobi, Teduka, Ikwera, Olami A, Akaidebe, Amia, Akar, Aminteng East, Village Inn, Atik Cell, Akere 'A', Bar Odong, Biashara, Omukuwie, Hospital And Around, Temogo, Agulu, Atopi, Alyer, Ilera, Acutayiki, Teibu, Barowelo South, Aminteng West, Olili and Olili South.

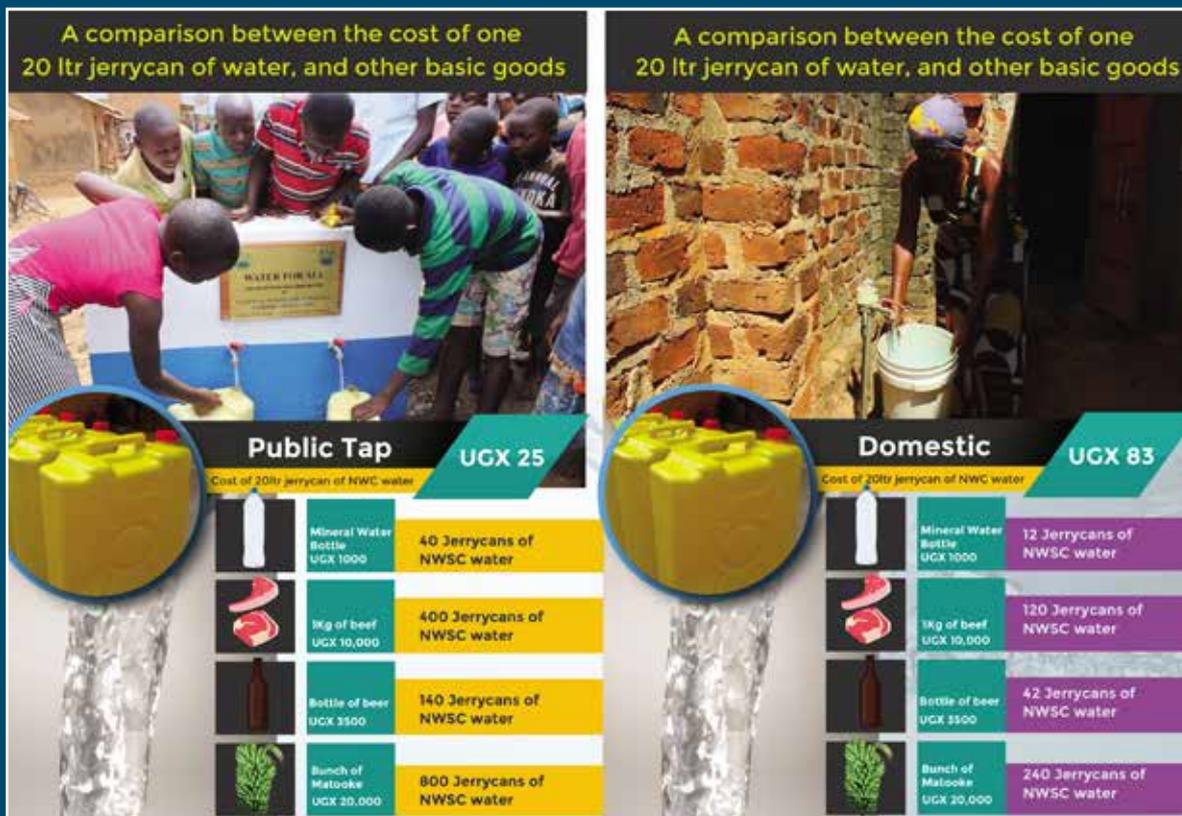
Table 13 below summarizes the parishes and villages in Apac now covered under SCAP100.



Hon. Beatrice Akello Akori (yellow skirt), the RDC Apac district launches a newly constructed PSP under the SCAP 100 project.

Table 13: Parishes and villages in Apac covered under SCAP100

Sub County	Parishes	Villages	Number of PSPS
Aduku	3	20	63
Apac Town	4	34	45
Ibuje	5	63	52
Total	12	117	160



Sanitation Infrastructure Projects

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

Kampala Sanitation Projects

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

- Small diameter of pipes and insufficient hydraulic capacities (55% of the sewer lines were having diameter less than 200 mm)
- Frequent blockages, especially at the siphons;
- Damaged sewer lines;
- Illegal storm water connections;
- Missing manhole covers and dumping of solid waste and rubbish into the sewer.

The Kampala Sanitation Master Plan 2004-2033

In 2003, NWSC commissioned the preparation of a Sanitation Master Plan for Kampala City, which proposed a series of interventions over a 30-year period up to 2033. The Sanitation Master Plan recommended the construction of the Bugolobi Sewerage Treatment Works, a new modern Wastewater Treatment Plant at Nakivubo, replacement and upgrading

of the existing sewer networks, extension of the sewer network in new catchments and the gradual implementation of additional wastewater treatment capacities at Kinawataka, Lubigi and Nalukolongo.

The Kampala Sanitation Master Plan was updated in 2008 and the first implementation phase was planned to be implemented in two stages as follows:

- Phase 1 Stage I - **Lake Victoria Protection I (LVPI)** and
- Phase 1 Stage II - **Lake Victoria Protection II (LVPII)**.

The Lake Victoria Protection I project (LVPI) – 2008 to 2015

The Lake Victoria Protection I project (LVPI) was implemented between 2008 and 2015 with a cost of EUR 15.3 million funded by KfW, EU and GoU. This intervention focused on combining infrastructure development, improvement of on-site sanitation management and accompanying measures in the fields of institutional strengthening, capacity development, community mobilisation and sensitisation. The key components of the Lake Victoria Protection I project included:

- Rehabilitation, modification and extension of the sewer network;
- Implementation of a new combined waste water (5,000 m³/d) and faecal sludge (400 m³/d) treatment facility at Lubigi for the north-west catchment area of the city.

The Lake Victoria Protection Project 1 was successfully completed and commissioned in 2014.

The Lake Victoria Protection II – 2011 to 2019

The Lake Victoria Protection II project was funded by African Development Bank (AfDB) - **Euro 65.5 million (loan)**, KfW Entwicklungsbank - **Euro 10 million (grant)** and the Government of Uganda - **Euro 66.3 million**. The key components

of the Lake Victoria Protection II project include:

- Construction of a 30 Km sewerage network in the Nakivubo and Kinawataka catchments.
- Construction of the Nakivubo Wastewater Treatment Plant at Bugolobi with the capacity of 45,000m³/day
- Construction of a Pre-treatment and Lifting station in the Kinawataka catchment with capacity of 9,000m³/day.

The Nakivubo Wastewater Treatment Plant (WWTP)

The project involves construction of a modern Wastewater Treatment Plant with the capacity of 45,000m³/day. It treats wastewater from the central business district of Kampala, as well as flow from the Nakivubo channel. The objective of the plant is to serve a population equivalent of 380,000 people that will contribute towards improvement of urban hygiene and sanitation within Kampala, as well as the improvement of the quality of water in the Inner Murchison Bay of Lake Victoria.

The plant will also generate over 630 KW of power from biogas produced from the wastewater. It will use modern technology to collect any gases generated during the treatment processes hence creating an odour free environment as well as reducing the greenhouse gas emitted into the atmosphere.

The Construction Contract was signed on 3rd November 2011 with a consortium of OTV/Cementers/ROKO at a cost of Euro 52.6million. The initial site was located within the Nakivubo swamp. However, upon commencement of the works, the site conditions proved unsuitable. The project was therefore relocated to Bugolobi in January 2014.

The overall progress was at 98% as at 30th June 2019 and the plant is currently operational. Pending works include



An aerial view of the Nakivubo Wastewater Treatment Complex which was substantially completed in 2019 and is already functional.

digester construction, landscaping and road works, which are nearing completion and commissioning is slated for November 2019.

The Kinawataka Pre-treatment Plant and Lifting Station.

The plant is of capacity 9,000m³/day. It will do preliminary treatment of the waste water generated from the areas of Nakawa, Ntinda, Banda, Kyambogo Butabika, Mutungo, Mbuya, Bukoto, before pumping it to the Nakivubo WWTP for full treatment.

The plant was constructed by a joint venture of Sogea Satom and Cementers (U) Ltd, with the contract signed on 8th August 2016 at a cost of Euro.12.7 million. The plant is currently in full operation and is expected to last for 50 years

The Nakivubo and Kinawataka Sewers Network

The project involves laying 30 Km of sewer pipes within the central business district of Kampala and the surrounding city suburbs of Ntinda, Nakawa, Banda, Kyambogo, Mbuya, Mutungo, & Butabika.

The pipes were laid by a joint venture of

Sogea Satom and Dott Services Ltd, at cost of Euro 43.2million. The Construction Contract was signed on 12th December 2013 and the works were completed and the pipes convey waste water to the two treatment plants; Kinawataka and Bugolobi.

Challenges experienced in the implementation of Kampala Sanitation Program

- Delayed compensation and land acquisition affected the timely implementation of the projects.
- Sewer network in congested business centre of Kampala
- Budget shortfalls especially in counterpart funding delayed the completion of the projects.

Benefits of the Kampala Sanitation Program (KSP)

The benefits to be derived from the KSP include:

- (i) The population with access to sanitation coverage is expected to increase from 6% to 15% by 2021.
- (ii) The costs of treating water supplied to Kampala residents is expected to reduce
- (iii) The residents of Kampala will be

saved from the obligation to build septic tanks and pit latrines.

- (iv) The nuisance caused by sewage spillage will be reduced due to the installation of new and large diameter sewer pipes.

Future Sanitation Plans

The Lake Victoria Protection III –

Expansion and development of sewage treatment system in Gaba and Mukono sub-catchments in the Kampala Metropolitan Area.

The main objective of the Project is to improve the living conditions of over 1.425 million people living in Kampala Metropolitan Area by:

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



The NWSC Board Chairman leads members of the Board and Management to the final tour of the Lubigi Sewerage Treatment Plant – 2014.



Aerial view of the Kinawataka Sewerage Pre-treatment Plant and Pumping Station completed in December 2018.

Sanitation Projects Outside Kampala

In addition to the Kampala Sanitation projects, the Corporation is also implementing projects which are intended to improve the sanitation facilities across the country. These projects include:

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

Gulu Sanitation Project. It involves construction of a faecal sludge reception and treatment center and upgrade and expansion of the existing wastewater treatment plant. Works are currently at 70% and full project completion is expected in October 2019.

Fort Portal Package Sewage Treatment

Plants: This project involves design, supply and installation of a sewage treatment plant. The plant has been delivered and is undergoing installation and testing. Full project completion is expected by December 2019.

Kisoro Package Sewage Treatment

Plants: This project, which entailed design, supply, and installation of a sewage treatment plant, was completed in FY 2017/18 and is fully-operational.

Mbale Sanitation Project.

The Corporation is procuring a consultant for the Mbale WATSAN project. The Namatala and Doko Wastewater Treatment Ponds will be rehabilitated under the project.

Adjumani Sanitation Project:

This project has a component for improvement in the sanitation infrastructure in Adjumani-Pakele and

neighbouring towns. The Corporation is currently in the process of procuring consultant for design and supervision of the project.

Sanitation Investment Plan (SIP)

The Corporation is working on a Sanitation Investment Plan, which will be implemented between 2019 and 2024. The SIP will focus on addressing the sanitation challenges in all the NWSC areas of operation through collaborating with the private sector. The estimated cost of implementing the SIP is approximately US\$ 88 billion. The key components of focus will include sewer expansions and extensions; improvements on sewage Treatment facilities; construction of communal and public toilets; construction of faecal sludge systems and Procurement and deployment of Cesspool Emptier trucks.

Compact sewerage treatment units installed and functional



Table 14: NWSC Key Project Status matrix

PROJECT	OBJECTIVE	SCOPE	STATUS	COMPLETION DATE
PROJECTS COMPLETED/ SUBSTANTIALLY COMPLETED DURING FY 2018/19				
Water Management and Development Project (WMDP)- Bushenyi Water Supply Project	To improve water supply and sewerage services in Bushenyi Municipality and surrounding areas.	Construction of the first phase of the Kitagata Water Treatment Plant (3,150m ³ /day)	The project was completed and is fully operational. The defects liability period ended in December 2018.	Dec-18
		Refurbishment of Nyaruzinga Water Treatment Plant		
		Construction of reservoirs in Kikuba-Ishaka (1,600m ³) and Kitagata (90m ³)		
		Laying of 17 Km of transmission main from the new water treatment plant in Kitagata to the new reservoir at Kikuba hill in Bushenyi.		
		Laying of 5.9 Km gravity main from the new reservoir at Kikuba to the existing reservoir at Katungu in Bushenyi.		
Water Management and Development Project (WMDP)- Arua Water Supply and Sanitation Project	To improve water supply and sewerage services in Arua Municipality and surrounding areas.	Refurbishment and upgrading of the current water treatment plant to 10,000 m ³ per day	The project was completed and is operational. The defects liability period ended on 28 February 2019.	Feb-19
		Increasing the storage capacity for treated water from 1,400,000 litres to 5,000,000 litres.		
		Construction of a new sewerage system		
		Construction of 10 public toilet facilities in the central business district and Dadamu.		
		Expansion of water distribution Systems		
Kampala Sanitation Programme Phase 2 (KSP – LVP2)	To provide improvements in the urban hygiene and sanitation services for Kampala city residents, and protection of Kampala's natural Environment.	Construction and operation of Nakivubo Waste Water Treatment Plant,	Construction of the Nakivubo Waste Water Treatment Plant is currently 98% completed, with the liquid process stream operational and treating wastewater.	Apr-20
		Construction of Nakivubo and Kinawataka sewers project	The construction of Nakivubo and Kinawataka sewers project was completed and currently under Defects Notification Period	Sep-19
		Construction of Kinawataka Pre-treatment and pumping station.	The Kinawataka pre-treatment plant and pumping station was completed and is now operational.	Dec-18

PROJECT	OBJECTIVE	SCOPE	STATUS	COMPLETION DATE
PROJECTS UNDER IMPLEMENTATION BY 30TH JUNE 2019				
Kampala Water Lake Victoria WatSan Project 2	To provide long-term solutions to the water supply challenges of Kampala and meeting Kampala's water demand by the year 2040.	Upgrading and rehabilitation of the Gaba Water Treatment Plant	Gaba Water treatment plant was completed and the plant is operational.	
		Construction of new Water Treatment Plant East of Kampala of 160,000 m ³ per day	Civil Works at the water treatment plant are ongoing. -Construction of the NWSC staff housing units is ongoing and currently at 40% completion.	Feb-21
		Construction of the 54 Km Katosi – Kampala Drinking Water Transmission Main from Nsuba hill to Sonde hill	21Km already laid (39% of the works)	Jan-21
		Construction of a reservoir at Ssonde hill,	Excavation works for the foundation have commenced.	
		Construction of a pump station and a 600mm pumping main to Naguru as well as a booster station at Namugongo.	Pumps for Namugongo booster station have been delivered to site and Installation will be done in FY 2019/20	
		Extension of Water Supply in Informal Settlements of Kampala.	Procurement of works contractor ongoing. Works to commence in July 2020	Dec-23
Water Management and Development Project (WMDP)-Gulu Water Supply and Sanitation Project	To improve water supply and sewerage services in Gulu.	Upgrading and expansion of the existing water treatment plant from 4,000 to 10,000,000 litres of water per day.	Overall work progress is 70%.	Oct-19
		Upgrading of the existing water supply and distribution network		
		Construction of a new intake		
		Construction of a faecal sludge reception and treatment centre		
		Upgrading and expansion of the existing wastewater treatment plant.		
Integrated Program to improve Living conditions in Gulu – (Phase II Nile option)	To bridge the gap left by the Uganda Water Management and Development Project. The project scope will be co-funded by KfW and the World Bank (under IWMDP).	Construction of water treatment plant at Karuma	Geotechnical investigations completed.	Dec-24
		Bulk transfer of water from Karuma to Gulu and the six towns enroute to Gulu	Detailed design of all water supply infrastructure is being carried out.	
Development of Water and Sanitation Infrastructure for the Isingiro, Mbarara-Masaka Areas-South Western Cluster	To improve the living standards and productivity of the population in the project areas through provision of good quality water and improved sanitation services.	Construction of new water intake on Kagera River at Nshungyezi –to cater for domestic and production use.	<ul style="list-style-type: none"> Contracts for design and supervision consultancy were signed. Detailed design consultancy commenced and is ongoing. 	Apr-23
		Construction of a new Water treatment plant in Kagera and associated infrastructure to meet the demand for Mbarara town up to the year 2040.		
		Rehabilitation and expansion of the existing water supply and sanitation infrastructure in Mbarara Municipality and surrounding areas.		
		Rehabilitation and expansion of the existing water supply and sanitation infrastructure in Masaka municipality and some towns along the Lukaya - Masaka highway.		

PROJECT	OBJECTIVE	SCOPE	STATUS	COMPLETION DATE
Package Sewage Treatment Plants for Fort Portal	The project aimed at addressing wastewater disposal challenges in Fort Portal town.	Design, supply, installation and operation of sewage treatment plants.	The compact sewage plant has been delivered on site and is undergoing installation and testing.	Sep-19
Kapchorwa Water Supply Project	The project is aimed at improvement of water supply services in Kapchorwa town.	Construction of New Water works (3000m ³ /day capacity) and 4km DN 200mm Delivery main.	Works on coagulator, flocculator, filter and staff houses are complete. Works have commenced on clarifier has commenced.	Oct-19
Sembabule water supply improvement project	increasing water production from 300m ³ /day to 3000m ³ /day and upgrading and extension of the water distribution network.	<ul style="list-style-type: none"> Construction of new intake and water treatment line including; flocculator, coagulator, clarifier, filter and ancillary works. Upgrading entire distribution network, and extension to surrounding towns (100km length, 90-200mm) 	Pipes have been delivered and laid. The contract for construction of Water Treatment Plant works is being procured.	Aug-21
Fort Portal Water Production Improvements	The project is aimed at improvement in water quality and increase water production by 2500m ³ /day.	Construction of flocculator, coagulator, clarifier, filter and ancillary works.	Civil works are at 30% progress.	Dec-19

PROJECT	OBJECTIVE	SCOPE	STATUS	COMPLETION DATE
PROJECTS AT PLANNING STAGE AS AT 30TH JUNE 2019				
Integrated Water Management and Development Project (IWMDP) – Adjumani Water Supply and Sanitation Project.	To improve water supply and sewerage services in Adjumani and the surrounding Areas.	Water supply and sanitation infrastructure improvements in Adjumani-Pakele and neighbouring towns.	Process of procuring consultant for design and supervision	Dec-24
Integrated Water Management and Development Project (IWMDP) – Mbale Water Supply and Sanitation Project.	The proposed project covers water supply and sanitation infrastructure improvements in Mbale municipality and the neighboring areas.	Construction of: a) A new raw water intake along Namatala River, b) Raw water transmission main from the Namatala to Bungokho Water Treatment Plant, c) New Mbale transmission main to Mbale town and d) A new reservoir and pressure break tanks. Rehabilitation of: a) Bungokho Water Treatment Works to achieve 9,450 m ³ /day, b) Nabijo and Nabiyonga Intakes, c) Namatala and Doko Waste Water Treatment Ponds and d) Manafwa Treatment Works to original design capacity of 9,000 m ³ per day.	Process of procuring consultant for design and supervision	
Wakiso West WatSan Project (W/WWSP)	To improve the quality of life, health and economy of people in the south and west of greater Kampala.	Development of the new Water Treatment Plant, storage reservoir, pumping main, distribution system, a faecal Sludge Treatment Plant and Supply of Water in Informal Settlements.	Feasibility and pre-design reports ready. Works contract is being procured.	Apr-23
Kyotera Water Works and Bulk Transfer to neighbouring towns	To improve water supply reliability in Kyotera and the surrounding areas.	<ul style="list-style-type: none"> The project involves water abstraction and treatment at Malembo landing site along Lake Victoria. Transfer of water to Kyotera, Kalisizo, Sanje, Kakuuto, Mutukula, Rakai, Lyantonde and Kalisizo. 	The Corporation is sourcing for funds to implement the project.	Subject to availability of funds
Development of WatSan Infrastructure for The Hoima - Masindi Areas (Albertine Graben Cluster North)	To develop water and sanitation infrastructure in the Albertine Region.	Feasibility study, and preliminary design	<ul style="list-style-type: none"> Feasibility design report submitted The Corporation is sourcing for funds to implement the project. 	Subject to availability of funds
Kiruddu Waste Water Treatment Plant	To improve Sanitation in the Kiruddu Hospital and the surrounding community	Construction of a 300m ³ /day wastewater treatment plant targeting Kiruddu Hospital and the surrounding community.	Works contract is being procured and expected to commence in October 2021.	Jun-20

Operational Performance



Water production

Water produced is water that has gone through a treatment process and is ready for consumption. Water production increased by 7%, from 126.3 million m³ in the financial year 2017/18 to 134.9 million m³ in the reporting period. The increase is attributed to infrastructure upgrades through the Water Stabilization Programme and implementation of other Capital Development Projects. This has increased access to clean and safe water to people of Uganda.

