

National Water and Sewerage Corporation

Integrated Annual Report 2019/20



Contents

Vision and Mission	1
List of Acronyms	2
About NWSC	4
Caring for our Customers	6
Our Nationwide Footprint	10
Our Geographical Growth - Since 1972	11
Welcoming Ntoroko to the NWSC Family	12
Our Core Values	14
Our Strategy to (2018-2021)	15
Our Performance Trend for the Past Seven Years	18
Awards and Recognition	20
About this Report	22
Addressing Our Biggest Challenges	23
Statement of the Board Chairman	26
Statement of the Managing Director	28
Our Governance and Leadership	30
Our Board of Directors	33
Our Executive Management	36
Our Value Creation Model	38
Our Sustainability Approach	40
Tackling Environmental Issues Head-on	49
Stakeholder Engagement and Materiality	54
Operational Performance	56
Financial Performance	66
Quality Assurance	70
Kampala Water - The Heart Beat of NWSC	73
NWSC Footprint on a Global Stage	75
Building a Strong Infrastructure Base	77
Responding to Water and Sanitation Challenges Across the Country	80
NWSC Financial Statements for the Year Ended 30 June 2020	105



Our Vision is:

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

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.”

List of Acronyms and Abbreviations

ACORD	Agency for Cooperation and Research in Development
AFD	French Development Agency
AfDB	African Development Bank
AfWA	African Water Association
BOD	Biological Oxygen Demand
BOU	Bank of Uganda
BSc	Bachelor of Science
CEO	Chief Executive Officer
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
ECL	Expected Credit Loss
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	Intergrated 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)
NFA	National Forestry Authority
Nos.	Numbers
NRM	National Resistance Movement
NRW	Non-Revenue Water
NSSF	National Social Security Fund
NWSC	National Water and Sewerage Corporation
PC	Performance Contract
PhD	Doctor of Philosophy
pH	Potential of Hydrogen
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
UGX	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
YWPs	Young Water Professionals



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 2020, NWSC was operating in 258 towns across the Country.

Our Customers

The Corporation served more than 724,000 water subscribers at the end of the reporting period of which 21,600 are pro-poor Public Stand Posts (PSPs), whose tariff is subsidized.

Our Employees

NWSC is endowed with 4,082 skilled, experienced, and motivated staff.

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, and ensures that it is treated before being discharged into the environment.

We have various categories of consumers, 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, vocational training, 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.



Caring for our Customers

At NWSC, we believe that the customer is the reason we exist. 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 to receive customer complaints or comments from all sources. Complaints can be through walk-ins, emails, phone calls and social media platforms. They 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 ups.

During the FY 2019/20, 166,942 complaints were received and 164,017 were resolved. The rest of the complaints were handled at the beginning of FY 2020/21.



NWSC staff attend to a customer at our Kampala City Centre Branch.



NWSC Management team engaging with customers during a sensitization meeting at NWSC-IREC

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 the Corporation 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 and working out flexible Arrears payment plans.

Empowering our Customers with 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, service standards, NWSC services, new connection procedures, debt recovery, 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 as at June 2020

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

HOW TO ACQUIRE A NEW CONNECTION WITH NWSC

Visit your respective NWSC branch nearest to you and get entered into the system.

All You Need

- One passport size photograph 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.

1

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

2

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

3

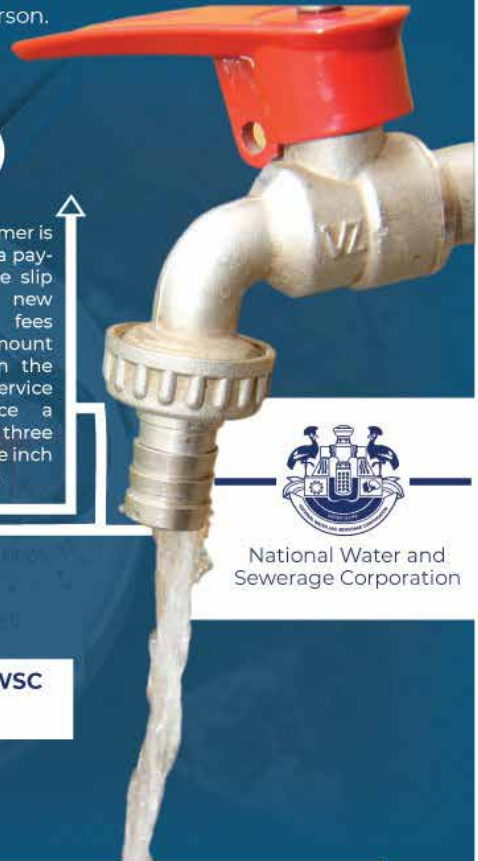
The customer is then given a payment advice slip and pays new connection fees whose amount depends on the size of the service for instance a half inch, three inch or a one inch connection.



National Water and
Sewerage Corporation

When all the above is done, the customer is connected to NWSC service(s) by the staff in charge.

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, electronic funds transfer (EFT), 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.