The water produced was 85% of the planned target. The following factors affected the achievement of the production target:

- Erratic power outages which affected the Ggaba water plants, Gulu, Arua and other upcountry town
- Prolonged droughts which dried up water sources with Gulu, Arua, Mityana and Bushenyi being the most affected.

NWSC is sinking production wells to provide alternative water sources in the towns which are prone to adverse effects of climate change.

Table 15: Six-year trend of Water Production in million m³ from FY 2013/14 to FY 2018/19

Region	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Growth	Target	% Achieved
Kampala	63.8	63.8	66.3	77.2	79	82.8	5%	99.6	83%
Central	15.4	16.9	18.3	18.6	20.3	22.1	9%	25.4	87%
Eastern & northern	7	9.8	9.5	10.8	12.5	14.0	12%	15.4	91%
Western and Southwestern	76	9.1	11.9	13.2	14.5	16.1	11%	18.3	88%
NWSC Global	93.8	99.6	106	120.7	126.3	134.9	7%	158.7	85%

Figure 2: Showing the trend analysis of water production for the last Six years (2013-2019)



Hon. Simon Oyet and other Members of Parliament on Natural Resources Committee witness the testing of a newly installed production well to boost water production in Gulu Town.

Capacity Utilization

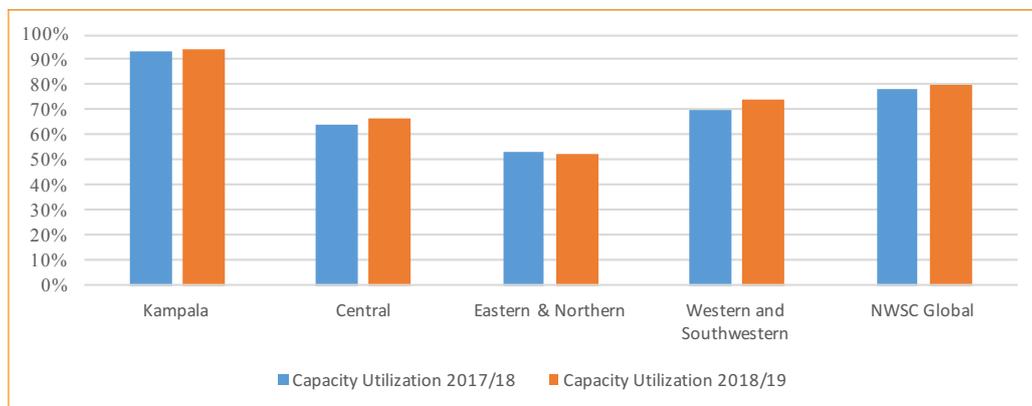
This is a measure of the extent to which the capacity of the water production infrastructure is being used. During the FY 2018/19, the Corporation recorded 80% capacity utilization, an improvement of 2% from the previous year due to increased investment in water production infrastructure. However the capacity utilization in Kampala Area is still very high (94%). This points towards the need for increased investments in production capacity for Kampala.

The Corporation is implementing the Katosi Water Supply Project which is expected to increase production by 160 million litres per day by February 2021 to serve Eastern Kampala and the surrounding Areas. NWSC also plans to develop the Wakiso West WatSan project to serve Wakiso and the southern part of Kampala.

Table 16: Daily capacity utilization as at June 2019.

Region	Practical Capacity m ³ /day	Production m ³ /day	Capacity Utilization	
			FY 2017/18	FY 2018/19
Kampala	240,000	226,745	93%	94%
Central	90,290	60,490	64%	67%
Eastern & Northern	73,625	38,442	53%	52%
Western and Southwestern	59,370	43,967	70%	74%
NWSC Global	463,285	369,644	78%	80%

Figure 3: Comparison of Capacity utilization between FY 2017/18 and FY 2018/19



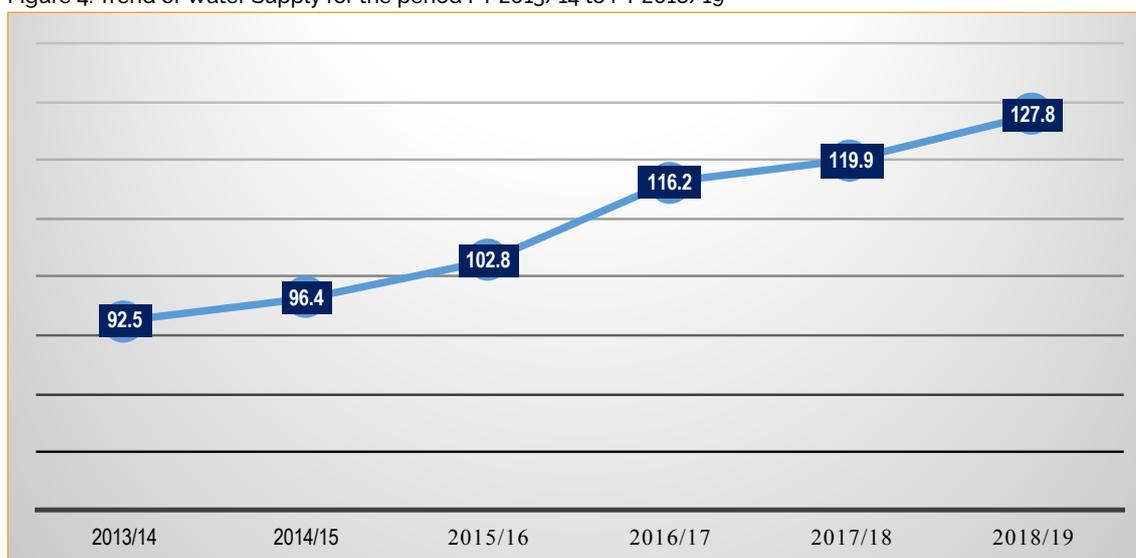
Water Supplied

This is water that enters the distribution system for use by the final consumers. The Corporation registered a growth in water supply of 7% from 120 million to 127.8 to million cubic metres in financial year 2018/19 as a result of the increased production. The Corporation achieved 83% of the annual target.

Table 17: Six-year trend of Water Supplied in million m³ from 2013/14 to 2018/19

Region	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Growth	Target	% Achieved
Kampala	63.8	63.8	66.3	75.8	76.5	79.7	4%	95.5	85%
Central	15.2	15.9	16.6	18.1	19.1	20.5	7%	25.2	81%
Eastern & northern	6.5	8	8.8	10.1	11.3	12.9	14%	15.1	85%
Western and Southwestern	7	8.7	11.1	12.2	13	14.7	13%	17.5	84%
NWSC Global	92.5	96.4	102.8	116.2	119.9	127.8	7%	153.3	83%

Figure 4: Trend of Water Supply for the period FY 2013/14 to FY 2018/19



Water sales

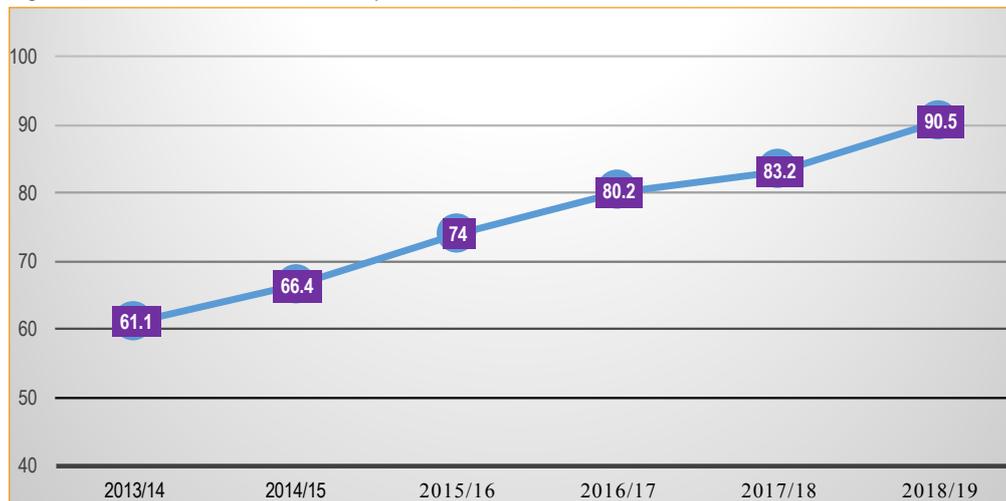
This is the volume of water that actually reaches the customer and is billed. The volume of water sold increased by 9%, from 83.2 million m³ in the FY 2017/18 to million 90.5 m³ in the FY 2018/19. The increase in water sales was a result of growth in customer base arising from implementation of SCAP100 Project and completion of major infrastructure projects like Bushenyi and Arua water supply projects.

Table 18: Six-year trend of Water Sales in million m³ from FY 2013/14 to FY 2018/19

Region	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19			
						Actual	Growth	Target	% Achieved
Kampala	40.3	42.5	45.2	47.7	48.8	52.2	7%	62.10	84%
Central	9.7	11.1	12.9	14.6	15	16.1	7%	20.17	80%
Eastern & Northern	5.4	6.1	7.1	8.4	9.2	10.5	14%	12.48	84%
Western and SouthWestern	5.7	6.7	8.7	9.6	10.1	11.7	16%	13.65	86%
NWSC Global	61.1	66.4	74	80.2	83.2	90.5	9%	108.40	83%



Figure 5: Trend of Water Sold for the period FY 2013/14 to FY 2018/19



Non-Revenue Water (NRW)

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

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

The Corporation recorded Global NRW of 29% in the FY 2018/19, an improvement by 2 percentage points, from 31% in the FY 2017/18. Kampala Water registered NRW of 35%, Central Region (22%), Northern & Eastern (18%) and Western & South Western (20%).

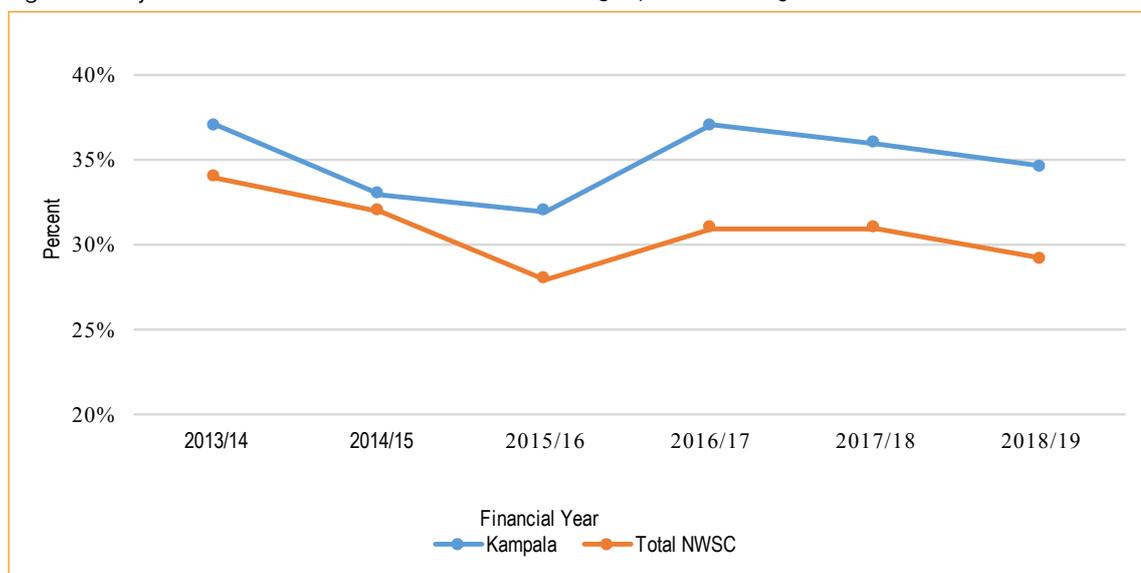
The Corporation has put in place the following measures to reduce Non-Revenue Water;

- Procurement of 35,000 water meters earmarked for replacing the faulty meters.
- Strengthening of Water Loss Prevention Programs to investigate and prosecute the illegal water users.
- Setting up a 24/7 teams to respond to reported water leakages and bursts.
- The Corporation is sourcing for funds to replace the old pipe network as a long term measure, especially in Kampala Water.

Table 19: Six-year trend of Non-Revenue Water from FY 2013/14 to FY 2018/19

Region	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19			
						Actual	% Improv't	Target	% Achieved
Kampala	37%	33%	32%	37%	36%	35%	1%	35.0%	101%
Central	36%	30%	22%	19%	21%	22%	-1%	20.0%	91%
Eastern & northern	17%	24%	19%	17%	19%	18%	1%	18%	98.0%
Western and South Western	19%	23%	22%	21%	22%	20%	2%	22%	111%
Total NWSC	34%	32%	28%	31%	31%	29%	2%	29%	100%

Figure 6: Six-year trend of Non-Revenue Water from FY 2013/14 to FY 2018/19



Service Coverage Acceleration Project (SCAP 100)

This is a three-year project aimed at 100% water service coverage through increased access to piped water supply. The project focuses on ensuring universal and equitable access to safe water supply in all villages under NWSC jurisdiction by the year 2020. Key to the Project is the mains extension of 8,000 Kms, Installation of 140,000 new water connections and 20,000 Public Stand Pipes targeting 12,000 villages, with at least two PSPs per village or one PSP per 200 people by the end of the project.

The Corporation has committed to finance 58% of the budget, totaling to an average of US\$. 41 billion per year. GoU committed to finance 42% of the budget, totaling to an average of US\$. 30 billion per annum. The total financing requirement for SCAP100 over the three-year period 2017-2020 is US\$. 213 billion or US\$. 71 billion per annum. The performance of SCAP 100 in the key performance indicator is analyzed below;

Water Mains Extensions

The Corporation set the target of laying **3,000 km** of new water mains in the FY 2018/19. As at 30th June 2019, **2,727 km** of pipes had been laid. The remaining **273 km** of pipes were still in the process of being buried. The Corporation also inherited **362 km** of pipe network from the 17 new towns. The total water pipe network grew by **22%** from **14,466 km** in FY 2017/18 to **17,623 km** in FY 2018/19. The growth in network coverage is in line with our vision to bring services closer to all Ugandans in line with the National Development Plan II (NDP11).

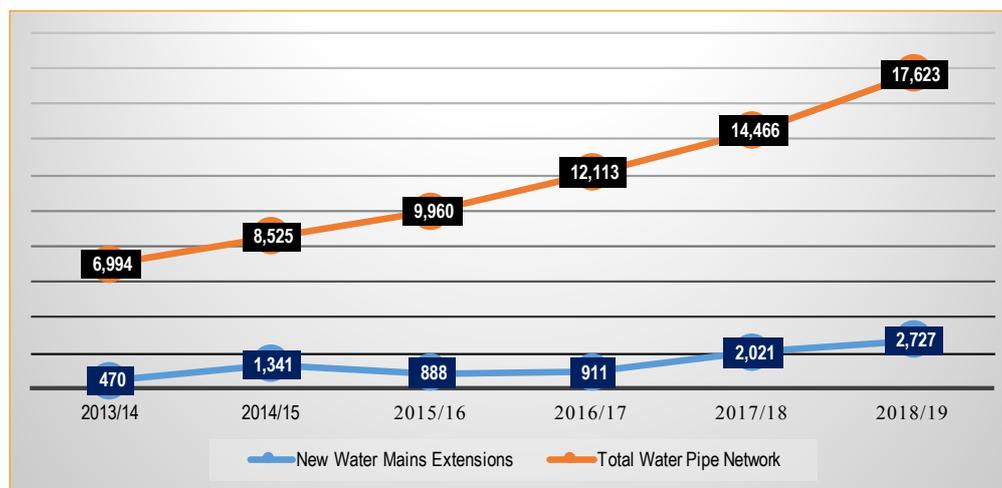


Ongoing works on water network extension in Kampala. 2,727 kms of water mains were extended bringing the total network to 17,623 kms.

Table 20: Six-year trend of Water Mains extensions from FY 2013/14 to FY 2018/19

Region	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19			
						Actual	Growth	Target	% Achieved
Kampala	83	83	157	161	358	216	-40%	531	41%
Central	100	289	189	194	430	577	34%	638	90%
Eastern & northern	97	393	184	188	418	785	88%	620	127%
Western and Southwestern	190	576	358	368	816	1,150	41%	1,210	95%
New Water Mains Extensions	470	1,341	888	911	2,021	2,727	35%	3,000	91%
Water Network from New towns		190	547	1,242	332	430	29%	-	-
Total Water Pipe Network	6,994	8,525	9,960	12,113	14,466	17,623	22%	17,466.0	101%

Figure 7: Growth in water pipe network length



New Water Connections

New water connections represent the number of customers who have been connected to the distribution network. **69,215** new consumers were connected during the year, against a target of **52,858**, a 131% target achievement. The customer base grew by 12% from 587,863 in FY 2017/18 to **659,157** in the reporting period.

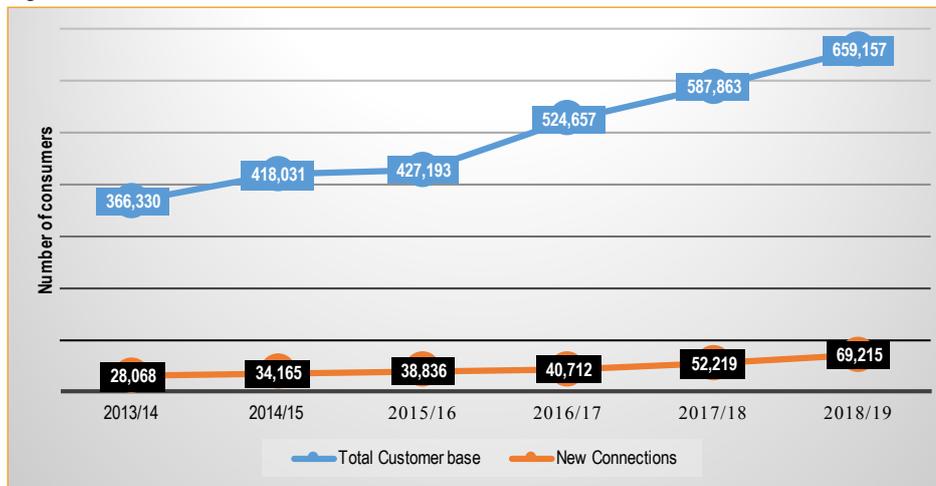
Table 21: Six-year trend of New Water Connections (FY 2013/14 - FY 2018/19)

Region	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19			
						Actual	Growth	Target	% Achieved
Kampala	15,324	14,982	18,951	20,577	25,931	32,130	24%	26,404	122%
Central	6,106	7,686	8,253	8,330	10,169	13,959	37%	10,377	135%
Eastern & Northern	3,341	5,079	4,796	5,271	6,663	10,387	56%	6,526	159%
Western and South Western	3,297	6,418	6,836	6,534	9,456	12,739	35%	9,551	133%
Total New water connections	28,068	34,165	38,836	40,712	52,219	69,215	33%	52,858	131%
Connections from new Towns	20,970	17,626	15,419	11,752	12,865	2,079	-84%	-	-
Total Customer base	366,330	418,031	427,193	524,657	587,863	659,157	12%	640,721	103%

NWSC staff effect a new water connection. Over 69,000 new consumers were connected to our network in the FY2018/19.



Figure 8: Growth in customer base



Public Stand Pipes (Kiosks)

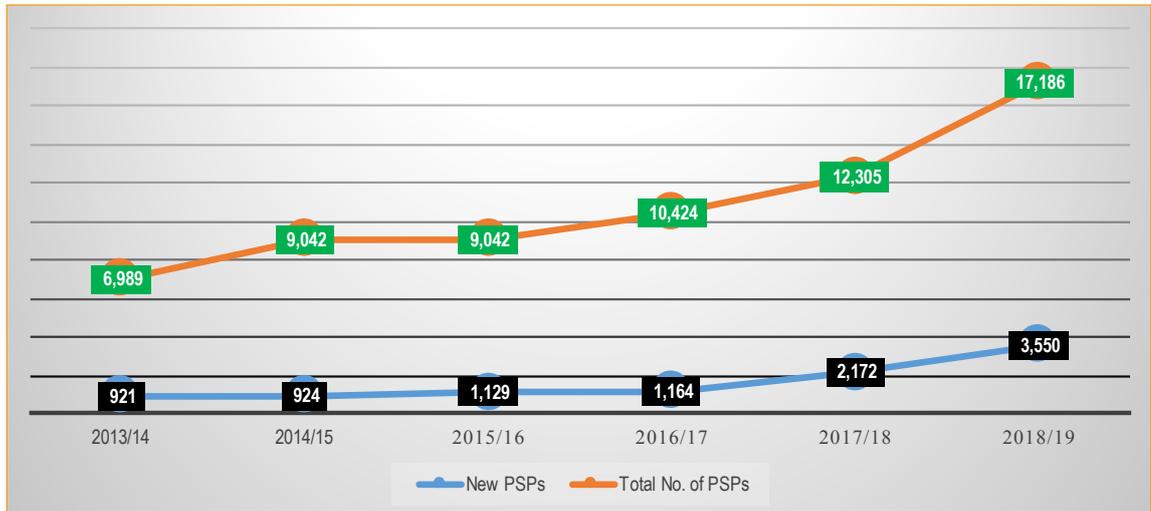
The Corporation's mandate is to provide water to all people in Areas entrusted to it. We are well aware of the high number of people who are unable to afford water connections to their homes. Public stand pipes (PSPs) are a convenient way through which the economically disadvantaged members of the community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

During the Financial Year 2018/19, the Corporation installed 3,550 new PSPs bringing the total number of PSPs to 17,186. All regions registered growth in the number of PSPs in the current financial year except in Kampala where the number dropped from 247 in FY 2017/18 to 74 in FY 2018/19. In Kampala, the emphasis has been put on water extensions and water stabilization measures for boosting water supply and pressure. The total number of PSPs has more than doubled from 6,989 in FY 2013/14 to 17,186 in June 2019.

Table 22: Six-year trend of New PSPs from FY 2013/14 to FY 2018/19

Region\FY	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19			
						Actual	Growth	Target	% Achiev't
Kampala	778	43	99	36	247	74	-70%	331	22%
Central	10	243	227	183	545	954	75%	2,480	38%
Eastern & northern	69	276	299	356	627	1,066	70%	2,983	36%
Western and Southwestern	64	360	504	589	753	1,456	93%	2,706	54%
Total New PSPs	921	924	1,129	1,164	2,172	3,550	63%	8,500	42%
Total No. of PSPs	6,989	9,042	9,042	10,424	12,305	17,186	40%	20,805	83%

Figure 9: 6 Year trend of growth in PSPs



H.E President Y.K Museveni commissioning a PSP in Kashongi village, Mbarara. Over 3,000 PSPs were connected in the FY2018/19. Total number of PSPs is 17,187.



Villages Served

The Corporation believes that access to clean and safe water is a human right that must be enjoyed by all. While access to safe water is at 85% in the urban areas, only 30% of fellow citizens in the rural areas have access to safe and clean water. The Corporation plans to provide access to safe, affordable water to all people in the urban and rural areas. We do this by extending our distribution mains into the peri-urban and village settings.

Our target is to provide at least one PSP for every 200 people in all villages within our Operational Areas. The Corporation was operating in 15,420 villages, serving more than 15 million consumers. Due to the implementation of SCAP 100, we have extended our network to another 2,123 villages in the FY 2017/18 and another 1,964 villages in FY 2018/19. More than 19 million consumers in 19,507 villages now have access to our services.

Table 23: Population and Villages served under SCAP100 Project as at June 2019.

Region	2016/17		2017/18		2018/19	
	Villages	Population	Villages	Population	Villages	Population
Kampala	858	1,813,600	193	2,221,554	156	2,551,299
Central Region	4,342	6,443,127	517	7,210,307	486	7,931,486
Eastern And Northern	3,857	3,042,347	707	5,575,927	680	6,112,301
Western Region	6,363	4,351,200	706	3,120,993	642	3,560,011
Total	15,420	15,650,274	2,123	17,804,978	1,964	19,831,295

NWSC extends water to villages to ensure 100% service coverage



Sewer Services

NWSC operates centralized sewerage systems of collecting, treating and discharging effluent in 16 out of 253 towns. During the FY 2018/19, 368 new sewer connections were made (98%) of the target of 376. The total sewer connections stood at 22,606 in June 2019. 20,316 sewer connections (90%) were active, while 2,290 were inactive (10%).

The sewerage coverage (number of people accessing our sewerage services compared to the target population) at the end of the financial year stood at **21.5%**. The sewerage service coverage is still low due to the limited pipe network coverage.

During the Period under review, the Corporation completed the Arua Sewerage System. Under this project, 120 new sewer connections were made in FY 2017/18 and another 113 connections were made in FY 2018/19.

The Corporation is planning to implement the Sanitation Investment Plan (2019-2023) which will involve construction of public toilets, sewerage ponds, extension of sewer network, deployment of cesspool emptier trucks and improvement of sewage treatment facilities in an effort to increase access to sanitation. The Sanitation Investment Plan will be implemented in all the towns under NWSC jurisdiction.

Table 24: Status of Sewer Connections as at 30th June 2019

Region	Total Sewer Connections					New SewerConnections		
	Active Accounts	Inactive Accounts	Total Connections	Annual Target	% achieved	Actual	Annual Target	% Achieved
Kampala	9,734	787	10,521	10,321	102%	152	168	90%
Central	4,564	615	5,179	5,166	100%	34	104	33%
Eastern & Northern	4,074	632	4,706	4,973	95%	154	104	148%
Western and Southwestern	1,944	256	2,200	2,149	102%	28	24	117%
NWSC Global	20,316	2,290	22,606	22,609	100%	368	400	92%

Service Coverage

The Corporation operated in 236 towns as at the end of June 2018. Additional 17 towns were taken over during the reporting period, bringing the total number of towns served by NWSC to 253 by June 2019.

During the year, the NWSC total network coverage was 17,556 Km serving 659,157 customers. We are also implementing the Water Supply Stabilization Programme (WSSP) which is aimed at boosting water supply through network intensification, installation of boosters, reservoirs, construction of production wells and replacement of pumps.

The water service coverage (Number of people served against the target population) stood at 83.7% (Within municipal boundaries) as at June 2019, up from 78.2% at the end of FY 2017/18.

Table 25: Six-year trend of Water Service coverage from FY 2013/14 to FY 2018/19

Indicator	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
% of population served	76.50%	76.20%	78.00%	78.80%	74.30%	83.70%
Number of Service Towns	66	110	170	218	236	253



Quality Assurance

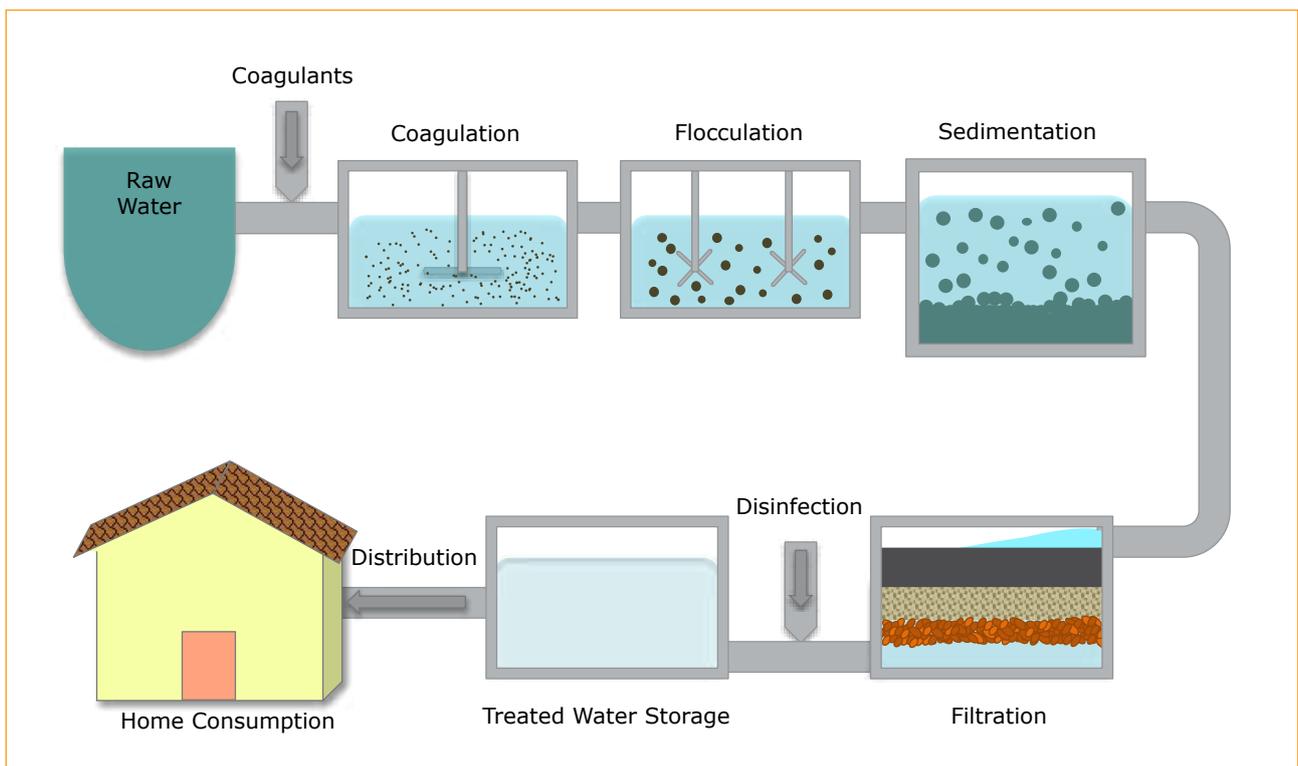
The mandate of National Water and Sewerage Corporation (NWSC) is to ensure that the quality of drinking water delivered to customers and the quality of wastewater effluent discharged into the environment meet the National Standards. NWSC employs a team of competent water chemists and microbiologists who conduct various water tests and ensure quality assurance for the water consumed and wastewater discharged.

The Water Treatment Process

The Corporation collects water from various sources, which include; rivers and streams, lakes, dams, wells and underground sources. The water from most of the above sources is not safe for immediate human consumption. The impact of environmental degradation and pollution continues to affect the quality of water from the above sources.

The Corporation ensures that the drinking/potable water delivered to the consumers is free of contaminants, which are harmful to human health. We do this by subjecting the water drawn from the raw water sources to various tests and treatment processes, which include; screening, coagulation, clarification, filtration and disinfection as illustrated in the diagram below:

Figure 10: NWSC Water Treatment Process



Screening. As soon as raw water is extracted, it is subjected to a screening process whereby large particles, debris and aquatic plants are removed.

Coagulation. After screening, the water is subjected to a process of coagulation. Coagulation flocculation involves the addition of polymers (chemical compounds) that clump the small, destabilized particles together into larger aggregates so that they can be more easily separated from the water.

Clarification/Sedimentation. Clarifiers consist of tanks or sedimentation basins, which hold the water for a period sufficient to allow the large particles to settle at the bottom. The clarification process makes the water clear by removing all kinds of particles, sediments, oils, natural organic matter and colour.

Filtration. After clarification, water is delivered to the filters. Filtration involves the removal of suspended substances still contained in clarified water using sand or other grainy media. As the clarified water is passed through the filters, more of the water-borne suspended substances become trapped on top of or within the sand/media thus purifying the water.

Chlorination. This is the final stage of the water treatment process. Chlorination involves the disinfection of filtered water using chlorine gas or chlorine powder in order to eliminate pathogenic micro-organisms. Chlorination makes water fit for human consumption.

Water Quality Assurance

Water samples are collected at every stage of the treatment process on a daily basis to ensure effective performance of each treatment in removing impurities occurring in the water. The table below outlines key water quality parameters that are routinely tested to ensure safety of water at all times.

Table 26: Key Water and Wastewater quality parameters routinely tested by NWSC

Water Quality	Ingredients	Indicator	Actual Perf.
Compliance with National Standards for Drinking (potable) Water 2008	(No. of Samples passing National Standards/ Total samples tested) X 100	Bacteriological Quality (%)	99.6
		Colour (%)	84.4
		Turbidity (%)	95.5
		Chlorine residual (%)	95.0
		pH (%)	100.0
		Electrical Conductivity (%)	100.0
		Alkalinity Total (%)	100.0
		Hardness Total (%)	99.5
		Average (%)	96.7
Sewage Quality			
Compliance with all 54 Effluent discharge Parameters	(No. of Samples passing National Discharge Standards/ Total Samples tested) X 100	BOD (%)	41.8
		Total Suspended Solids (%)	41.5
		Average (%)	41.7

Water Quality Laboratories

The Corporation has set up a fully-fledged state of the art Central laboratory in Kampala. We also have regional laboratories stationed in Gulu, Mbale and Mbarara. The laboratories handle the testing of water samples for heavy metals and pesticides to guarantee the health of our consumers. We have also set up a well-equipped mobile laboratory to carry out on site water testing during network monitoring on a daily basis. The Rapid Response teams have been established to ensure quick action and response whenever we receive any water quality related customer complaints at the customers' premises.

Quality Checks by other Stakeholders

The Corporation conducts its activities according to standard operating procedures and protocols and participates in



Proficiency Testing with accredited laboratories. Additionally, we conduct joint water quality monitoring activities with other stakeholders such as Kampala Capital City Authority (KCCA), Uganda National Bureau of Standards (UNBS) and the Ministry of Water and Environment (Directorate of Water Resources Management).

Laboratory Services to the General Public

Through our External Services Department, the Corporation extends water and wastewater testing services to other private institutions and the public at a reasonable fee.

Challenges.

The Corporation continually strives to achieve supply of good quality water which is safe for human consumption. However, we are faced with a number of challenges especially the deteriorating raw water quality as a result of source pollution from un-regulated discharge of domestic wastewater, industrial effluent and bad farming practices that lead to soil erosion. We are also affected by wild fires and climate change.

The deteriorating raw water quality leads to increased consumption of water treatment chemicals and the need to install high cost treatment technologies. The Corporation is engaging stakeholders to ensure sustainability and protection of its water sources.

The Corporation assures the general public that the water we extract from the environment is subjected to vigorous treatment processes and quality checks. The final product delivered to the customer is safe for human consumption. We urge the public to regularly clean their water tanks, keep them covered at all times, and report water bursts or leakages, which can potentially compromise the quality of water, received at their premises.



Inside the NWSC Water Quality Laboratory, Bugolobi, Kampala.

Financial Performance

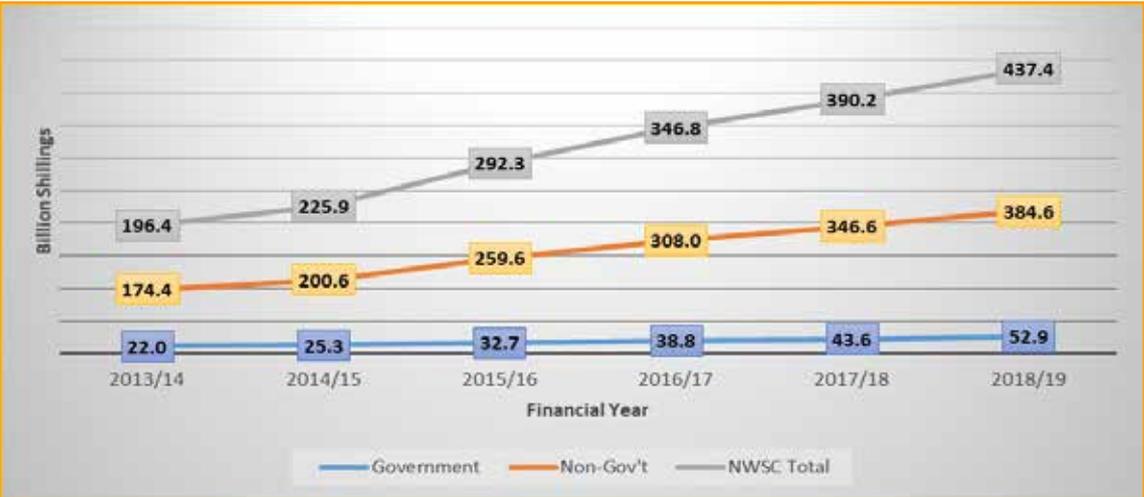
Billing

The Corporation registered a growth in billing of 12% from US\$390.2billion in FY2017/18 to US\$437.4billion in Financial Year 2018/19. The Corporation achieved 90% of the annual billing target of US\$485.9billion. The growth in billing was mainly attributed to increase in the volume of water sold arising from increase in water production, increase in number of towns and increased service coverage arising from implementation of SCAP 100.