Expanding our Branch network

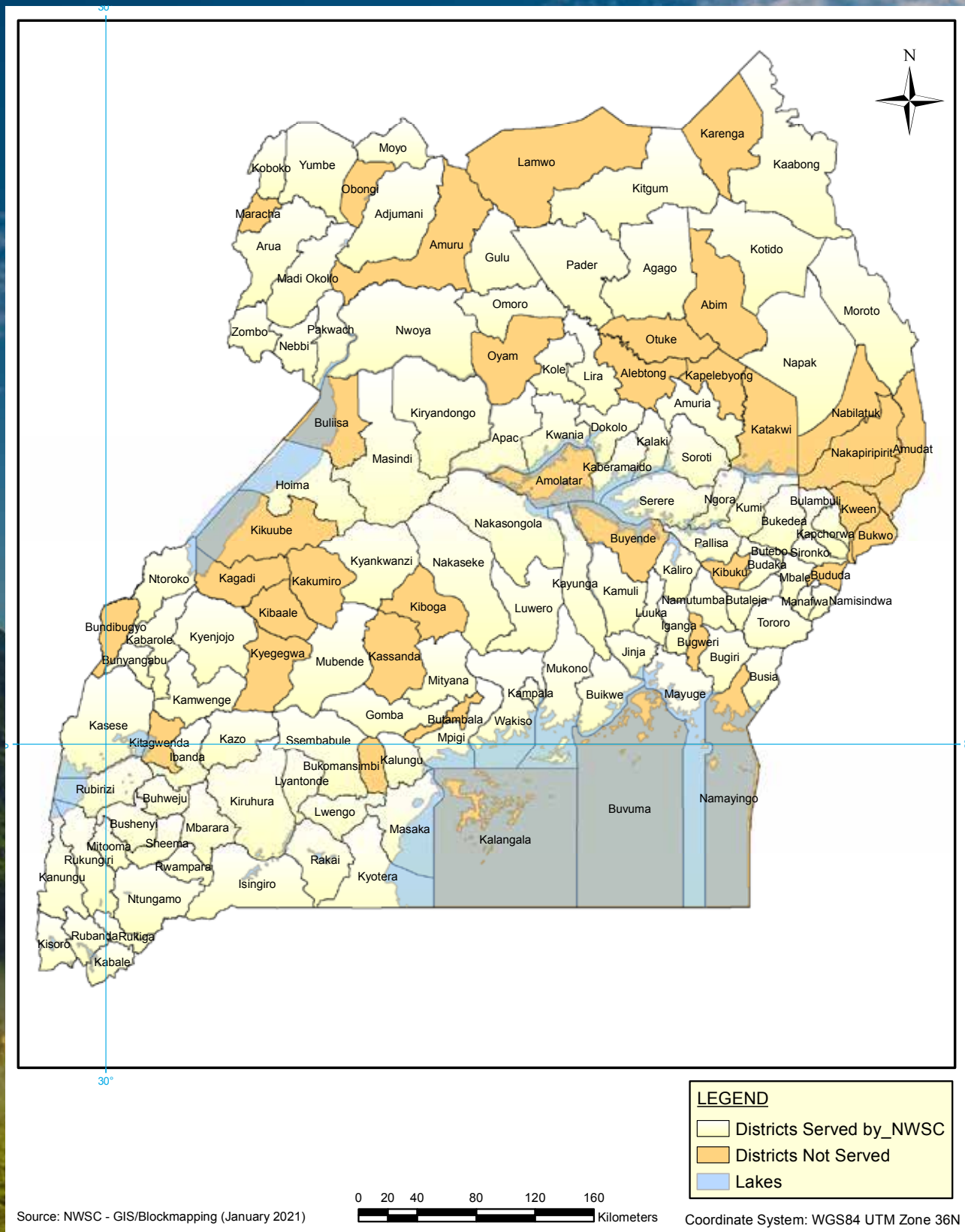
We have opened more Branches Countrywide, to enable our customers access our services easily. Under Kampala Service Area, we have 60 Branches, while Northern & Eastern Region has 44 Branches. Central Region has 29 Branches, Western and South Western Region has 41 Branches.



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 2020, witnessed a rapid growth in coverage from 27 to 258 towns. NWSC took over 5 additional towns in the current Financial Year. Illustrated below, is our geographical expansion since 1972.

June 2020 (5 New Towns)

Kiziba, Rukooko, Ntoroko, Rwebisengo-Kanara, Bukomero

June 2019 (17 New Towns)

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

June 2018 (18 New Towns)

Lutuuku, Kyambi, Namibirizi, Mateete, Mitete, Ntuusi, Lwebitakuli, Lugushuru, Gombe, Kyabadaaza, Okollo, Koboko, Mayanga-Omuribiri, Kanyabwanga-Omukabanda, Bitereko-Iraramira, 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, Omungyenye, Rubaare, Kagarama, Rwentobo, Rwashemeire, Ruhama, Kitwe, Kikagati, Mirama hills, Irembezi, Rutookye, Buhweju/Nsiika, Kabale-Kabarole.