Table 27: Six-year trend of NWSC Billings (Billion Shillings) from FY 2013/14 to 2018/19

FY	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19			Growth
						Actual	Target	% Achiev't	
Government	22.0	25.3	32.7	38.8	43.6	52.9	53.3	99%	21%
Non-Gov't	174.4	200.6	259.6	308.0	346.6	384.5	432.6	89%	11%
NWSC Total	196.4	225.9	292.3	346.8	390.2	437.4	485.9	90%	12%

Figure 11: Six-year trend of NWSC Billings (Billion Shillings) from 2013/14 to 2018/19



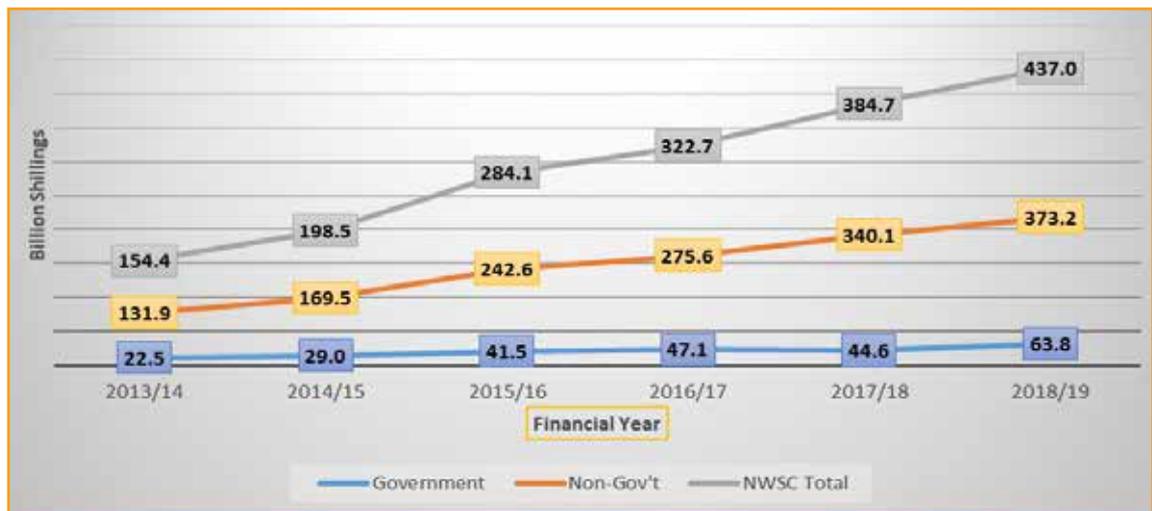
Collections

The Corporation registered a growth in collections of 14% from **UShs.384.7billion** in FY2017/18 to **UShs.437billion** in Financial Year 2018/19. The Corporation achieved 90% of the annual collections target of UShs.484.4billion.

Table 28: Six-year trend of NWSC Collections (Billion Shillings) from FY 2013/14 to FY 2018/19

FY	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19			Growth
						Actual	Target	% Achiev't	
Government	22.5	29.0	41.5	47.1	44.6	63.8	55.9	114%	43%
Non-Gov't	131.9	169.5	242.6	275.6	340.1	373.2	428.5	87%	10%
NWSC Total	154.4	198.5	284.1	322.7	384.7	437.0	484.4	90%	14%

Figure 12: Six-year trend of NWSC Collections (Billion Shillings) from FY 2013/14 to 2018/19



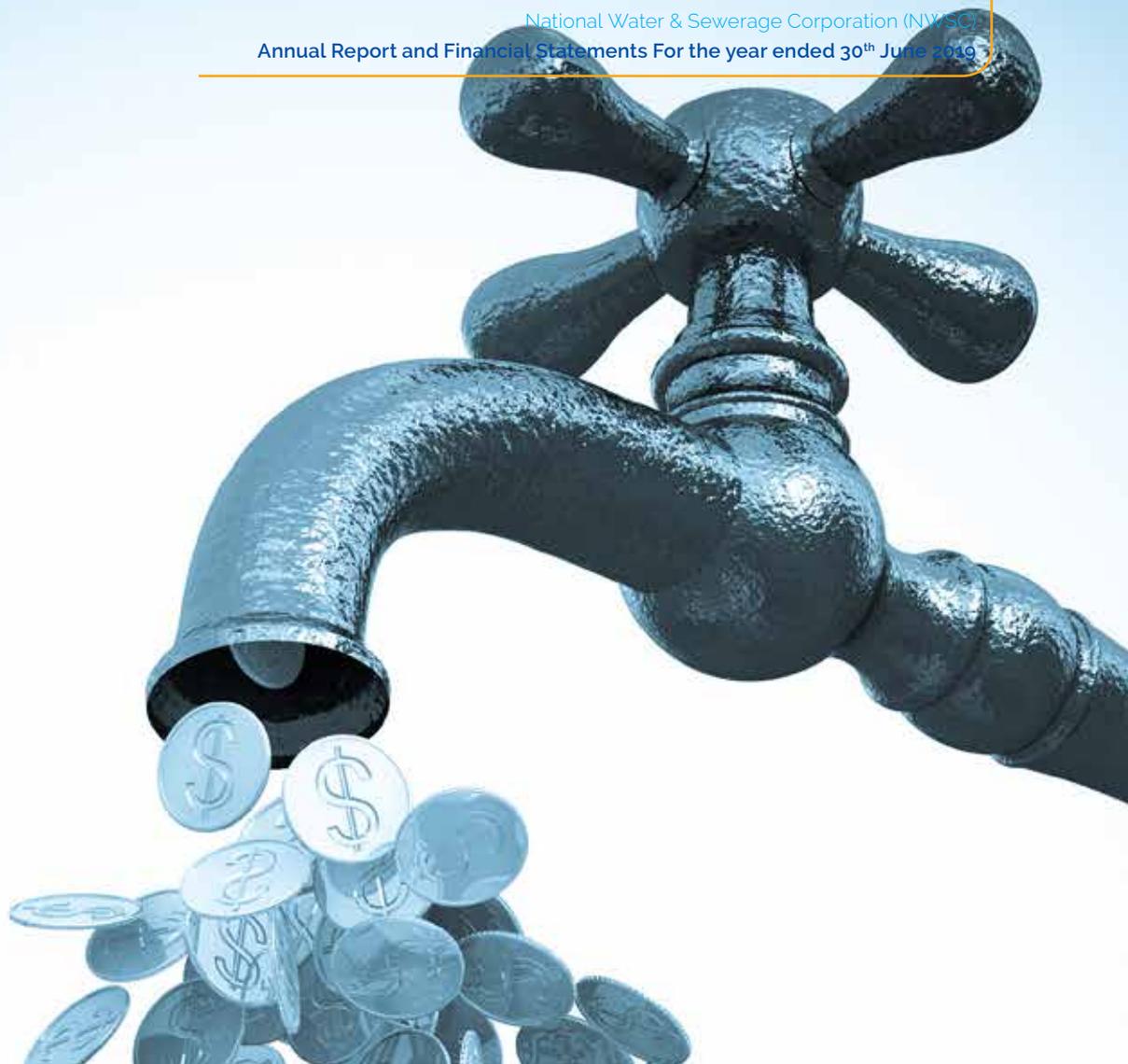
Arrears and Debt age

During the FY 2018/19, total arrears grew by **0.4%** from **UShs.93.2 billion** in FY2017/18 to **UShs.93.6 billion**. Government arrears reduced by 27% from **UShs.41.2 billion** in FY2017/18 to **UShs.30.2 billion** in FY 2018/19. Debt age reduced from **2.9 months** in FY2017/18 to **2.3 months** in the FY2018/19.

Table 29: Summary of Arrears (Billion Shillings) and Debt age as at 30th June 2019

FY	2017/18	2018/19			Growth (Reduction)	Debt Age (Months)		Growth (Reduction)
		Actual	Target	% Achiev't		2017/18	2018/19	
Government	41.2	30.1	38.6	128%	-27%	11.3	6.8	39%
Non-Gov't	52.0	63.5	56.1	88%	22%	1.8	2.0	-10%
NWSC Total	93.2	93.6	94.7	101%	0.5%	2.9	2.6	11.4%





Financial Statements

For the year ended 30th June 2019



Report of the Directors

The Directors hereby submit their report together with the Financial Statements for the National Water and Sewerage Corporation for the year ended 30 June 2019.

Activities

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

Results

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

	2019	2018
	Ushs '000	Ushs '000
Income	442,081,718	387,791,671
Profit before depreciation and amortisation	96,225,013	92,267,234
Depreciation and amortisation	(40,979,001)	(33,377,986)
Finance cost	(5,993,271)	(891,744)
Taxation credit/(charge)	36,447,535	(6,808,601)
Profit for the year	85,700,275	51,188,903

Income

i) Water and Sewerage Income

This is the main source of revenue to the Corporation. Water and Sewerage income increased by 14% from UShs. 388 billion in the year ending 30 June 2018 to UShs.442 billion in 2019. This improvement was largely due to increased water sales resulting from the takeover of 17 new towns during the year.

The Corporation also continued implementing the SCAP '100' Project, which resulted in the extension of water to 1,964 villages and connection of 69,215 new water consumers. The water projects in Bushenyi and Arua were completed during the year. Many mini water schemes were developed across the country. These interventions led to increase of water production from 126 million to 135 million cubic meters in the reporting period. The increase in water production was the main reason for the increase in Water and Sewerage income.

ii) Other Income

Other incomes includes revenues from External Services contracts, Sale of Tender documents and Laboratory services. During the reporting period, UShs.10 billion was realized from Other Operating Incomes compared to UShs.14 billion in the previous year.

iii) Deferred Income

The Corporation receives grants from GoU and Development Partners for implementing major capital projects. For completed projects, the Grant provided is recognised as income over the expected useful life of the projects. The revenues from GoU in relation to the SCAP 100 Project is treated as grant in the period in which it is received.

During the reporting period, Deferred Income of UShs.50 billion was recognised in the Statement of Profit and Loss compared to UShs 33 billion in the previous year. The increase in the Deferred Income was largely attributed to the increase in the Revenue Grants for the SCAP 100 project. The completed projects in Arua, Bushenyi and Soroti were capitalised during the reporting period.

Operating Costs

Staff Costs

Staff costs, increased by 22% from Ushs. 112 billion in 2018 to Ush. 137 billion in the current year. This was mainly due to increase in staff numbers from 3,443 in June 2018 to 3,778 by 30th June 2019 arising from takeover of new towns. In addition, the Corporation enhanced staff salaries by an average of 5% across the board. The Board also carried out a mini restructuring which created new Directorates and Departments.

Administrative Costs

Administrative expenses reduced by 4% from Ushs.52 billion in 2018 to Ushs. 50 billion in 2019. This was as a result of expenditure control measures which are being pursued by the Corporation.

Static Plant and Pipe Network Maintenance

Static plant and pipe network maintenance costs increased by 20% from Ushs.82 billion in the previous year to Ushs.98 billion in 2019. The increase was mainly due to the need to address operational challenges in the new towns. Water production increased leading to increased fuel costs.

Supplies and Services

Supplies and services costs increased by 26% from Ushs.27 billion in 2018 to Ushs.34 billion in 2019 mainly due to increased chemical use.

Premises Maintenance Costs

Premises maintenance costs increased by 11% from Ushs.9 billion in 2018 to Ushs.10 billion in 2019. Additional expenditure was incurred on rent, rates, telephone, and maintenance of the new towns.

Transport expenses

Transport costs increased by 31% from Ushs.13 billion in 2018 to Ushs.17 billion in 2019. This was mainly due to the increase in the Corporation fleet to cater for the new towns. This expenditure was also affected by the increase in fuel prices during the year.

Finance Costs

Finance costs increased from Ushs.0.9 billion in 2018 to Ushs.6 billion in 2019. The exchange loss on the foreign denominated assets was the main reason for the increase in this expenditure.

Dividends

The Directors do not propose any dividend payment for the Financial Year 2018/19. Profits generated will be reinvested to expand the infrastructure and increase access to water and sewerage services.

Non-Revenue Water (NRW)

The Non-Revenue Water (NRW) reduced from 31% in 2018 to 29% in the current year. Despite this improvement, the Board is still concerned about the high levels of NRW, especially in Kampala Water (35%). The NRW in other regions was as follows; Central Region (22%), Northern Region (18%) and Western Region (20%). Measures that the Corporation is undertaking to address the Non-Revenue Water challenge are summarised under Section "Addressing Our Biggest Challenges" on page 21.

Report Of The Directors continued ▶

Land

During the reporting period, the Corporation took over additional towns from Government which had no titles. We obtained 20 land titles in 2018/19. The process of acquiring the titles for all our properties is continuing.

Our Auditors

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

During the year, the Auditor General reappointed PKF Uganda Certified Public Accountants to carry out the audit of the Corporation on his behalf and report directly and solely to him.

By order of the Board,



.....
Edith Katete
Corporation Secretary

Date 25th September 2019

Corporate Governance Report

The Board and Management

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

The Board

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

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

Board Constitution

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

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

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

Meetings of the Board

The Board meets at least once every three months. Board Committee meetings take place every quarter or as and when there is business. The Board operates through 5 committees which have been mentioned under Governance and Leadership. (Pages 28 - 37)

Statement of Director's Responsibilities

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

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

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

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



Board Chairman



Managing Director



Director

Report of the Auditor General on the Financial Statements of National Water and Sewerage Corporation for the Year Ended 30th June 2019

THE RT. HON. SPEAKER OF PARLIAMENT

Report on the Audit of the Financial Statements

Opinion

I have audited the accompanying financial statements of National Water and Sewerage Corporation for the year ended 30th June 2019. These financial statements comprise the Statement of Financial Position as at 30th June 2019, the Statement of Financial Performance, Statement of Changes in Equity and Statement of Cash Flows for the period then ended, the accompanying schedules and a summary of significant accounting policies and other explanatory notes, as set out on pages 102 to 126.

In my opinion, the accompanying financial statements, give a true and fair view of the financial position of the Corporation as at 30th June 2019, and of the financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards and the National Water and Sewerage Act, Cap 317, Laws of Uganda.

Basis of Opinion

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

Report of the Auditor General on the Financial Statements of National Water and Sewerage Corporation for the Year Ended 30th June 2019 cont'd

Key Audit Matters

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

• **Trade Receivables Impairment**

The Corporation adopted IFRS 9 for the first time in the current year. The standard requires development of complex models to deal with Impairment of Financial Instruments.

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

I developed procedures to determine whether management complied with IFRS 9 in regard to the impairment of Trade Receivables. The following procedures were undertaken;

- Obtained and reviewed the impairment model.
- Examined the relevant data used to feed into the model.
- Enquired from staff who had been trained on the model.
- Examined the appropriateness of the assumptions factored into the forward looking information.
- Observed the integration of the risk management framework with the finance function.
- Evaluated the data, methodology and assumptions used in the impairment model for reasonableness, and assessed whether there were any indicators of material discrepancy.

Based on the procedures performed, I noted no significant reportable matter.

Other Information

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

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

Report of the Auditor General on the Financial Statements of National Water and Sewerage Corporation for the Year Ended 30th June 2019 cont'd

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

I have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a

Report of the Auditor General on the Financial Statements of National Water and Sewerage Corporation for the Year Ended 30th June 2019 cont'd

basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report of the Auditor General on the Financial Statements of National Water and Sewerage Corporation for the Year Ended 30th June 2019 cont'd

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

Other Reporting Responsibilities

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

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

Report on the audit of Compliance with legislation

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

There were no significant reportable matters in this regard.



John F.S. Muwanga
AUDITOR GENERAL

22nd November 2019

Statement of Profit or Loss and Other Comprehensive Income

		30-Jun 2019	30-Jun 2018
	Note	Ushs '000	Ushs '000
Income			
Water and sewerage income	5	381,895,802	340,119,685
Other incomes	6	10,315,407	14,002,394
Investment income	7	225,437	189,785
Deferred income	22	49,645,072	33,479,807
		442,081,718	387,791,671
Expenditure			
Employee expenses	8	137,265,190	112,306,586
Administrative expenses	9	50,367,076	51,596,880
Static plant and pipe network	10	97,751,255	82,306,421
Supplies and services	11	33,738,876	26,843,282
Premises maintenance	12	9,609,349	9,225,473
Transport and mobile plant	13	17,124,959	13,245,795
		345,856,705	295,524,437
Operating profit before depreciation		96,225,013	92,267,234
Depreciation and Amortisation			
Depreciation and amortisation	15	(40,979,001)	(33,377,986)
Operating profits before finance costs		55,246,011	58,889,248
Net finance cost			
Net financial cost	14	(5,993,271)	(891,744)
Net profit before tax		49,252,740	57,997,504
Tax credit/(charge)	16	36,477,535	(6,808,601)
Profit for the year		85,700,275	51,188,903
Other comprehensive Income			
Revaluation gains		970,039,594	-
Related deferred tax	21	(291,011,878)	-
Related depreciation		(26,937,071)	-
Deferred tax on excess depreciation		8,081,121	-
Total comprehensive income		745,872,042	51,188,903

The Accounting policies and notes on pages 105 to 125 form an integral part of these Financial Statements

Statement of Financial Position

	Note	As at 30-Jun 2019 Ushs '000	As at 30-Jun 2018 Ushs '000
Equity			
Equity and Reserves			
Government funding	17	317,134,727	317,097,695
Revaluation reserves	23	660,171,766	9,826,355
Retained earnings	-	322,099,001	228,196,668
Total Equity		1,299,405,494	555,120,718
Non-Current Liabilities			
Terminal benefits	20	5,278,115	5,836,014
Deferred tax liabilities	21	314,794,231	68,345,566
Deferred income	22	1,247,943,588	883,854,539
		1,568,015,934	958,036,119
		2,867,421,428	1,513,156,837
Represented By			
Non-Current Assets			
Property plant and equipment	23	1,922,106,753	813,901,575
Capital work-in-progress	24	745,102,237	623,790,514
Intangible assets	25	9,649	55,318
Operating lease prepayments	26	2,354,721	2,339,144
		2,669,573,360	1,440,086,551
Current Assets			
Tax recoverable	16	3,506,505	3,541,062
Inventories	27	44,548,512	33,566,422
Trade and other receivables	28	267,107,643	222,117,534
Short term bank deposits	29	1,199,855	1,489,196
Cash and bank balances	30	129,960,005	44,959,482
		446,322,521	305,641,470
Total Assets		3,115,895,881	1,745,728,022
Current Liabilities			
Borrowings	18	4,712,798	4,569,619
Annual terminal benefits	19	10,186,491	11,073,552
Deferred income	22	49,645,072	33,479,807
Trade and other payables	31	183,930,092	183,448,207
		248,474,453	232,571,185
Net Current Assets		197,848,068	73,212,172
		2,867,421,428	1,513,156,837

The Financial Statements and their notes set out on pages 105 to 123 were approved by the Board of Directors on 25th September 2019 and were signed on its behalf by:



Board Chairman



Managing Director



Director

The Accounting policies and notes on pages 105 to 125 form an integral part of these Financial Statements

Statement of Changes in Equity

	Government Funding Ushs 000	Revaluation Reserve Ushs 000	Retained Earnings Ushs 000	Total Equity Ushs 000
At 1 July 2018	317,097,743	13,727,597	173,106,523	503,904,863
Profit for the year	-	-	51,188,903	51,188,903
Assets taken over	26,852	-	-	26,952
Transfer of excess depreciation	-	(3,901,242)	3,901,242	-
At 30th June 2018	317,097,695	9,826,355	228,196,668	555,120,718
At 1 st July 2018	317,097,695	9,826,355	228,196,668	555,120,718
Revaluation reserve	-	970,039,594	-	970,039,594
Deferred tax on revaluation	-	(291,011,878)	-	(291,011,878)
Transfer to retained earnings	-	(9,826,355)	9,826,355	-
Profit for the year	-	-	85,700,275	85,700,275
Assets taken over 17	37,032	-	-	37,032
Transfer of excess depreciation	-	(26,937,071)	-	(26,937,071)
Deferred tax on excess depreciation	-	8,081,121	-	8,081,121
Ring fenced adjustment	-	-	(1,624,297)	(1,624,297)
At 30th June 2019	317,134,727	660,171,766	322,099,001	1,299,405,494

The Accounting policies and notes on pages 105 to 125 form an integral part of these Financial Statements

Statement of Cash Flows

	<i>Note</i>	30-Jun 2019 Ushs'000	30-Jun 2018 Ushs'000
Operating Activities			
Cash (used in)/generated from operations	33	(88,749,576)	11,516,671
Income tax paid		-	-
Net cash (used in)/generated from operating activities		(88,749,576)	11,516,671
Investing Activities			
Additions to capital work in progress		(121,311,723)	(244,889,122)
Purchase of property, plant and equipment		(85,530,102)	(23,359,435)
Prepayment of operating lease		76,700	1,862,993
Tax paid		-	(35,352)
Interest received		225,437	189,785
Net cash used in investing activities		(206,539,689)	(266,231,131)
Financing Activities			
Payments of borrowings		(397,047)	(1,176,180)
Proceeds from grants		380,254,314	234,959,169
Net cash used in financing activities		379,857,267	233,782,989
Increase/(decrease) in cash and cash equivalents		84,568,002	(20,931,470)
Movement in cash and cash equivalents			
At start of the year		41,879,060	62,810,530
Increase/(decrease)		84,568,002	(20,931,470)
At year end		126,447,062	41,879,060

The Accounting policies and notes on pages 105 to 125 form an integral part of these Financial Statements

Notes to the Financial Statements

1 Summary of Significant Accounting Policies

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

(a) Basis of Preparation

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

Going concern

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

The NWSC is a Statutory Public Corporation empowered under the NWSC Act CAP 317 Laws of Uganda 2000 as a body corporate, to enter into such Contracts and act as a Water Supply and Sewerage Authority in Uganda. The Ministry of Water and Environment is mandated under the Water Act CAP 152, Laws of Uganda 2000 to enter into Performance Contracts with Water and/or Sewerage Authorities appointed in accordance with Section 46 of this Act, to provide water supply and sewerage services to the people of Uganda efficiently and economically and it is understood that the areas specified on page 11 are already declared Water and Sewerage Supply Areas, and National Water and Sewerage Corporation (NWSC) has been appointed as such the Water and Sewerage Authority.

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

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

New and amended standards adopted by the Corporation

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

Notes to the Financial Statements continued ►

New and amended standards adopted by the Corporation continued

New standards, amendments and interpretations issued

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

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

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

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

The Corporation has adopted IFRS 9 as issued by the IASB in July 2014 with a date of transition of 1 January 2018, which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The Corporation did not early adopt IFRS 9 in previous periods.

As permitted by the transitional provisions of IFRS 9, the Corporation elected not to restate comparative figures. Therefore the adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in opening retained earnings.

Consequently, for notes and disclosures, the consequential amendments to IFRS 7 disclosures have also only been applied to the current period. The comparative period notes and disclosures repeat those disclosures made in the prior year.

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

Set out below are disclosures relating to the impact of the adoption of IFRS 9 on the Corporation. Further details of the specific IFRS 9 accounting policies applied in the current period are described in more detail in note 1(a).

(i) Classification and measurement of financial instruments

The measurement category and the carrying amount of financial assets and liabilities in accordance with IAS 39 and IFRS 9 as at 30 June 2018 are compared as follows:

		IAS 39	IFRS 9
	Measurement category	Carrying amount	Carrying amount
		Shs.	Shs.
Financial assets			
Cash and cash equivalents	Amortised cost	129,960,005	129,960,005
Short term deposits	Amortised cost	1,199,855	1,199,855
Trade and other receivables	Amortised cost	267,107,643	267,107,643
		398,267,503	398,267,503

Notes to the Financial Statements continued ►

IFRS 15: Revenue from contracts with customers

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

Amendments to IAS 12 'Income Taxes' effective for annual periods beginning on or after 1 January 2019 clarifying on the recognition of income tax consequences of dividends.

Amendments to IAS 19 'Employee Benefits' effective for annual periods beginning on or after 1 January 2019 clarifying the effects of a retirement benefit plan amendment, curtailment or settlement.

b) Critical accounting estimates and judgement

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

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

Measurement of expected credit losses (ECL)

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVTOCI is an area that requires the use of complex models and significant assumption about future economic conditions and credit behaviour.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

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

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

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

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

Stage 1 - If, at the reporting date, the credit risk of non-impaired financial instruments has not increased significantly since initial recognition, these financial instruments are classified in Stage 1, and a loss allowance that

Notes to the Financial Statements continued ►

b) **Critical accounting estimates and judgement continued**

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

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

Assessment of significant increase in credit risk

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

Useful lives of property and equipment

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

Impairment of receivables

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

c) **Revenue recognition**

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

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

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

- (i) Sale of water is recognized based on periodic meter readings or estimates thereof when readings cannot be taken;
- (ii) Sewerage income is recognised based on the water billing for the month multiplied by the rate applicable to the client's classification/category;

Notes to the Financial Statements continued ►

c) Revenue recognition continued

- (iii) Sales of services is recognized in the period in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual service provided as a percentage of the total services to be provided;
- (iv) Sales of goods are recognised upon delivery of products and customer acceptance;
- (v) Interest income is accrued by reference to time in relation to the principal outstanding and the effective interest rate applicable;

d) Insurance Contracts

IFRS 17 'Insurance Contracts' (issued May 2017) effective for annual periods beginning on or after 1 January 2021 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts.

e) Translation of foreign currencies

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

f) Property, plant and equipment

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

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

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

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

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

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

Notes to the Financial Statements continued ►

(f) Property, plant and equipment continued

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

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

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

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

(g) Intangible assets

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

Computer software

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

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

(h) Leases

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

(i) Inventories

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

Notes to the Financial Statements continued ►

(j) Capital and revenue grants

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

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

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

(k) Government funding

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

(l) Cash and Cash Equivalents

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

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

(m) Retirement benefit obligations

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

(n) Annual Terminal Benefits

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

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

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

(o) Financial instruments

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

Financial assets

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

(o) **Financial instruments continued**

Financial assets continued

Amortised cost

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

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

Derecognition/write off

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

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

Impairment

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

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

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

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

If, at the reporting date, the credit risk on a financial asset other than a trade receivable has not increased significantly since initial recognition, the loss allowance is measured for that financial instrument at an amount equal to 12-month expected credit losses. All changes in the loss allowance are recognised in profit or loss as impairment gains or losses.

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

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

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

(o) **Financial instruments continued**

Financial liabilities

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

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

2 Provisions

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

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

3 Taxation

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

Current tax

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

Deferred Income Tax

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

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

4 Comparatives

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

Notes to the Financial Statements continued ►

	30-Jun 2019 Ushs'000	30-Jun 2018 Ushs'000
5 Water and sewerage income		
Water and sewerage charges	358,151,814	318,802,059
Service charges	11,854,117	10,870,647
Connection fees	6,246,329	5,720,346
Reconnection fees	821,626	877,352
Other water and sewerage incomes	4,821,916	3,849,282
	381,895,802	340,119,685
6 Other income		
Decrease in provision for obsolete stock	104,645	34,414
Exchange gain	-	6,616,062
Other operating income	10,210,762	7,351,918
Total other income	10,315,407	14,002,394
7 Investment income		
Interest receivable on bank deposits	225,437	189,785
	225,437	189,785
8 Employee expenses		
The following items are included within the employee expenses:-		
Basic pay	61,148,598	50,027,049
Housing expense	14,293,381	12,244,444
Medical expense	7,436,323	6,320,828
National Social Security Fund contributions	9,973,577	8,096,024
Lunch, transport and soap allowance	6,052,875	5,139,963
Car and cycle allowance	6,394,284	5,143,704
Performance/overtime allowance	2,863,795	2,454,645
Work bonus	6,704,145	4,769,325
Leave transport and allowance	1,994,772	1,616,639
Annual terminal benefits	18,592,472	15,287,649
Shift allowance and gross wages	439,161	427,722
Terminal benefits interest	202,020	219,485
Total	136,095,403	111,734,896
Employee emoluments	136,095,403	111,734,896
Workmen's compensation	798,457	262,495
Funeral expenses	371,330	309,194
Total	137,265,190	112,306,586

Notes to the Financial Statements continued ►

	30-Jun 2019 Ushs'000	30-Jun 2018 Ushs'000
9 Administrative expenses		
Board expenses	727,600	935,520
Meeting expenses	3,790,425	4,082,408
Local travels	10,991,958	8,558,175
Foreign travels	2,990,556	2,891,727
Publicity	7,461,020	8,271,849
Entertainment	102,871	176,471
General insurance	350,949	432,760
Legal and professional expenses	2,104,591	547,078
Training expenses and allowances	2,219,072	2,710,876
Donations and subscriptions	1,524,335	1,251,209
Lunch and transport	7,775,349	7,570,657
Contribution to staff sports	299,790	376,969
Process bench marking	472,586	220,073
Security	4,293,626	3,750,548
Bad debts - water services	1,122,841	2,354,531
Stock losses (Stock write down)	78,396	130
Staff transfer	218,254	240,362
Other professional charges	2,987,768	3,798,871
Bank charges	442,415	394,444
Research expense	16,000	5,000
Performance review expenses	218,241	38,521
Audit fees	178,209	180,233
Courier	224	1,504
Loss on sale of fixed assets	-	2,806,965
Total	50,367,076	51,596,880
10 Static plant and pipe network expenses		
Electricity	64,604,141	56,183,777
Plant repairs and maintenance	7,473,511	4,542,146
Pipe network repairs and maintenance	17,090,600	14,923,385
Fuel and lubricants	6,609,887	4,938,472
Plant insurance	1,079,919	706,422
Sand for filters	262,321	236,961
Desludging sewerage ponds	167,943	223,377
Water abstraction permits	337,278	422,377
Catchment restoration	125,654	129,096
Total	97,751,255	82,306,421

Notes to the Financial Statements continued ►

	30-Jun 2019 Ushs'000	30-Jun 2018 Ushs'000
11 Supplies and services expenses		
Water treatment chemicals	24,013,003	17,343,605
Equipment repairs and minor purchase	584,816	612,237
Printing, stationery and publications	1,044,068	1,121,073
Tools and light plant	513,305	618,470
Uniforms and protective wear	901,530	366,400
Computer license	2,556,420	2,245,902
Office supplies	1,889,886	1,814,056
Lease of data communication links	2,112,774	1,952,881
Lab equipment and reagents	123,074	768,658
Total	33,738,876	26,843,282
12 Premises expenses		
Rent, rates and telephone	3,157,105	3,077,599
Repairs and maintenance	4,066,252	3,961,988
Insurance	87,794	-
Cleaning materials	827,888	754,868
Electricity	747,041	682,751
Water	323,613	279,965
Fixtures and fittings	399,656	468,301
Total	9,609,349	9,225,473
13 Transport and mobile plant expenses		
Fuel and lubricants	9,301,302	6,636,514
Repairs and maintenance	1,499,767	1,255,644
Hire of transport	5,577,469	4,568,574
Insurance	562,763	550,922
License, road toll and taxes	183,658	234,143
Total	17,124,959	13,245,795
14 Finance expenses		
Exchange loss	5,453,045	-
Interest on short term loan	540,226	891,744
Total	5,993,271	891,744

Notes to the Financial Statements continued ►

15 Depreciation and amortisation

	30-Jun 2019 Ushs'000	30-Jun 2018 Ushs'000
Depreciation (Note 23)	67,809,281	33,164,515
Amortisation of intangibles (Note 25)	45,669	167,752
Amortisation of operating lease (Note 26)	61,123	45,719
	67,916,072	33,377,986

16 Income tax expense

Current income tax	34,557	32,226
Deferred tax credit to profit or loss (Note 22)	(36,482,092)	6,776,375
Deferred charge to other comprehensive income (Note 22)	282,930,757	-
Income tax expense	246,483,222	6,808,601

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

	30-Jun 2019 Ushs'000	30-Jun 2018 Ushs'000
Profit before income tax:	49,252,740	57,997,504
Tax calculated at the statutory income tax Rate of 30% (2018: 30%)	14,775,822	17,399,252
Tax effects of:		
Income not subject to tax (Note 23)	(14,893,522)	(10,043,943)
Expenses not deductible for tax purposes	117,699	(7,355,309)
Rental tax	34,557	32,226
Income tax expense	34,557	32,226

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

	2019 Shs'000	2018 Shs'000
At start of year	3,541,062	3,573,288
Rental tax charge	(34,557)	(32,226)
Income tax paid	64,287	
At end of year	3,570,792	3,541,062

17 Government funding

At the start of the year	317,097,695	317,070,743
Assets taken over during the year	37,032	26,952
As at 30th June 2019	317,134,727	317,097,695

Government funding represents a build-up of various Government of Uganda capital contributions to the Corporation. The principal components are: - The value of assets taken over by the Corporation when new towns were handed over. During the year, the Corporation took over 17 towns. The Ushs 37,032,000 and Ushs 26,952,000 represent the value of receivables inherited in the new towns. The non-current assets taken over are not yet incorporated in the books of the Corporation. These assets are being verified and valued and will be incorporated in the books of the Corporation thereafter.

Notes to the Financial Statements continued ►

	30-Jun 2019 Ushs'000	30-Jun 2018 Ushs'000
18 Borrowings		
Bank of Africa overdraft	4,712,798	4,854,089
Total borrowings	4,712,798	4,854,055
<u>Movement</u>		
At the start	4,569,619	4,854,055
Interest on overdraft	540,226	891,744
Repayments (loan and overdraft)	(397,047)	(1,176,180)
	4,712,798	4,569,619
Due within one year	4,712,798	4,569,619
Total Borrowings	4,712,798	4,569,619
19 Annual terminal benefits		
At start of year	11,073,552	7,541,039
Charge for the year	18,592,473	15,287,650
Payments during year	(19,479,535)	(11,755,137)
At end of year	10,186,491	11,073,552
20 Terminal benefits (Ring-fenced)		
At start of year	5,836,014	6,070,791
Accrued interest	202,020	206,904
Adjustment	-	(70,786)
Payments during the year	(759,919)	(370,895)
At end of year	5,278,115	5,836,014
Due within one year	-	-
Due after one year	5,278,115	5,836,014
Total	5,278,115	5,836,014

During the Financial Year 2006/07 the terminal benefits scheme was replaced with the annual terminal benefits scheme. The accumulated balance relating to the terminal benefits scheme at that point was ring-fenced. The Corporation paid 50% of the accumulated terminal benefits. The remaining 50% attracts interest of 3% per annum until paid. The outstanding terminal benefits are paid to the employees upon resignation or on attaining the retirement age of 60 years.

Notes to the Financial Statements continued ►

21 Deferred tax

Deferred income tax is calculated using the enacted income tax rate of 30% (2018: 30%).

The movement on the deferred income tax account is as follows:

	30-Jun 2019	30-Jun 2018
	Shs'000	Shs'000
At start of year	68,345,566	61,569,191
Credit to statement of profit or loss (Note 16)	(36,482,092)	6,776,375
Charge to statement of comprehensive Income (Note 16)	282,930,757	6,776,375
At end of year	314,794,231	68,345,566

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

Year ended 30 June 2019

	01 July 2018	Charged to Profit or Loss	Charged to other comprehensive income	30 June 2019
	Shs'000	Shs'000	Shs'000	Shs'000
Deferred income tax liabilities				
Property, plant and equipment:				
- On historical cost basis	155,418,218	17,662,419	-	173,080,637
- On revaluation surpluses	2,947,908	(41,923,457)	291,011,878	252,036,329
- On excess depreciation	-	-	(8,081,121)	(8,081,121)
Tax losses carried forward	(88,163,308)	(12,183,792)	-	(100,347,100)
Provision for bad debts	(1,824,355)	(45,136)	-	(1,869,491)
Provision for obsolete stock	(32,897)	7,874	-	(25,023)
Net deferred income tax liability	68,345,566	(36,482,092)	282,930,757	314,794,231

22 Deferred Income

	30-Jun 2019	30-Jun 2018
	Ushs'000	Ushs'000
As at 1 st July	917,334,346	682,375,177
GoU Contribution to Projects	19,969,934	22,778,605
Kampala Sanitation Project	71,005,618	90,900,447
WATSAN project AFD/KFW/EU	236,889,596	12,403,354
Donor Funds IDA-WMDP	(17,292)	16,011,107
KFW-IPIL Project	1,951,451	9,739,953
KSWandSP DANIDA	98,951,715	2,118,440
Western Cluster Donor	1,148,364	2,387,070
Sub-total	1,347,233,732	950,814,153
Completed Projects	11,694,533	10,979,807
Revenue Grant (SCAP 100 and Subvention)	37,950,539	22,500,000
Released to Income Statement	(49,645,072)	(33,479,807)
	1,297,588,660	917,334,346
Less due within one year	(49,645,072)	(33,479,807)
Due after more than one year	1,247,943,588	883,854,539

Notes to the Financial Statements continued ▶

23. Property, Plant and Equipment

	Civil Structures		Land Freehold		Pipe Works		Technical Structures		Electromech Equipment		Office Furniture and Equipment		IT and Office Equipment		Transport Heavy		Transport Light		Total	
	Ushs '000	Ushs '000	Ushs '000	Ushs '000	Ushs '000	Ushs '000	Ushs '000	Ushs '000	Ushs '000	Ushs '000	Ushs '000	Ushs '000	Ushs '000	Ushs '000	Ushs '000	Ushs '000	Ushs '000	Ushs '000	Ushs '000	Ushs '000
COST OR VALUATION																				
At 1 July 2017	279,079,369	6,788,230	463,692,417	68,591,142	184,739,890	14,937,812	16,142,971	42,000	10,833,710	1,044,847,541										
Acc depn	(25,143,964)	-	(94,543,554)	(16,982,467)	(63,705,232)	(9,700,874)	(12,162,699)	(42,000)	(8,665,175)	(230,945,965)										
Closing net book value 30/06/2018	253,935,405	6,788,230	369,148,863	51,608,675	121,034,658	5,236,938	3,980,272	-	2,168,535	813,901,576										
At 1 July 2018	253,935,405	6,788,230	369,148,863	51,608,675	121,034,658	5,236,938	3,980,272	-	2,168,535	813,901,576										
Restated after Revaluation	294,042,280	173,652,388	1,100,380,057	143,255,948	53,951,554	8,632,799	3,853,562	4,604,338	1,568,243	1,783,941,170										
Additions	1,696,228	475,625	73,263,982	342,069	6,846,202	1,719,376	959,460	227,161	-	85,530,102										
Reclassification from WIP	46,671,285	-	44,209,571	7,206,551	21,335,779	1,021,574	-	-	-	120,444,761										
Restated Bal as at 30 th June 2019	342,409,793	174,128,013	1,217,307,268	150,804,569	82,133,535	11,373,749	4,813,022	4,831,499	1,568,243	1,989,916,033										
DEPRECIATION																				
At 1 July 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	(9,596,791)	-	(41,157,993)	(4,788,653)	(5,850,035)	(2,566,849)	(1,098,493)	(1,375,234)	(1,375,234)	(67,809,281)										
At 30 th June 2019	(9,596,791)	-	(41,157,993)	(4,788,653)	(5,850,035)	(2,566,849)	(1,098,493)	(1,375,234)	(1,375,234)	(67,809,281)										
NET BOOK VALUE																				
As at 30 th June 2019	332,813,002	174,128,013	1,176,695,618	146,015,916	76,283,501	8,806,899	3,714,529	3,456,266	193,009	1,922,106,753										

During the current financial year, the Corporation revalued all its assets. The revaluation exercise was done by Deloitte Uganda. The revaluation was as at 30th June 2018 and covered all the Corporations' assets at that point in time.