June 2015 (44 New Towns)

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

June 2014 (39 New Towns)

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





Welcoming Ntoroko to the NWSC Family

Ntoroko District is located at the Ugandan border with the Democratic Republic of Congo. It had an estimated population of 76,000 people as at June 2020 and is expected to grow to 90,000 by the year 2030 (UBOS projections). Ntoroko District includes the Town councils of Rwebisengo, Kanaara and Kibuuku. The water supply system of Rwebisengo-Kanaara Towns has been gazetted by the Minister of Water and Environment to be managed by National Water and Sewerage Corporation under a statutory notice dated 20th May 2020. The NWSC, therefore took over operations in Ntoroko District in June, making it the newest member of the NWSC family.

The Kanaara Town Water supply system has been newly constructed by the Government of Uganda, through the Water and Sanitation Development Facility-Mid Western (WSDF-MW) of the Urban Water Supply and Sewerage Services Department in two phases. Phase 1 involved the construction of intake works, water treatment works, transmission mains to Kanaara Town Council, and two water storage reservoirs at Kanaara Town Council and Kanaara Sub-County were completed.

The Water source for the system is River Wansa and River Wanka. The system is designed to produce 334m³/hr of water. The storage reservoirs are at Kanaara Town Council (274m³), Rwangara (72m³) and Kachankumi (72m³). The Water Distribution System has a total network length of 65.88 km.

Ntoroko Area has a total of 518 water connections (425 in Kanaara Town Council, 72 in Kanaara Sub-County and 21 on the Transmission mains).

The Ministry also plans to implement Phase II of the Project which covers transmission mains and distribution network to Rwebisengo Town Council and Kibuuku Town Council. This phase is expected to be implemented within the next two years.

In addition to the towns of Ntoroko, Rwebisengo-Kanara, the Corporation also took over operations in the towns of Kiziba, Rukooko and Bukomero. This brings the number of towns under NWSC jurisdiction to 258.

The NWSC Board would like to warmly welcome the towns of Ntoroko, Rwebisengo-Kanara Kiziba, Rukooko and Bukomero to the NWSC family and would like to assure the residents of these towns of our commitment to give them improved services, 24/7.



NWSC MD, Dr.Eng. Silver Mugisha leads stakeholders on a tour of the Ntoroko Water Facilities.



A newly constructed reservoir in Kanara town council



An overview of the Ntoroko Water treatment Plant

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.

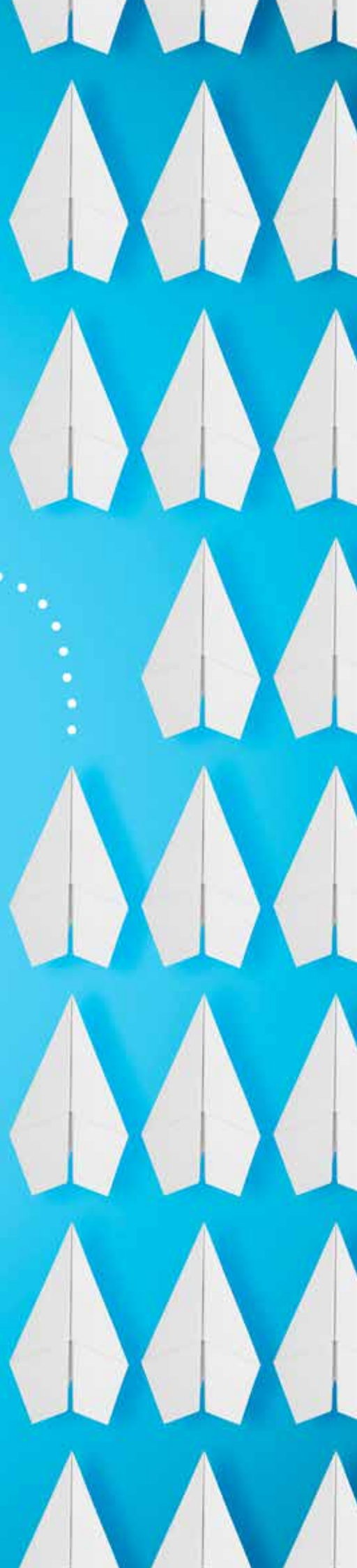




Our Strategy (2018-2021)



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 2019/20 is the second year of implementation of the Corporate Plan (2018-2021). The Plan focuses on the Key Strategic Areas of Service Coverage, SMART technologies, Business Viability and Sustainability, Green Economy and resilience to Climate Change, Good Governance, Corporate Citizenship and Human Capital and Capacity Development, as explained 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 84% 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 23% 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 132 million litres in June 2019 to at least 163 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 campaigns. 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.



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.



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 Kachung 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. A similar facility has been set up in Bushenyi to cater for the Western region and surrounding areas.
- Implement Policies that enhance work-life balance.