Notes to the Financial Statements continued ►

	30-Jun 2019 Ushs'000	30-Jun 2018 Ushs'000
24 Capital work in progress		
Work in Progress- general	32,367,431	35,168,155
Work In Progress - Gulu	47,026,438	9,642,925
Albertine Graben Hoima	2,373,430	2,373,430
Uganda Water Development	16,078,736	98,865,796
Kampala NW Rehabilitation Dev't	3,544,696	3,544,696
Kapchorwa Treatment Plant	1,275,004	-
Fort Portal Water	235,675	-
Kampala Water Sanitation and SP	1,108,657	-
Kampala Sanitation Project	476,066,080	396,735,626
KW-LV WATSAN Project	165,026,094	72,129,767
Soroti Project	-	5,330,120
	745,102,237	623,790,514

25 Intangible assets

Intangible Assets 1 July 2018	838,761	838,761
Additions	-	-
Total	838,761	838,761
Amortisation		
Amortisation 1 July 2018	(783,443)	(615,691)
Charge for the year	(45,669)	(167,752)
At 30th June 19	(829,112)	(783,443)
NBV as at 30th June 19	9,649	55,318

Notes to the Financial Statements continued ►

	30-Jun 2019 Ushs'000	30-Jun 2018 Ushs'000
26 Operating land lease prepayments		
Cost		
At 1 July	2,454,747	469,242
Additions	76,700	1,862,993
At 30 June	2,531,447	2,454,747
Amortisation		
At 1 July	(115,603)	(69,884)
Charge for the year	(61,123)	(45,719)
	(176,726)	(115,603)
At year end	2,354,721	2,339,144
27 Inventories		
Stationery	510,674	446,810
Chemicals	4,289,285	2,191,784
Pipes and fittings	30,218,929	19,643,749
Pump Spares	5,576,342	6,236,706
Fuel and lubricants	39,487	34,638
Stock in transit	3,997,206	5,118,123
Provision for slow moving stock	(83,411)	(109,660)
	44,548,512	33,566,422
28 Trade and other receivables		
Water and sewerage debtors	93,623,193	93,155,154
Less: provision for impairment losses	(6,231,637)	(6,081,184)
Water and sewerage debtors - net	87,391,556	87,073,970
Prepayments	1,496,154	2,106,006
Other receivables	166,835,846	123,000,617
Value Added Tax	11,384,087	9,936,941
	267,107,643	222,117,534
Movements on the provision for impairment of trade receivables are as follows:		
At start of year	6,081,184	4,624,359
Provision in the year	1,120,496	2,348,072
Provision no longer required	(970,043)	(891,247)
At end of Year	6,231,637	6,081,184

Notes to the Financial Statements continued ►

	30-Jun 2019	30-Jun 2018
	Ushs'000	Ushs'000
29 Short term bank deposits		
DFCU Call Account	1,078,939	1,489,196
DFCU fixed deposit	110,214	-
NWSC Reserve Account	10,702	-
Total Short Term Deposits	1,199,855	1,489,196

30 Cash at bank and in hand		
Cash in Hand	1,118	10,298
Cash Collection Accounts	4,029,932	3,203,033
Stanbic Loan Account	-	35
KW – Lake Victoria Water	22,842,022	-
South Western Cluster Water	12,627,465	-
BOU KW - Watsan	83,644,823	34,260,340
Bank Balances	6,814,645	7,485,777
	129,960,005	44,959,482

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:-

	30-Jun 2019	30-Jun 2018
	Ushs'000	Ushs'000
Cash and bank balances as above	129,960,005	44,959,482
Short term bank deposits (Note 30)	1,199,855	1,489,196
Bank overdraft facility	(4,712,798)	(4,569,618)
	126,447,062	41,879,060

31 Trade and other payables		
Trade payables	78,138,287	64,890,140
Rechargeable works	1,903,805	333,334
Accruals	26,715,482	24,319,831
Project accruals	37,436,163	54,844,980
Retention money	32,655,590	28,654,482
Letters of credit	6,731,281	9,457,888
Customer deposits	349,485	947,552
	183,930,092	183,448,207

32 Contingent liabilities

I. URA V NWSC

The Corporation is a defendant in court case with URA. The amount being claimed from the Corporation by URA is approximately UGX 17.5 billion. The Corporation won the case in the Tax Appeals Tribunal. URA appealed the ruling. Based on professional advice received, no material liabilities are expected to arise from the legal cases.

II. Buwule Kasasa V NWSC

Buwule Kasasa sued the Corporation claiming unpaid ground rent and applied to court for an order to re-enter Land Comprised in Plot Nos. 37 and 81 Kyadondo Block 237 Mutungo, Kampala which houses the NWSC Reservoirs at Mutungo. The plaintiff was awarded all prayers and costs through Arbitration.

NWSC appealed to the High Court but was unsuccessful. A further appeal was lodged before the Court of Appeal. Mediation have commenced with NWSC seeking outright purchase of the property.

The arbitral award has been claimed by the Plaintiff. The cost of the suit is anticipated at UGX 300 million. In the event that the agreement has been reached for the purchase, the land will be revalued to guide the parties in the negotiation of the purchase price. This case has not yet been resolved.

33 Cash generated from operations

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

		30-Jun 2019	30-Jun 2018
	Note	Ushs'000	Ushs'000
Profit before income tax		49,252,740	57,997,504
Adjustments for:			
Interest income	7	(225,437)	(189,785)
Stock losses	9	78,396	130
Loss on fixed asset disposal	9	-	2,806,965
Bad debts written off	9	1,122,841	2,354,531
Interest expense	14	540,226	891,744
Deferred income	22	(49,645,072)	(33,479,807)
Depreciation	15	40,979,001	33,164,515
Amortisation of intangibles	25	45,669	167,752
Amortisation of leased land	27	61,123	45,719
Other adjustments		(74,023,789)	-
Changes in Working Capital:			
Inventories	27	(10,982,090)	(8,409,325)
Trade and other receivables	28	(44,990,109)	(80,825,575)
Trade and other payables	31	481,885	40,759,593
Annual terminal benefits	19	887,061	(3,532,513)
Terminal benefits	20	(557,899)	(234,777)
Cash (utilised in)/generated from operations		(88,749,576)	11,516,671

34 Related parties

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

Key Management Compensation

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

	30-Jun 2019	30-Jun 2018
	Ushs'000	Ushs'000
Salaries and other short-term employment benefits	1,703,263	1,613,836
Termination Benefits	560,275	424,672
Bonus	225,178	208,447
Total key management compensation	2,488,716	2,246,955
ii) Directors' remuneration		
Managing Directors remuneration	614,528	512,820
Other emoluments (included in key management compensation above)	381,400	205,740
	995,928	718,560

35 Events after the Reporting Period

There are no material reportable events after the reporting period.

36 Prior year adjustment

There is no adjustment relating to prior year.



Annexes and key contacts



ANNEX 1: Water Production (m³) and Capacity Utilisation (%) as at 30th June 2019

Area	Practical capacity m ³ /day	Total Water Produced m ³	Average Production m ³ /day	Capacity Utilisation (%)
Kampala	240,000	82,762,031	226,745	94%
Central Region				
Jinja	30,988	7,422,527	20,336	66%
Entebbe	24,500	6,970,952	19,098	78%
Masaka	9,140	2,397,720	6,569	72%
Mubende	2,280	634,141	1,737	76%
Lugazi	1,500	492,237	1,349	90%
Luweero	6,792	1,410,597	3,865	57%
Mityana	4,800	620,701	1,701	35%
Kigumba	560	151,890	416	74%
Bweyale	480	173,317	475	99%
Kyotera	2,528	555,961	1,523	60%
Iganga	2,000	422,020	1,156	58%
Kamuli	868	245,967	674	78%
Mpigi	3,200	392,414	1,075	34%
Sembabule	654	188,388	516	79%
Subtotal	90,290	22,078,832	60,490	67%
Eastern & Northern Region				
Tororo	12,983	1,910,406	5,234	40%
Mbale	10,000	2,660,839	7,290	73%
Soroti	4,752	1,269,753	3,479	73%
Lira	8,700	2,334,258	6,395	74%
Gulu	9,517	1,447,237	3,965	42%
Arua	10,000	1,473,350	4,037	40%
Pader	3,481	264,505	725	21%
Nebbi/Paidha	4,622	846,173	2,318	50%
Kitgum	1,948	377,447	1,034	53%
Apac/Aduku	757	200,492	549	73%
Moroto	1,033	230,881	633	61%
Adjumani	1,824	257,631	706	39%
Kapchorwa	560	130,449	357	64%
Kumi	1,239	222,427	609	49%
Kotido	464	121,078	332	72%
Moyo	1,044	103,566	284	27%
Koboko	700	180,716	495	71%
Subtotal	73,625	14,031,209	38,442	52%
Western & Southwestern				
Mbarara	16,000	5,532,002	15,156	95%
Bushenyi	6,189	1,440,151	3,946	64%
FortPortal	5,450	1,497,767	4,103	75%
Kasese	3,720	1,264,849	3,465	93%
Hoima	3,300	808,814	2,216	67%
Masindi	3,000	869,135	2,381	79%
Kabale	2,880	787,197	2,157	75%
Kisoro	3,400	501,396	1,374	40%
Rukungiri	965	285,104	781	81%
Ibanda	1,770	414,352	1,135	64%
Kamwenge	1,440	307,227	842	58%
Kanungu	1,900	343,330	941	50%
Lyantonde	1,810	535,671	1,468	81%
Rushere	1,503	202,014	553	37%
Ntungamo	2,120	432,896	1,186	56%
Mpondwe	1,680	471,639	1,292	77%
Ruhama	1,307	139,496	382	29%
Lwengo	936	214,890	589	63%
Subtotal	59,370	16,047,930	43,967	74%
Total	463,284	134,920,002	369,644	80%

ANNEX 2: Volume of Water Supplied (m³) and Sold (m³) for the FY 2018/19

Area	Water Supplied m ³	Water Sold m ³	Billing Efficiency	NRW
Kampala	79,746,215	52,184,845	65.4%	34.6%
Central Region				
Jinja	6,253,997	4,897,945	78.3%	21.7%
Entebbe	6,612,163	4,862,822	73.5%	26.5%
Masaka	2,203,099	1,794,927	81.5%	18.5%
Mubende	608,885	568,246	93.3%	6.7%
Lugazi	491,837	381,247	77.5%	22.5%
Luweero	1,201,740	1,048,551	87.3%	12.7%
Mityana	594,750	413,268	69.5%	30.5%
Kigumba	149,227	136,040	91.2%	8.8%
Bweyale	173,317	144,833	83.6%	16.4%
Kyotera	520,640	439,677	84.4%	15.6%
Iganga	982,780	785,518	79.9%	20.1%
Kamuli	223,209	176,090	78.9%	21.1%
Mpigi	331,244	262,480	79.2%	20.8%
Sembabule	170,042	143,954	84.7%	15.3%
Subtotal	20,516,931	16,055,598	78.3%	21.7%
Eastern & Northern Region				
Tororo	1,667,156	1,432,007	85.9%	14.1%
Mbale	2,520,062	2,151,463	85.4%	14.6%
Soroti	1,269,753	1,121,098	88.3%	11.7%
Lira	2,149,965	1,531,724	71.2%	28.8%
Gulu	1,290,465	1,125,020	87.2%	12.8%
Arua	1,293,281	1,068,131	82.6%	17.4%
Pader	245,613	168,148	68.5%	31.5%
Nebbi/Paidha	646,579	529,174	81.8%	18.2%
Kitgum	326,245	289,144	88.6%	11.4%
Apac/Aduku	200,363	175,027	87.4%	12.6%
Moroto	230,881	194,339	84.2%	15.8%
Adjumani	257,206	191,658	74.5%	25.5%
Kapchorwa	130,387	102,213	78.4%	21.6%
Kumi	222,427	127,649	57.4%	42.6%
Kotido	120,701	99,580	82.5%	17.5%
Moyo	103,566	77,694	75.0%	25.0%
Koboko	179,873	162,468	90.3%	9.7%
Subtotal	12,854,524	10,546,537	82.0%	18.0%
Western & Southwestern Region				
Mbarara	5,180,607	4,129,823	79.7%	20.3%
Bushenyi	1,352,291	1,059,866	78.4%	21.6%
FortPortal	1,303,271	1,074,345	82.4%	17.6%
Kasese	1,224,786	991,366	80.9%	19.1%
Hoima	641,162	518,753	80.9%	19.1%
Masindi	783,384	601,117	76.7%	23.3%
Kabale	725,791	618,089	85.2%	14.8%
Kisoro	501,396	371,496	74.1%	25.9%
Rukungiri	285,104	213,804	75.0%	25.0%
Ibanda	401,347	310,283	77.3%	22.7%
Kamwenge	295,498	226,888	76.8%	23.2%
Kanungu	343,330	277,378	80.8%	19.2%
Lyantonde	326,340	259,450	79.5%	20.5%
Rushere	220,932	195,709	88.6%	11.4%
Ntungamo	340,667	245,367	72.0%	28.0%
Mpondwe	428,861	350,888	81.8%	18.2%
Ruhama	139,496	110,001	78.9%	21.1%
Lwengo	185,003	130,100	70.3%	29.7%
Subtotal	14,679,266	11,684,723	79.6%	20.4%
Total NWSC	127,796,935	90,471,703	70.8%	29.2%

ANNEX 3: Status of NWSC Pipe Network (Km) as at 30th June 2019

Area	Water Pipe Network (Km)		Sewer Pipe Network (Km)	
	New Water Mains	Total Pipe Network	New Water Mains	Total Pipe Network
Kampala	215.65	3,574.24	7.32	280.47
Central Region				
Jinja	39.30	736.98	6.50	83.63
Entebbe	29.00	459.75	5.26	61.74
Masaka	49.30	436.90	0.00	21.40
Mubende	75.90	221.90	0.00	0.00
Lugazi	19.00	177.00	0.00	0.00
Luweero	82.60	724.37	0.00	0.00
Mityana	23.30	230.00	0.00	0.00
Kigumba	25.00	158.70	0.00	0.00
Bweyale	23.40	170.10	0.00	0.00
Kyotera	23.50	198.10	0.00	0.00
Iganga	81.60	288.83	0.70	6.06
Kamuli	19.37	102.42	0.00	0.00
Mpigi	24.00	207.00	0.00	0.00
Sembabule	61.89	260.89	0.00	0.00
Subtotal	577.16	4,372.94	12.46	172.83
Eastern & Northern Region				
Tororo	135.80	573.72	0.30	16.78
Mbale	12.25	637.95	0.87	36.17
Soroti	92.75	360.35	1.00	23.00
Lira	20.60	288.82	1.60	20.00
Gulu	17.64	248.01	1.00	17.47
Arua	75.00	431.00	27.00	27.00
Pader	31.60	229.60	0.00	0.00
Nebbi/Paidha	42.20	242.30	0.00	0.00
Kitgum	20.67	121.65	0.00	0.00
Apac/Aduku	31.20	117.10	0.00	0.00
Moroto	12.60	78.10	0.00	0.00
Adjumani	32.00	123.40	0.00	0.00
Kapchorwa	27.40	91.60	0.00	0.00
Kumi	196.80	251.87	0.00	0.00
Kotido	7.50	67.80	0.00	0.00
Moyo	20.00	66.50	0.00	0.00
Koboko	9.00	92.00	0.00	0.00
Subtotal	785.01	4,021.77	31.77	140.41
Western & Southwestern Region				
Mbarara	104.55	654.95	2.00	30.21
Bushenyi	138.90	825.28	0.00	0.00
FortPortal	144.80	422.88	0.07	3.17
Kasese	41.90	281.02	0.00	0.00
Hoima	26.11	203.91	0.00	4.60
Masindi	58.00	263.90	2.00	9.20
Kabale	57.00	305.40	3.50	16.44
Kisoro	37.00	209.05	0.00	3.50
Rukungiri	28.50	267.80	0.00	0.00
Ibanda	28.90	180.30	0.00	0.00
Kamwenge	66.10	212.50	0.00	0.00
Kanungu	59.86	441.73	0.00	0.00
Lyantonde	60.55	245.55	0.00	0.00
Rushere	81.10	326.54	0.00	0.00
Ntungamo	52.10	305.80	0.00	0.00
Mpondwe	38.40	117.40	0.00	0.00
Ruhama	51.50	232.50	0.00	0.00
Lwengo	74.39	157.61	0.00	0.00
Subtotal	1,149.66	5,654.12	7.57	67.12
Total	2,727.48	17,623.07	59.12	660.83

ANNEX 4: Status of Water Connections as at 30th June 2019

Area	Total Accounts	Active Accounts	Inactive Accounts	Metered Accounts	% Inactive	Metered Accounts	New Connections
Kampala	315,897	278,450	37,447	315,815	12%	100.0%	32,130
Central Region							
Jinja	28,881	24,856	4,025	28,877	14%	100.0%	2,314
Entebbe	35,395	30,958	4,437	35,379	13%	100.0%	3,584
Masaka	17,534	16,555	979	16,968	6%	96.8%	1,576
Mubende	5,248	4,531	717	5,243	14%	99.9%	383
Lugazi	4,093	3,650	443	4,091	11%	100.0%	457
Luweero	10,433	9,867	566	9,679	5%	92.8%	1,588
Mityana	5,335	4,712	623	5,335	12%	100.0%	593
Kigumba	1,756	1,413	343	1,755	20%	99.9%	157
Bweyale	1,550	1,394	156	1,550	10%	100.0%	305
Kyotera	4,806	4,553	253	4,798	5%	99.8%	812
Iganga	10,081	7,875	2,206	10,081	22%	100.0%	929
Kamuli	2,768	2,422	346	2,768	13%	100.0%	455
Mpigi	4,082	3,645	437	4,081	11%	100.0%	469
Sembabule	1,484	1,444	40	1,481	3%	99.8%	337
Subtotal	133,446	117,875	15,571	132,086	12%	99.0%	13,959
Eastern & Northern Region							
Tororo	15,483	11,772	3,711	15,480	24%	100.0%	1,467
Mbale	18,173	14,680	3,493	18,172	19%	100.0%	1,274
Soroti	8,904	7,498	1,406	8,904	16%	100.0%	956
Lira	12,854	11,332	1,522	12,852	12%	100.0%	1,159
Gulu	8,405	7,845	560	8,404	7%	100.0%	812
Arua	8,571	6,198	2,373	8,570	28%	100.0%	719
Pader	3,150	3,094	56	3,143	2%	99.8%	170
Nebbi/Paidha	6,389	5,524	865	6,388	14%	100.0%	540
Kitgum	3,768	3,254	514	3,768	14%	100.0%	502
Apac/Aduku	2,164	1,958	206	2,163	10%	100.0%	308
Moroto	1,088	802	286	1,087	26%	99.9%	174
Adjumani	2,415	2,092	323	2,415	13%	100.0%	308
Kapchorwa	1,402	1,183	219	1,401	16%	99.9%	228
Kumi	2,135	2,000	135	2,135	6%	100.0%	1,078
Kotido	843	746	97	843	12%	100.0%	125
Moyo	1,129	899	230	1,129	20%	100.0%	265
Koboko	1,364	1,071	293	1,364	21%	100.0%	302
Subtotal	98,237	81,948	16,289	98,218	17%	100.0%	10,387
Western & Southwestern Region							
Mbarara	24,324	23,020	1,304	24,322	5%	100.0%	2,688
Bushenyi	12,918	12,676	242	12,912	2%	100.0%	1,633
FortPortal	11,732	10,577	1,155	11,732	10%	100.0%	1,111
Kasese	9,443	8,045	1,398	9,442	15%	100.0%	823
Hoima	5,768	5,384	384	5,768	7%	100.0%	467
Masindi	5,924	5,198	726	5,922	12%	100.0%	588
Kabale	7,232	6,246	986	7,228	14%	99.9%	655
Kisoro	3,831	3,571	260	3,830	7%	100.0%	363
Rukungiri	3,520	3,198	322	3,518	9%	99.9%	652
Ibanda	4,556	4,303	253	4,552	6%	99.9%	483
Kamwenge	2,822	2,740	82	2,815	3%	99.8%	574
Kanungu	4,220	3,801	419	4,216	10%	99.9%	604
Lyantonde	2,575	2,245	330	2,575	13%	100.0%	411
Rushere	1,827	1,797	30	1,826	2%	99.9%	561
Ntungamo	3,532	3,166	366	3,530	10%	99.9%	476
Mpondwe	3,598	3,045	553	3,598	15%	100.0%	236
Ruhama	1,704	1,515	189	1,704	11%	100.0%	114
Lwengo	2,051	1,651	400	2,051	20%	100.0%	300
Subtotal	111,577	102,178	9,399	111,541	8%	100.0%	12,739
Total	659,157	580,451	78,706	657,660	12%	99.8%	69,215

ANNEX 5: Status of Pro-poor Connections as at 30th June 2019

Area	Active PSPs	Inactive PSPs	Total PSPs	New PSPs
Kampala	3,122	1,151	4,273	74
Central Region				
Jinja	859	64	923	115
Entebbe	337	22	359	98
Masaka	318	11	329	70
Mubende	110	7	117	38
Lugazi	186	8	194	49
Luweero	272	7	279	108
Mityana	233	2	235	73
Kigumba	68	-	68	23
Bweyale	162	6	168	85
Kyotera	172	3	175	71
Iganga	432	31	463	74
Kamuli	121	11	132	64
Mpigi	129	4	133	67
Sembabule	67	-	67	19
Subtotal	3,466	176	3,642	954
Eastern & Northern Region				
Tororo	766	154	920	321
Mbale	582	87	669	80
Soroti	333	31	364	133
Lira	493	78	571	127
Gulu	180	28	208	30
Arua	165	36	201	28
Pader	101	3	104	16
Nebbi/Paidha	331	5	336	135
Kitgum	76	2	78	45
Apac/Aduku	187	1	188	70
Moroto	51	25	76	14
Adjumani	48	7	55	10
Kapchorwa	43	3	46	21
Kumi	42	4	46	4
Kotido	35	2	37	10
Moyo	33	9	42	18
Koboko	50	-	50	4
Subtotal	3,516	475	3,991	1,066
Western & Southwestern Region				
Mbarara	497	20	517	91
Bushenyi	880	9	889	295
FortPortal	467	61	528	80
Kasese	258	29	287	70
Hoima	135	4	139	64
Masindi	204	13	217	106
Kabale	248	46	294	88
Kisoro	127	16	143	38
Rukungiri	289	24	313	100
Ibanda	106	7	113	26
Kamwenge	234	2	236	90
Kanungu	536	47	583	174
Lyantonde	203	9	212	62
Rushere	121	2	123	38
Ntungamo	225	13	238	42
Mpondwe	197	7	204	26
Ruhama	134	7	141	16
Lwengo	101	2	103	50
Subtotal	4,962	318	5,280	1,456
Total	15,066	2,120	17,186	3,550

ANNEX 6: Status of Sewer Connections as at 30th June 2019

Area	Active Accounts	Inactive Accounts	Total Accounts	New Connections
Kampala	9,734	787	10,521	152
Central Region				
Jinja	3,611	522	4,133	24
Entebbe	397	19	416	6
Masaka	413	39	452	4
Mubende	0	0	0	0
Lugazi	0	0	0	0
Luweero	0	0	0	0
Mityana	0	0	0	0
Kigumba	0	0	0	0
Bweyale	0	0	0	0
Kyotera	0	0	0	0
Iganga	143	35	178	0
Kamuli	0	0	0	0
Mpigi	0	0	0	0
Sembabule	0	0	0	0
Subtotal	4,564	615	5,179	34
Eastern & Northern Region				
Tororo	366	202	568	1
Mbale	2,057	258	2,315	9
Soroti	387	76	463	9
Lira	389	54	443	8
Gulu	737	34	771	7
Arua	138	8	146	120
Pader	0	0	0	0
Nebbi/Paidha	0	0	0	0
Kitgum	0	0	0	0
Apac/Aduku	0	0	0	0
Moroto	0	0	0	0
Adjumani	0	0	0	0
Kapchorwa	0	0	0	0
Kumi	0	0	0	0
Kotido	0	0	0	0
Moyo	0	0	0	0
Koboko	0	0	0	0
Subtotal	4,074	632	4,706	154
Western & Southwestern Region				
Mbarara	631	87	718	10
Bushenyi	0	0	0	0
FortPortal	161	18	179	5
Kasese	0	0	0	0
Hoima	93	13	106	1
Masindi	206	24	230	6
Kabale	693	110	803	5
Kisoro	160	4	164	1
Rukungiri	0	0	0	0
Ibanda	0	0	0	0
Kamwenge	0	0	0	0
Kanungu	0	0	0	0
Lyantonde	0	0	0	0
Rushere	0	0	0	0
Ntungamo	0	0	0	0
Mpondwe	0	0	0	0
Ruhama	0	0	0	0
Lwengo	0	0	0	0
Subtotal	1,944	256	2,200	28
Total	20,316	2,290	22,606	368

ANNEX 7: Commercial Performance for the FY 2018/19

Area	Billing (Ushs.)	Collections (Ushs.)	C/B Ratio	Arrears (Ushs.)	Debt Age (Months)
Kampala	259,159,652,401	258,702,154,056	100%	37,869,495,571	1.8
Central Region					
Jinja	25,587,162,269	26,238,533,883	103%	7,806,057,407	3.7
Entebbe	23,735,705,464	23,585,048,241	99%	6,753,432,277	3.4
Masaka	9,415,826,323	9,412,379,322	100%	3,573,947,611	4.6
Mubende	2,416,850,415	2,201,581,100	91%	998,880,651	5.0
Lugazi	1,589,856,849	1,556,038,487	98%	283,784,710	2.1
Luweero	4,197,348,644	4,030,836,347	96%	883,883,090	2.5
Mityana	1,584,137,589	1,527,121,221	96%	303,549,547	2.3
Kigumba	576,627,028	554,623,957	96%	156,229,954	3.3
Bweyale	559,246,437	536,589,920	96%	95,191,907	2.0
Kyotera	1,860,772,893	1,874,641,020	101%	285,782,766	1.8
Iganga	3,015,202,336	3,090,141,480	102%	742,832,020	3.0
Kamuli	756,015,470	724,811,140	96%	164,441,369	2.6
Mpigi	1,104,368,404	1,085,359,044	98%	166,414,747	1.8
Sembabule	512,993,065	482,637,056	94%	86,776,180	2.0
Sub Total	76,912,113,186	76,900,342,218	100%	22,301,204,236	3.5
Eastern & Northern Region					
Tororo	6,514,450,407	6,211,260,120	95%	2,295,786,030	4.2
Mbale	12,181,027,231	13,784,358,207	113%	6,425,824,674	6.3
Soroti	4,939,021,531	4,735,665,469	96%	1,493,905,790	3.6
Lira	6,515,253,791	6,370,883,206	98%	1,981,912,740	3.7
Gulu	6,367,406,883	7,686,631,359	121%	1,925,431,159	3.6
Arua	4,983,501,485	4,567,935,553	92%	1,194,387,603	2.9
Pader	706,755,677	660,338,276	93%	230,781,406	3.9
Nebbi/ Paidha	1,922,062,624	1,808,283,594	94%	820,892,344	5.1
Kitgum	1,242,881,065	1,190,957,362	96%	340,296,304	3.3
Apac/Aduku	637,856,556	640,868,715	100%	118,836,786	2.2
Moroto	733,974,590	710,006,764	97%	238,935,069	3.9
Adjumani	802,541,597	761,841,162	95%	204,844,204	3.1
Kapchorwa	455,101,326	446,890,404	98%	107,954,841	2.8
Kumi	526,891,323	484,889,427	92%	121,574,528	2.8
Kotido	369,354,265	312,665,411	85%	86,971,461	2.8
Moyo	298,837,354	263,523,835	88%	68,932,584	2.8
Koboko	378,960,483	309,935,309	82%	203,444,314	6.4
Sub Total	49,575,878,188	50,946,934,173	103%	17,860,711,837	4.3
Western & Southwestern Region					
Mbarara	19,209,810,481	18,253,969,357	95%	8,014,911,430	5.0
Bushenyi	3,744,837,128	3,677,367,604	98%	640,133,412	2.1
FortPortal	4,921,834,009	5,072,089,649	103%	1,019,184,175	2.5
Kasese	3,945,599,915	3,989,248,377	101%	795,373,476	2.4
Hoima	2,975,636,604	2,736,476,522	92%	746,867,792	3.0
Masindi	3,087,078,439	3,336,769,960	108%	1,197,814,423	4.7
Kabale	3,222,183,548	3,035,438,152	94%	871,574,938	3.2
Kisoro	1,653,241,699	1,554,238,695	94%	372,230,079	2.7
Rukungiri	894,933,687	919,211,340	103%	130,952,370	1.8
Ibanda	1,335,770,068	1,286,068,453	96%	294,906,503	2.6
Kamwenge	906,882,825	880,163,282	97%	126,781,596	1.7
Kanungu	1,018,998,493	1,012,783,829	99%	215,717,731	2.5
Lyantonde	1,023,876,619	953,353,218	93%	168,358,082	2.0
Rushere	808,427,288	791,502,390	98%	106,761,294	1.6
Ntungamo	988,426,490	995,609,533	101%	370,947,920	4.5
Mpondwe	1,191,867,528	1,129,893,721	95%	353,939,186	3.6
Ruhama	425,188,710	389,435,575	92%	103,043,922	2.9
Lwengo	417,866,193	408,596,193	98%	62,285,021	1.8
Subtotal	51,772,459,724	50,422,215,850	97%	15,591,783,350	3.6
Total	437,420,103,499	436,971,646,297	100%	93,623,194,994	2.6

ANNEX 8: Unit Cost of Production (Ushs.) for the FY 2018/19

Area	Volume of Water Produced m ³		Total Costs (Ushs. "000") 2017/18			Cost Per M3 (Ushs.)		
	2017/18	2017/18	Operating	Depreciation	Total	2017/18	2017/18	Growth
Head Office	-	-	92,342,704	2,575,603	94,918,307	-	-	-
Kampala	79,034,697	82,762,031	101,531,369	11,796,910	113,328,279	1,369	1,621	-16%
Central Region								
Jinja	6,938,529	7,422,527	9,888,298	20,066,494	29,954,792	4,036	1,531	164%
Entebbe	6,535,195	6,970,952	9,153,233	3,330,835	12,484,068	1,791	1,410	27%
Masaka	2,513,768	2,397,720	5,799,879	1,724,443	7,524,322	3,138	2,395	31%
Mubende	567,463	634,141	2,070,677	1,430,448	3,501,125	5,521	3,458	60%
Lugazi	435,198	492,237	1,854,648	743,290	2,597,938	5,278	3,620	46%
Luweero	983,130	1,410,597	4,210,842	535,038	4,745,880	3,364	3,837	-12%
Mityana	493,241	620,701	2,230,558	685,033	2,915,591	4,697	3,849	22%
Kigumba	135,991	151,890	840,667	75,572	916,239	6,032	5,872	3%
Bweyale	142,342	173,317	787,140	73,749	860,889	4,967	6,160	-19%
Kyotera	588,366	555,961	2,160,313	176,832	2,337,145	4,204	3,578	18%
Iganga	320,679	422,020	2,596,892	671,193	3,268,085	7,744	8,522	-9%
Kamuli	212,871	245,967	888,941	145,645	1,034,586	4,206	4,539	-7%
Mpigi	355,613	392,414	1,848,372	1,919,108	3,767,480	9,601	4,056	137%
Sembabule	39,857	188,388	919,705	35,839	955,544	5,072	3,899	-
Sub Total	20,262,243	22,078,832	45,250,165	31,613,519	76,863,684	3,481	2,179	60%
Eastern & Northern Region								
Tororo	1,555,929	1,910,406	5,806,253	73,836	5,880,089	3,078	2,542	21%
Mbale	2,664,603	2,660,839	7,500,731	1,495,751	8,996,482	3,381	2,656	27%
Soroti	1,072,454	1,269,753	3,724,095	2,294,032	6,018,127	4,740	3,334	42%
Lira	2,077,492	2,334,258	4,369,309	1,451,469	5,820,778	2,494	2,280	9%
Gulu	1,315,207	1,447,237	4,342,232	457,774	4,800,006	3,317	3,546	-6%
Arua	1,515,206	1,473,350	3,432,254	2,778,682	6,210,936	4,216	1,886	123%
Pader	232,355	264,505	1,395,743	51,477	1,447,220	5,471	5,572	-2%
Nebbi/Paidha	689,647	846,173	2,205,891	445,960	2,651,851	3,134	3,118	1%
Kitgum	276,434	377,447	1,575,148	217,969	1,793,117	4,751	4,918	-3%
Apac/Aduku	158,077	200,492	1,176,903	192,939	1,369,842	6,832	7,187	-5%
Moroto	177,004	230,881	1,126,642	183,927	1,310,569	5,676	5,569	2%
Adjumani	230,945	257,631	806,361	104,770	911,131	3,537	3,249	9%
Kapchorwa	126,910	130,449	849,235	285,768	1,135,003	8,701	6,088	43%
Kumi	101,290	222,427	1,198,077	152,361	1,350,438	6,071	5,726	-
Kotido	46,104	121,078	915,727	176,996	1,092,723	9,025	7,603	-
Moyo	44,382	103,566	565,389	35,660	601,049	5,804	-	-
Koboko	29,585	180,716	888,077	12,037	900,114	4,981	-	-
Sub Total	12,313,624	14,031,209	41,878,067	10,411,408	52,289,475	3,727	2,944	27%
Western & Southwestern								
Mbarara	5,045,133	5,532,002	11,256,907	1,950,068	13,206,975	2,387	2,000	19%
Bushenyi	1,285,822	1,440,151	3,720,567	2,459,733	6,180,300	4,291	2,897	48%
FortPortal	1,227,826	1,497,767	3,557,333	437,263	3,994,596	2,667	2,670	0%
Kasese	1,163,124	1,264,849	1,841,762	308,829	2,150,591	1,700	1,512	12%
Hoima	894,266	808,814	2,025,980	350,816	2,376,796	2,939	2,363	24%
Masindi	770,427	869,135	945,619	754,651	2,700,270	3,107	2,795	11%
Kabale	715,788	787,197	2,655,672	342,282	2,997,954	3,808	3,603	6%
Kisoro	474,411	501,396	1,629,275	268,962	1,898,237	3,786	3,292	15%
Rukungiri	246,915	285,104	1,267,498	174,369	1,441,867	5,057	5,194	-3%
Ibanda	380,487	414,352	739,236	158,872	898,108	2,168	1,788	21%
Kamwenge	226,664	307,227	1,274,976	409,984	1,684,960	5,484	5,227	5%
Kanungu	284,998	343,330	1,116,865	167,736	1,284,601	3,742	3,656	2%
Lyantonde	532,477	535,671	2,236,234	194,170	2,430,404	4,537	3,938	15%
Rushere	174,960	202,014	1,296,352	219,817	1,516,169	7,505	5,814	29%
Ntungamo	459,820	432,896	1,368,311	541,448	1,909,759	4,412	3,066	44%
Mpondwe	405,112	471,639	900,621	145,544	1,046,165	2,218	1,796	24%
Ruhama	132,274	139,496	872,039	197,323	1,069,362	7,666	5,998	28%
Lwengo	160,364	214,890	1,088,367	557,207	1,645,574	7,658	4,516	70%
Subtotal	14,580,868	16,047,930	40,793,614	9,639,074	50,432,688	3,143	2,621	20%
Total	126,191,432	134,920,002	321,795,919	66,036,514	387,832,433	2,875	2,599	11%