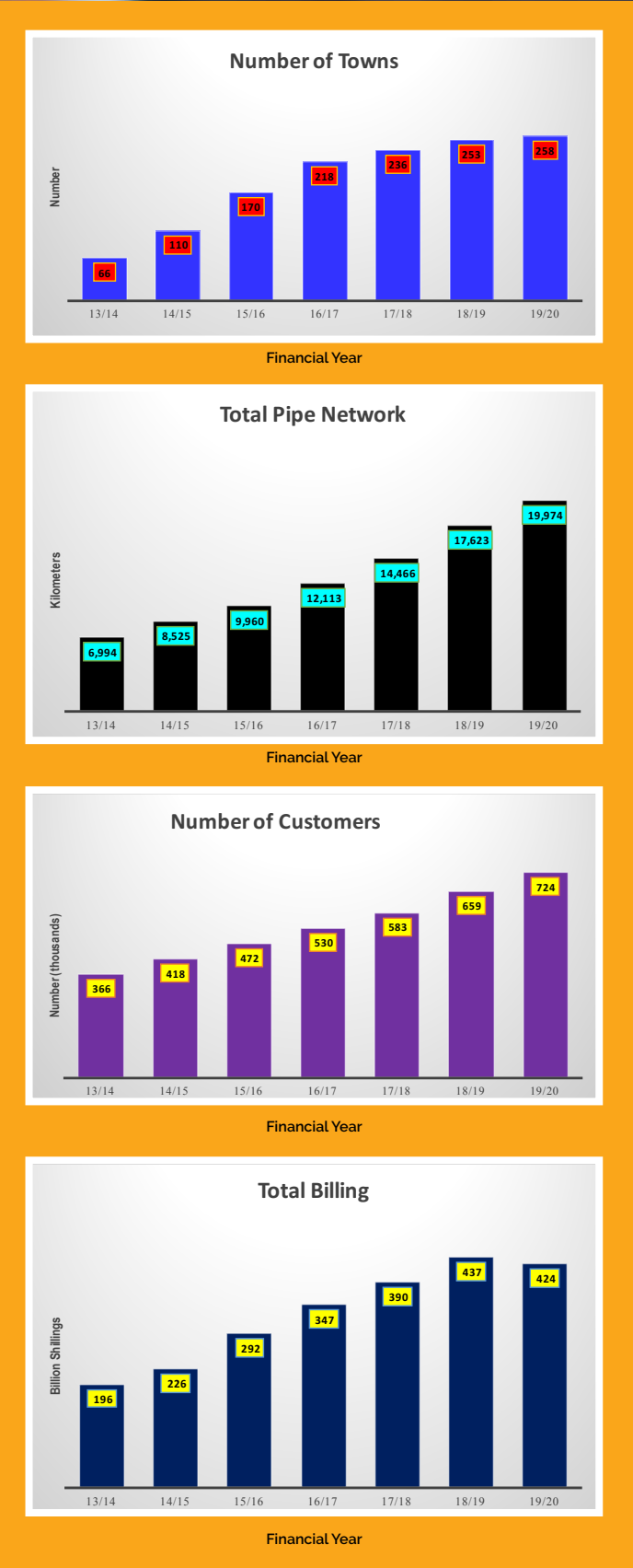
Our Performance Trend for the Past Seven Years

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 FY2019/20 is explained from page 56 to page 68.

Table 2: Key Performance Indicators

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

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.



NWSC MD, Dr.Eng. Silver Mugisha receives an Award from the Former Chancellor of Makerere University, Prof. Mondo Kagonyera.



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	
IDRICA Circular Economy Water Project of the year 2020.	WEX global conference in Valencia, Spain
African Public Leadership Excellence Award	African leadership award, Sandton South Africa

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

The Corporation has registered significant progress over the last 7 years. The services have improved, more customers are being served and infrastructure base has been revamped and expanded across the Country. Despite these achievements, a number of challenges still affect delivery of services to our esteemed customers. These challenges include; Non revenue Water, environmental degradation and climate change, financing challenges and low sewerage coverage.

Non-Revenue Water (NRW)

NWSC is faced with a problem of water losses that currently stand at about 34% of water supplied. The problem is more acute in Kampala Water, where NRW stands at about 40%. 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 and Old water meters which under register consumption. The measures that Management is undertaking to address the NRW challenges have been explained on Page 60 of this Report.

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 floods and 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.

In FY2019/20, the floods that ravaged many parts of the Country also had a direct impact on our operations. Water production was disrupted at our plants in Manafwa, Tororo, Entebbe, Kasese, Mpondwe and Lira. NWSC is sinking production wells to provide alternative water sources in the towns which are prone to adverse effects of climate change. Generators and solar systems are being installed in the plants to provide alternative sources of energy for water production. We are also implementing a number of initiatives, which are designed to address the environmental concerns. They include source protection, tree planting, community engagement and involving school children in water and sanitation issues. The details of our approach to our environment issues are 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. However, there has been a



gap in infrastructure funding over the years. This is because the Government and Development Partners also have many other priorities to address. As a result, many planned projects have 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.
- During the FY2019/20, the Corporation took a medium-term bank loans to solve immediate water supply challenges in eleven (11) Towns.
- The NWSC Board is exploring the possibility of raising additional long-term infrastructure financing by issuing bonds.
- We are also exploring the possibility of entering into Public Private Partnership (PPP) arrangements for financing future projects.

Sewerage Coverage

Sanitation is still a challenge for the population. The sewerage coverage in towns where we operate still stands at 23% compared to 84% 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 89 to 91.

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 will refurbish and expand sewer disposal and faecal-sludge treatment sites throughout the Country.

COVID-19 Pandemic

In addition to the above challenges, the outbreak of the COVID-19 pandemic brought new challenges in 2020. Our revenues fell by over 60% between March and June 2020 and some of our major consumers have not yet fully resumed operations. The implementation of Capital Projects was also delayed. The Corporation continues to incur additional expenditure to comply with the Standard Operating Procedures. The NWSC Board has responded by revising the Operational and Capex Budgets for FY2020/21 to ensure that the delivery of services is not affected.



Recognizing Institutions and Individuals that stood with us through COVID-19

It is the mandate of NWSC to provide water and sewerage services in the Cities, Municipalities and Towns which have been gazetted to her by the Minister of Water and Environment. We currently serve 258 towns spread across the Country. This is a huge task, bearing in mind the high population growth rate, rapid urbanization, the aged infrastructure and limited resources. There is therefore a huge infrastructure gap which affects the level of services which we provide to our customers.

During the Financial Year 2019/20, Organizations which include MTN Uganda, Roofings Uganda Limited and Sogea Satom gave NWSC financial support to enable us extend services to more Ugandans. The Corporation also received support from many individuals inform of access rights for our installations, land for key installations and community labour for trenching.

The Corporation therefore, is grateful to the institutions and individuals that stood with us during the year and it gives us hope and assurance that we are not alone in our quest to provide clean and affordable water and sanitation services to all.

A helping hand from MTN Uganda

As part of efforts to promote handwashing as one of several precautions in the fight against COVID-19, MTN Uganda donated UGX220 million to enable the Corporation procure a water bowser which is being used to deliver water to the areas at the periphery of the Kampala Water Supply Network which currently receive intermittent supply or no water at all.

This is a welcome temporary relief to our customers in Gayaza, Nalumunye, Nansana and Kyaliwajjala. In the long term, the Corporation will complete the construction of the Katosi Water Treatment Plant which will enable us reach out to all our customers in the Kampala Metropolitan Area.

Commenting on this initiative, the MTN Uganda Chief Executive Officer, Wim Vanhelleputte, said that this partnership alongside several others implemented in the effort to fight COVID-19, is a demonstration of the brand's commitment to support Ugandans in their hour of need. *"MTN believes that the resilience of communities is strongest when people work together. That is why MTN, working through institutions like NWSC, is supporting the delivery of much needed water to underserved areas in the fight to avert the COVID-19 pandemic in the Country."*

Support from Roofings Uganda Ltd

The Corporation is grateful for the support it received from Roofings Uganda Limited at the peak of the COVID-19 pandemic. The company contributed UGX100M to enable the

Corporation install 100 water tanks of 10,000-liter capacity to act as reservoirs for the areas that receive intermittent water supply.

The following places benefitted from this donation; Kyengera (Nagalabi-Kisozi), Wakiso-Kikoro, Mukono-Kasenge, Seeta (Kagala-Bukelele), Kyaliwajjala, Kijabijo, Kiteezi, Kiryagonja (Bulindo-Kira-Nsasa-Kilyamuli), Matugga-Buwuzume, Bulenga-Ganda-Bulenga, Kyebando Central, Gayaza, Nateete, Upper Nalumunye, Nansana, Kireka-Kamuli, Wakiso-Ssenge, Nansana-Gganda, Namagoma, Mukono-Nakapinyi, Ndejje-Ggangu and Najjanankumbi-Kitiko.

NWSC staff install one of the tanks donated by Roofings Ltd.



A helping hand from Sogea Satom

The Corporation is also grateful to Sogea Satom which joined hands with NWSC by donating UGX104million for purchasing and installation of 29 water tanks of 10,000 liters each which were installed in Gayaza, Mukono, Kyaliwajjala, Seeta and Namugongo. This is also a relief to the residents of the above areas as we await the completion of the Katosi Water Treatment Plant for a long term solution.

NWSC Water bowser bought with the funds donated by MTN Uganda.



Aerial view of the Katosi water treatment plant under construction



Statement of the Board Chairman



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

The Corporation has been providing safe, reliable water and sewerage services to Ugandans for nearly half a decade. The Board and the entire NWSC team have continuously improved our operations to ensure that we meet our customers' expectations. Water is very essential to the lives of our people and very vital for the growth of our economy. The Board is determined therefore, to do everything in our power to increase access to our services. Despite the challenges and disruptions presented by the COVID 19 pandemic, the Financial Year 2019/20 was a period of continuous improvement in terms of infrastructure development, service delivery and engagement with all our stakeholders.