ANNEX 9: Break-Even Analysis (Ushs.) as at June 2019

Area	Income ("000")		Operational Expenses ("000")		Working Ratio	
	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
Head Office	34,025,190	59,432,095	62,124,933	92,342,704	183%	155%
Kampala	204,543,158	225,985,737	130,947,553	101,531,369	64%	45%
Central Region						
Jinja	18,899,496	22,196,410	8,847,947	9,888,298	47%	45%
Entebbe	19,885,809	20,799,692	8,062,046	9,153,233	41%	44%
Masaka	7,767,914	8,118,659	5,258,447	5,799,879	68%	71%
Mubende	1,836,982	2,113,517	1,727,998	2,070,677	94%	98%
Lugazi	1,207,610	1,408,319	1,451,717	1,854,648	120%	132%
Luweero	2,941,701	3,719,313	3,246,211	4,210,842	110%	113%
Mityana	1,204,111	1,421,395	1,781,394	2,230,558	148%	157%
Kigumba	430,773	513,625	665,551	840,667	155%	164%
Bweyale	433,833	505,655	772,185	787,140	178%	156%
Kyotera	1,430,923	1,673,728	1,901,752	2,160,313	133%	129%
Iganga	2,691,134	2,670,703	2,150,397	2,596,892	80%	97%
Kamuli	565,343	687,863	841,113	888,941	149%	129%
Mpigi	817,868	986,414	1,426,620	1,848,372	174%	187%
Sembabule	71,176	463,500	155,397	919,705	218%	198%
Sub Total	60,184,673	67,278,793	38,288,775	45,250,165	64%	67%
Eastern & Northern Region						
Tororo	4,082,051	5,712,990	3,478,779	5,806,253	85%	102%
Mbale	10,398,825	10,652,286	6,289,535	7,500,731	60%	70%
Soroti	3,481,922	4,307,121	2,963,929	3,724,095	85%	86%
Lira	4,870,911	5,709,180	4,173,837	4,369,309	86%	77%
Gulu	4,731,824	5,577,265	3,956,118	4,342,232	84%	78%
Arua	3,135,929	4,174,675	2,640,681	3,432,254	84%	82%
Pader	527,093	615,540	1,243,226	1,395,743	236%	227%
Nebbi/Paidha	1,991,045	2,128,606	2,055,058	2,205,891	103%	104%
Kitgum	790,400	1,221,465	1,008,048	1,575,148	128%	129%
Apac/Aduku	460,574	572,055	1,057,140	1,176,903	230%	206%
Moroto	483,564	643,730	860,025	1,126,642	178%	175%
Adjumani	596,271	719,096	706,506	806,361	118%	112%
Kapchorwa	336,391	407,967	749,117	849,235	223%	208%
Kumi	236,768	493,226	579,938	1,198,077	245%	243%
Kotido	145,301	332,819	349,970	915,727	241%	275%
Moyo	140,202	302,235	-	565,389	0%	187%
Koboko	-	533,556	-	888,077	-	166%
Sub Total	36,409,071	44,103,812	32,111,907	41,878,067	88%	95%
Western & Southwestern Region						
Mbarara	13,755,328	16,671,502	8,660,216	11,256,907	63%	68%
Bushenyi	3,073,080	3,908,997	3,102,065	3,720,567	101%	95%
FortPortal	3,862,335	4,386,711	2,892,494	3,557,333	75%	81%
Kasese	3,112,956	3,474,157	1,591,987	1,841,762	51%	53%
Hoima	1,612,790	2,098,612	1,819,040	2,109,606	113%	101%
Masindi	2,252,811	2,692,226	1,715,292	1,945,619	76%	72%
Kabale	2,417,514	2,825,728	2,168,223	2,655,672	90%	94%
Kisoro	1,263,462	1,433,497	1,395,898	1,629,275	110%	114%
Rukungiri	657,125	839,970	1,168,940	1,267,498	178%	151%
Ibanda	946,473	1,204,346	525,192	739,236	55%	61%
Kamwenge	641,777	837,098	1,118,405	1,274,976	174%	152%
Kanungu	754,947	927,072	936,760	1,116,865	124%	120%
Lyantonde	858,492	913,147	1,913,469	2,236,234	223%	245%
Rushere	538,692	729,970	864,978	1,296,352	161%	178%
Ntungamo	885,021	870,910	1,140,572	1,368,311	129%	157%
Mpondwe	875,407	1,052,798	676,749	900,621	77%	86%
Ruhama	362,816	370,723	746,084	872,039	206%	235%
Lwengo	295,716	417,339	724,161	1,088,367	245%	261%
Subtotal	38,166,742	45,654,803	33,160,525	40,877,240	87%	90%
Total	373,328,834	442,455,240	296,633,693	321,879,545	79%	73%

ANNEX 10: Staff Productivity per 1000 Connections as at June 2019

Area	Male	Female	% of Female	Total	Water Connections	Staff productivity
Head Office	314	211	40%	525	-	-
Kampala	828	430	34%	1,258	315,897	4
Central Region						
Jinja	102	33	24%	135	28,881	5
Entebbe	77	51	40%	128	35,395	4
Masaka	54	26	33%	80	17,534	5
Mubende	19	9	32%	28	5,248	5
Lugazi	14	9	39%	23	4,093	6
Luweero	41	19	32%	60	10,433	6
Mityana	15	8	35%	23	5,335	4
Kigumba	12	3	20%	15	1,756	9
Bweyale	13	2	13%	15	1,550	10
Kyotera	24	16	40%	40	4,806	8
Iganga	35	16	31%	51	10,081	5
Kamuli	11	4	27%	15	2,768	5
Mpigi	14	13	48%	27	4,082	7
Sembabule	11	3	21%	14	1,484	9
Subtotal	442	212	32%	654	133,446	5
Eastern & Northern Region						
Tororo	49	19	28%	68	15,483	4
Mbale	96	40	29%	136	18,173	7
Soroti	42	11	21%	53	8,904	6
Lira	51	14	22%	65	12,854	5
Gulu	55	14	20%	69	8,405	8
Arua	41	9	18%	50	8,571	6
Pader	21	7	25%	28	3,150	9
Nebbi/Paidha	31	9	23%	40	6,389	6
Kitgum	17	5	23%	22	3,768	6
Apac/Aduku	17	6	26%	23	2,164	11
Moroto	13	4	24%	17	1,088	16
Adjumani	10	3	23%	13	2,415	5
Kapchorwa	15	3	17%	18	1,402	13
Kumi	13	4	24%	17	2,135	8
Kotido	16	2	11%	18	843	21
Moyo	8	3	27%	11	1,129	10
Koboko	9	4	31%	13	1,364	10
Subtotal	504	157	24%	661	98,237	7
Western & Southwestern Region						
Mbarara	103	44	30%	147	24,324	6
Bushenyi	50	25	33%	75	12,918	6
Fort Portal	42	13	24%	55	11,732	5
Kasese	39	12	24%	51	9,443	5
Hoima	16	8	33%	24	5,768	4
Masindi	20	4	17%	24	5,924	4
Kabale	36	8	18%	44	7,232	6
Kisoro	20	3	13%	23	3,831	6
Rukungiri	16	9	36%	25	3,520	7
Ibanda	9	5	36%	14	4,556	3
Kamwenge	17	6	26%	23	2,822	8
Kanungu	20	7	26%	27	4,220	6
Lyantonde	16	7	30%	23	2,575	9
Rushere	15	12	44%	27	1,827	15
Ntungamo	25	9	26%	34	3,532	10
Mpondwe	18	8	31%	26	3,598	7
Ruhama	15	4	21%	19	1,704	11
Lwengo	13	6	32%	19	2,051	9
Subtotal	490	190	28%	680	111,577	6
Total	2,578	1,200	32%	3,778	659,157	6

ANNEX 11: Compliance to Internal Audit Recommendations for the FY 2018/19

Area	Recommendations made (No)	Recommendations Acted Upon (No)	Percentage (%)	Target (%)
Kampala	147	136	93%	100%
Central Region				
Entebbe	26	25	96%	100%
Lugazi	19	17	89%	100%
Kyotera	19	18	95%	100%
Mityana	41	39	95%	100%
Luweero	37	32	86%	100%
Mubende	31	27	87%	100%
Jinja	46	41	89%	100%
Subtotal	219	199	91%	100%
Eastern & Northern Region				
Mbale	31	30	97%	100%
Kitgum	34	31	91%	100%
Nebbi	31	29	94%	100%
Apac	27	23	85%	100%
Moroto	37	33	89%	100%
Kotido	23	19	83%	100%
Kumi	34	27	79%	100%
Subtotal	217	192	88%	100%
Western & Southwestern Region				
Kisoro	25	23	92%	100%
Kabale	26	23	88%	100%
Lyantonde	27	26	96%	100%
Kamwenge	46	45	98%	100%
Mpondwe	22	20	91%	100%
Rukungiri	24	23	96%	100%
Subtotal	170	160	94%	100%
Total	753	687	91%	100%

NATIONAL WATER & SEWERAGE CORPORATION - GRI G4 CONTENT INDEX

		Covered in this report	Page reference or comment
STRATEGY AND PROFILE DISCLOSURES			
STRATEGY AND ANALYSIS			
G4-1.	Statement from the most senior decision maker	YES	Page 24
G4-2.	Description of key impacts, risks and opportunities	YES	Pages 26-39
ORGANIZATIONAL PROFILE			
G4-1.	Name of organization	YES	Cover Page
G4-2.	Primary brands, products and/or services	YES	Pages 5
G4-3.	Location of organization's headquarters	YES	Cover Page (behind)
G4-4.	Number of (towns)where the organization operates	YES	Table 2 (KPI: 1)& Pages: 10-11
G4-5.	Nature of ownership and legal form	YES	Page No.5
G4-6.	Markets served by the organization (including geographic breakdown, sectors (Our Customers/Subscribers).	YES	Table 2; Page 16, Figure 8 & Page 10-11
G4-7.	Scale of the reporting organization.	NO	Government Parastatal
G4-8.	Total number of employees and gender.	YES	Table 6
G4-9.	Percentage of total employees covered by collective bargaining agreements. (Staff under Union)	YES	All staff below Scale 2 (about 85%). Not reported here.
G4-10.	Description of the organization's supply chain	YES	Pages No.85, 38-39
G4-11.	Significant changes during the reporting period regarding the organization's size, structure, ownership or it supply chain	YES	Page: 73-90
G4-12.	Precautionary approach or principle is addressed by the organization.	YES	Not reported here
G4-13.	Precautionary Approach	YES	Page 6-9, 12-15, Page 21. Page 40-55
G4-14.	Membership of associations in which the organization has positions in governance bodies, participates in projects or communities, provides funding beyond routine memberships dues or views membership as strategic.	YES	AFWA, IWA, UIPE, FEU, SPA, WACOCO, UBTEB, SWAS Clubs, Rotary Clubs etc.
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-1.	List of all entities included in the organization's consolidated financial statements or equivalent documents	YES	Pages: 91-104
G4-2.	Explanation of the process of defining report content and the Aspect boundaries	YES	Page: 20
G4-3.	List of all Material Aspects identified in the process for Defining Report		Page 20. (About this Report).
STAKEHOLDER ENGAGEMENT			
G4-24.	List of stakeholder groups engaged by the organization	YES	Pages 54-55
G4-25.	Basis for identification and selection of stakeholder with whom to engage	YES	Page 54-1 st Paragraph
G4-26.	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	YES	Page 54-55 column 2of Table: 10
G4-27.	Key topics and concerns that have been raised through stakeholder engagements, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	YES	Page 54-55 column 3 of Table: 10
G4-28.	Reporting period for information provided	YES	Cover Page
G4-29.	Date of most recent previous report.	YES	From Page (101-Financial Statements)
G4-30.	Reporting cycle.	YES	Cover Page/Financial Statements/Operational Performance.
G4-31.	Contact point for questions regarding the report or its contents.	YES	Page 128-NWSC Head office Contacts
G4-32.	Report an "in accordance" option that the organization has chosen.	YES	Page No.20

G4-33.	Assurance – Policy and current practice with regard to seeking external assurance for the report, if not included in an assurance report, explain the scope and basis of any external assurance provided. Also explain the relationship between the organization and the assurance provider.	YES	Page No.24 and Page 36 Under Our Governance Report.
GOVERNANCE			
G4-34.	Governance structure of the organization, including committees under the highest governance body and responsibilities in decision-making on economic, environmental and social impacts.	YES	Page No.28-35
G4-35.	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	YES	Pages No. 28 under Our Governance and Leadership.
G4-35.	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	YES	Pages No. 28 under Our Governance and Leadership.
G4-36.	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	YES	Pages No. 28 under Our Governance and Leadership.
G4-37.	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and feedback processes to the highest governance body.	YES	Pages No. 28 under Our Governance and Leadership. Table 10; Page 54-56.
G4-38.	Composition of the highest governance body by independence, tenure on the governance body, number and nature of other significant positions and commitments, gender, membership of under-represented social groups, competences, and stakeholder representation.	YES	Page No. 29, Table 3
G4-39.	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his/her function within the organization's management and the reasons for this arrangement).	YES	Page No.28 (Under Overview)
G4-40.	Nomination and selection processes for the highest governance body and its committees and the criteria used for nominating and selecting the highest governance body members including where and how diversity, independence experience and expertise are considered, and the extent of involvement of stakeholders including shareholders.	YES	Page No. 28-33 (Appointment of the Board is done by the Minister)
G4-41.	Processes in place for the highest governance body to ensure conflicts of interest are avoided and managed.	YES	Page 35-Table 3 . (Board Committees)
G4-42.	The highest governance body's and senior executives' roles in the development, approval and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	YES	Page 28
G4-43.	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	YES	Page 30. (Consultant was hired to evaluate the Board).
G4-44.	Processes in place for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment.	YES	Page No.30- Evaluation of the Board
G4-45.	The highest governance body's role in identification and management of economic, environmental and social impacts, risks and opportunities.	YES	Page No.28- Roles of the Board.
INCLUDE THE HIGHEST GOVERNANCE BODY'S ROLE IN THE IMPLEMENTATION OF DUE DILIGENCE PROCESSES.			
G4-46.	The highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics and social topics.	YES	Risk Management Committee Page 28
G4-47.	The frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities.	YES	Page No.30 (Table 5: Board Meetings)
G4-48.	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material aspects are covered.	YES	Page No.28 (Board Bullet-in 4 & 5)-Finance Committee of the Board.
G4-49.	Report the process for communicating critical concerns to the highest governance body.	YES	Page 30: Board Meetings (Table 5).

G4-50.	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	YES	Page 28-Through Board meetings where Board Papers are presented.
G4-51.	Remuneration policies for the highest governance body and senior executives.	YES	Page 30-Directors Remuneration (Table 4) and the notes immediately below the table .
G4-52.	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	YES	Page 28, notes below Table 4.
G4-53.	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	YES	Available in other Policy documents and guidelines
G4-54.	Report the ratio of the annual total compensation of the organization's highest-paid individual in each country of significant operations to the medial annual total compensation for all employees (excluding the highest-paid individual) in the same country.	NO	-
G4-55.	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the medial annual total compensation for all employees (excluding the highest-paid individual) in the same country.	NO	-
ETHICS AND INTEGRITY			
G4-56.	Description of the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	YES	Page No.4-g (Mission, Quality Policy)
G4-57.	Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	YES	Page 40-55 Ethics & Integrity. (Helplines or advise lines-Table 10; raw 1; column 3)
G4-58.	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	YES	Page 44 (Trade Unions)-Table 10; Page 54, Page 15-Good Governance (Whistle blowing Policy)
DISCLOSURES ON MANAGEMENT APPROACH			
G4-DMA	Report the evaluation of the management approach, including the mechanisms for evaluating the effectiveness of the management approach; results of the evaluation of the management approach and any related adjustments to the management approach.	YES	Page 15-Implementation, monitoring of the Progress of the Corporate Plan. Contract Framework in place.
G4-DMA	Report why the Aspect is material. Report the impacts that make this Aspect material.	YES	Transparency & Accountability
G4-DMA	Report how the organization manages the material Aspect or its impacts.	YES	Transparency, Accountability for Good Governance.
ECONOMIC INDICATORS			
ECONOMIC PERFORMANCE, INCLUDING MARKET PRESENCE AND INDIRECT ECONOMIC ASPECTS.			
G4-EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	YES	Financial Statements Page 92-93 and 101
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	NO	Page 49- (Climate change being addressed through Environmental protection and Page 57-Table 11-Expenditure on Capital Development Projects to address the impact of climate change on our water sources.
G4-EC3	Coverage of the organization's defined benefit t plan obligations.	NO	-
G4-EC4	Financial assistance received from government.	YES	Table 11 row 1; column 2: Ushs.92billion.
G4-EC5	Ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	NO	-
G4-EC6	Proportion of senior management hired from the local community at locations of significant operation.	YES	Report not here

G4-EC7	Development and impact of infrastructure investments and services supported.	YES	Pages 56-72-Implementation of Capital Development Projects
G4-EC8	Significant indirect economic impacts, including the extent of impacts.	NO	Page 41: Sustainability of the Corporation from paragraph 3. (Indirect impacts and Extent of impacts Ushs.302 billion invested in FY 2018/19).
G4-EC9	Proportion of spending on local suppliers at significant locations of operation.	YES	Ushs.291 billion contracts awarded under the BUBU Scheme. Page 42 (under; growing with our suppliers)

ENVIRONMENTAL INDICATORS**ENVIRONMENTAL PERFORMANCE, INCLUDING MATERIALS, ENERGY, WATER, BIODIVERSITY, EMISSIONS, EFFLUENT & WASTE, COMPLIANCE AND TRANSPORT.**

G4-EN1	Materials used by weight or volume.	NO	-
G4-EN2	Percentage of materials used that are recycled input materials.	NO	-
G4-EN3	Energy Consumption within the Organization.	YES	Page 115 Note 10 (64,6 billion) & Note 12-(747m)-Page no. 116 , Note 13-Fuel and lubricants.
G4-EN6	Reduction of energy consumption.	YES	Not Reported here
G4-EN7	Reductions in energy requirements of products and services.	YES	Not reported here
G4-EN8	Total water withdrawal by source.	YES	Not reported here
G4-EN8	Water sources significantly affected by withdrawal of water.	NO	-
G4-EN10	Percentage and total volume of water recycled and reused.	YES	Not reported here
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas outside of high biodiversity value outside protected areas.	YES	Not reported here

SOCIAL INDICATORS – HUMAN RIGHTS**HUMAN RIGHTS PERFORMANCE, INCLUDING STRATEGY & MANAGEMENT, NON-DISCRIMINATION, FREEDOM OF ASSOCIATION, CHILD LABOUR AND FORCED LABOUR**

G4-HR3	Total number on incidents of discrimination and corrective action taken.	NO	-
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	NO	-
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour and measures taken to contribute to the effective abolition of child labour.	NO	-
G4-HR6	Operations and suppliers identified as having significant risk, for incidents of forced or compulsory labour and measures to contribute to the elimination of all forms of forced or compulsory labour.	NO	-
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	NO	-

SOCIAL INDICATORS – SOCIETY**SOCIETY PERFORMANCE, INCLUDING COMMUNITY, CORRUPTION, PUBLIC POLICY AND COMPLIANCE**

G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society.	NO	-
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken.	NO	-

SOCIAL INDICATORS – PRODUCT RESPONSIBILITY**PRODUCT RESPONSIBILITY, INCLUDING CUSTOMER HEALTH & SAFETY, PRODUCTS & SERVICES, MARKETING & COMMUNICATION AND CUSTOMER PRIVACY**

G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvements.	YES	Page 85-87 Water and sewerage quality report and Our water Treatment process.
G4-PR5	Results of surveys measuring customer satisfaction.	YES	Not Reported here.

END

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NAKAWA BRANCH

Tel: 0313-315656

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RAKAI BRANCH

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Post Bank

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KCB Bank

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Cairo International Bank

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United Bank of Africa

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Diamond Trust Bank

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Tropical Bank

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Eco Bank

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Orient Bank

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NC Bank

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