Focusing on Infrastructure Growth, 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, NDP II, Vision 2040 and the NRM Manifesto (2016-2021), especially on the need to provide universal access to clean and affordable water.

The Board is focusing 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 in the period 2018-2021. We are also working on the Corporate Plan for the next three years, 2021-2024.

The Board would like to preside over strong Financial Performance and healthy Balance Sheets to ensure sustainability and continuity of our business. In pursuit of Financial Performance however, the Board will not lose sight of the need for equity in the provision of water and sanitation services. That is the reason why we are giving considerable attention to developing Public Stand Posts, extending water to the urban poor population, geographical expansion across the Country and establishing a pro-poor tariff of UGX50 per 20 liter jerrican of water.

The Board 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 three years of implementation, more than 6,000 kms of water mains have been extended, 11,000 PSPs installed, 5,500 villages covered and 181,000 new consumers connected.

The success of the SCAP 100 Project has convinced the Board of the need to extend the Project beyond 2020. We would like to thank the Government of Uganda for having accepted to extend this project by another year and provide funding amidst the very tight economic situation brought about by COVID 19.

The Board is also working on improving sanitation in the Towns where we operate. Toilet facilities have been constructed and handed over to the various Town Councils across the Country as part of our Corporate Social Responsibility. We are now working on the Sanitation Investment Plan (SIP), which will address sanitation challenges in a more comprehensive way. It involves sewer extensions, refurbishment and expansion of sewage treatment facilities, construction of public toilets, construction of faecal sludge systems and deployment of cesspool emptier trucks. The SIP will

be incorporated in the forthcoming Corporate Plan, 2021-2024.

The Board attaches great importance to the development of water infrastructure in order to cope with the current and future demand. 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 23% to 30% by June 2021.

Other key projects, which were delivered during the year, include; the Gulu Water Supply Project, where the existing water and sewerage infrastructure were refurbished and expanded. Water production for Gulu has been expanded from 5,000 to 10,000m³ per day. A new faecal sludge treatment plant was constructed and the existing Wastewater Treatment Plant upgraded.

On behalf of the Board of Directors, I would like to sincerely thank His Excellency the President of the Republic of Uganda, Gen. Y.K.T. Museveni for taking time off his busy schedule to come and launch the completed Water Supply Project in Gulu. After the prolonged droughts that caused serious water shortages in this City for the past three years, the President was able to experience first hand the joy and appreciation of the people of Gulu about the improvement in services as a result of the completion of this Project.

After failing to secure funding for the rehabilitation of the Kapchorwa Water Supply System since 2016, the Board decided to take a loan for the rehabilitation and expansion of this system, which was completed in March 2020. The capacity of the Water Treatment Plant has been expanded from 1,000 to 3,000 m³ per day. The Corporation is also implementing a number of Projects across the Country using Market Finance.

We made good progress on three other Major Projects;

- a) Substantial progress has been registered on the construction of the new Katosi Water Treatment Plant which will add 160,000m³ per day. The plant is expected to be operational from April 2021 and will address the water shortage in and around Kampala.
- b) The Integrated Program for Improving Living Conditions of People in Gulu which will draw water from River Nile at Karuma and transmit it for a distance of 80km to Gulu City. Six other towns enroute will also benefit from the project.
- c) The Water and Sanitation Infrastructure Project for the Isingiro, Mbarara and Masaka Areas will draw water from River Kagera for production and domestic use in the mentioned towns. The existing infrastructure will also be rehabilitated. The Project will produce 20,000 m³ per day and serve an additional 75,000 people. Construction works are expected to commence in February 2021.

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 in the Performance Contract.

We registered growth in geographical coverage from 253 to 258 towns. The Board warmly welcomes customers in the five additional towns to the water family, and would like to assure them of an improvement of services. Our aim is to ensure that they enjoy 24-hour services, seven days a week.

The above achievements notwithstanding, the Corporation is faced with a number of challenges, which are holding back our progress; a) Non-Revenue Water stands at about 34% of water supplied caused mainly by the old pipe network and illegal water connections, b) The impact of climate change adversely affects our water supply in the dry seasons in many towns. c) There is a financing gap, which delays the implementation of our Projects. The Board has come up with measures to address the major challenges, which are hampering the delivery of services to our esteemed customers.

On behalf of the Board, I would like to pay tribute to the Chairman and members of the outgoing Board who retired after serving the Corporation for many years. They include; Eng. Dr. Christopher Ebal (Board Chairman) and Madam Ruth Kanyaraju (Board Vice Chairperson). Other members of the outgoing Board include; Dr. Cecilia Atim Oyet, Mr. Nduhura Mwebaze Dennis, Ms. Ziria Aliza Ndifuna, Mr. Henry Kibirige and Eng. Aaron M. Kabirizi.

The outgoing Board members will be remembered for their distinguished service to the Corporation and to the people of Uganda for the time they were on the Board. Their emphasis on infrastructure growth, Service delivery and equity set the stage for a modern, dynamic and progressive Corporation. They surely will be missed by the Board, Management and the entire staff of NWSC. We wish them success in their new endeavors. They will forever remain part of the NWSC family.

In the same vein, we would like to congratulate Ms. Racheal Kiconco Mbabazi, Ms. Sarah Onyiru, Mr. George Runge Muzungyo, Col. (Rtd) Stephen Mwesige Basaliza and Rt. Hon. Dan Kidega upon their appointment to replace the outgoing Board members. I sincerely thank them for accepting to serve and have no doubt that their wealth of experience will enrich the Board. I warmly welcome them to the NWSC family.

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

For GOD and my Country.



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

Statement of the Managing Director



Dr. Eng. Silver Mugisha
Managing Director

It's a pleasure to present to our stakeholders, the Report and Financial Statements for the Financial Year (FY) 2019-2020. The COVID 19 pandemic had a significant impact on our operations during the year and we had to adjust and adapt in order to continue serving our customers without major disruptions. Despite that, we continued to register improvements. Our Turnover increased by 5% from UGX 442 billion to UGX463 billion, Operating Profit increased by 7% from UGX 96 billion to UGX 103 billion largely due to growth in income and operational efficiency. We connected 61,521 new water consumers, bringing the total number of water subscribers to more than 724,006. We have extended our coverage from 27 towns in 2013 to 258 as at June 2020, spread across the Country in a bid to serve more Ugandans. We extended our water network by over 2,135 km.

Focusing on Customer Satisfaction

Building a Strong Infrastructure Base

NWSC is customer oriented and we do everything possible to 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 UGX 508 billion (approximately USD. 136 million) in various infrastructure projects, compared to UGX 453 billion (approximately USD. 122 million) in the FY 2018/19. We are grateful to the Development Partners, Government of Uganda and the NWSC Board for supporting and financing our investment activities. For the first time in the history of the Corporation, the Board took a bold step and borrowed UGX50billion from a commercial bank to finance the Critical Infrastructure Projects in Sembabule, Jinja, Iganga, Kapchorwa, Bushenyi, Kasese, Lira, Arua, Fortportal, Kisoro and Parombo in an effort to support the Government's commitment to provide water for all Ugandans by the year 2040.

We are pleased to announce the completion of three key projects during the Financial Year ended 30th June 2020. They include; a) the rehabilitation and expansion of the Gulu Water and Sanitation Systems, b) the refurbishment and expansion of the Kapchorwa Water Supply Schemes and c) the completion and unveiling of the modern Sewerage Treatment Facilities under the Kampala Sanitation Project. Our customers in the above Project Areas are without any doubt enjoying improved water and sanitation services.

In the same vein, we continue to make progress on a number of other ongoing projects which are spread across the Country and they include the following:

- a) The Katosi Water Treatment Plant will be completed in March 2021 and will add 160million liters of water per day. This will address the water scarcity especially in the Eastern part of Kampala.

b) The Karuma Water Treatment Plant and bulk transfer of water to Gulu and six other towns will address the long term water needs for these towns and construction works are planned to commence in April 2021.

c) The South Western Water Infrastructure project will draw water from River Kagera and supply the areas of Isingiro, Mbarara and Masaka. In addition, the existing schemes will also be rehabilitated and expanded. The construction works will kick off in February 2021.

d) We continued to make progress on implementation of SCAP 100 Project which has been running since 2018. 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 six million additional Ugandans are being served as a direct result of this Project.

The decision by Government to extend this project by another one year is a welcome move and there is no doubt that many of customers across the Country will receive this news with great appreciation.

There are many other projects that the Corporation is implementing and a number of water projects are at the planning stage. These projects underscore the commitment and determination by the Corporation to build a strong infrastructure base and ensure that water and sanitation needs of our people continue to be met now and in the future.

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 is working on a Sanitation Investment Plan (SIP) to address these challenges. It will involve sewer extensions, refurbishment and expansion of sewage treatment facilities, construction of public toilets and faecal sludge systems and deployment of cesspool emptier trucks. The SIP will be implemented from 2021, subject to availability of funds. The SIP will be partly funded using a sanitation levy. We also appeal to the Government, the Development Partners and the Private Sector to support this project.

Appreciation to Our Staff

The achievements registered by the Corporation over the years 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 the 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 their continued commitment and dedication to the service of the Corporation.

The Contribution of Our Dear Customers

Everything we do at NWSC is aimed at ensuring customer satisfaction and delight. We do everything in our power to ensure 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. 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!

Conclusion

Finally, I would like to take this opportunity to thank the Government of Uganda for their continued support and guidance. I also 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. I would also like to sincerely thank our 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 seven (7) Non-Executive members and one (1) Executive member, the Managing Director. According to the NWSC Act 1995, CAP, 317 Section 8(1), appointment of the Board of Directors (except for the Managing Director who is appointed by the Board) shall be done by "the Minister of Water and Environment" and this appointment will be for three years, with eligibility for reappointment for another term. The Board is accountable to the Minister of Water and Environment.

The Board plays the following key Roles;

- Developing policies to guide the operations of the Corporation, taking into account the 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 and perform the following roles:

Audit Committee

Oversight and integrity of the financial statements and performance reports.

Risk Management Committee

Overseeing the identification, classification and management of risks.

Human Resources, Legal and Administration Committee

Oversight of implementation of human resource policies, health and safety, corporate structure, recruitments,

retention, exit and legal affairs of the Corporation.

Finance and Planning Committee

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

Technical Services Committee

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

Key Board Achievements for the FY 2019/20

During the year, the Board oversaw the completion of the following infrastructure projects; Gulu Water Supply Project, Kapchorwa 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 258 towns across the Country.

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 SCAP 100 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 2019/20.

Board Gender Composition



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

Table 3: Board Skills, Experience, Gender and Age

Name	Professional Background	Occupation	Gender	Age Range
Eng. Dr. Badru Kiggundu Malimbo (Board Chairman)	Civil Engineer	Senior Presidential Advisor (Infrastructure and Works), Associate Professor, Dept. of Civil Engineering, Makerere University	M	>70
Mrs. Faridah Mayanja Mpiima (Board Member)	Communication Skills & Literature	Kampala Resident City Commissioner, Board Member Nakivubo War Memorial Stadium	F	35-40
Rt. Hon. Daniel Kidega (Board Member)	International Trade Policy and Law	Vice Chairman of the Makerere University Council, Chairman Board of Directors of Horyal Investment Holdings Ltd (Atiak Sugar).	M	45-50
Ms. Rachel Ciconco Mbabazi (Board Member)	Business Administration	Board Member Rice Association of Uganda, Africa Infrastructure Development, Hong Kong and East African Community Rice Platform.	F	45-50
Col. (Rtd) Stephen Mwesige Basaliza (Board Member)	Military Officer, Lawyer, Teacher	Retired Military Officer	M	60-65
Ms. Onyiru Sarah (Board Member)	Social Worker	Project officer, Civic Education Project with the Centre for Basic Research	F	40-45
Mr. Runge George Muzungyo (Board Member)	Accountant	Tax Manager, Nexia HMS Associates-Certified Public Accountants of Uganda	M	55-60
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 (UGX)

Directors	2020	2019
Managing Director	635,650,000	614,528,000
Non-Executive Directors	300,785,000	381,400,000
Total	936,435,000	995,928,000

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 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.

Table 5: Board Meetings for FY 2018/19 and FY 2019/20

Meetings	FY 2019/20	FY 2018/19
No. of Full Board Meetings	4	4
No. of Special Board Meetings	5	3
Audit Committee Meetings	4	4
Risk Management Committee Meetings	4	4
Human Resources and Legal Administration Committee meetings	8	4
Finance and Planning Committee Meetings	8	5
Technical Services Committee Meetings	5	4

Our Board Of Directors



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

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

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

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



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 is the Resident City Commissioner (RCC), Kampala and also a Board Member of Nakivubo War Memorial Stadium.



Rt. Hon. Daniel F. Kidega
Board Member

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

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

Our Board of Directors cont'd



Ms. Rachel Mbabazi Ciconco
Board Member

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



Col.(Rtd) Stephen Mwesige Basaliza
Board Member

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

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



Ms. Sarah Onyiru
Board Member

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

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

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

Our Board of Directors cont'd

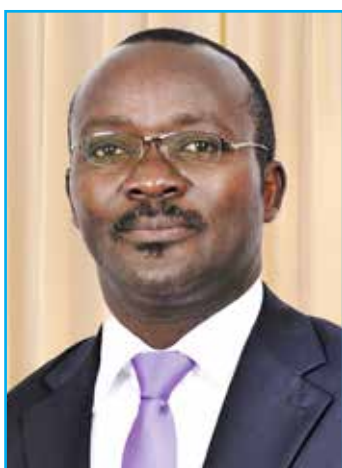


Mr. George Runge Muzungyo

Board Member

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

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



Dr. Eng. Silver Mugisha

Managing Director

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

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

Our Executive Management

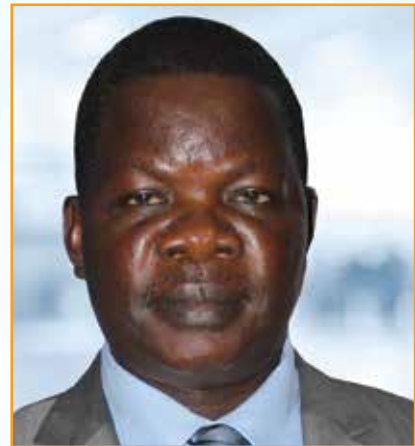


Dr. Eng. Silver Mugisha
Managing Director

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, regulations and best practices.
- Human Resource Management including staff recruitment, retention, development, motivation and retirement.
- Securing, managing and maintaining the assets of the Corporation.



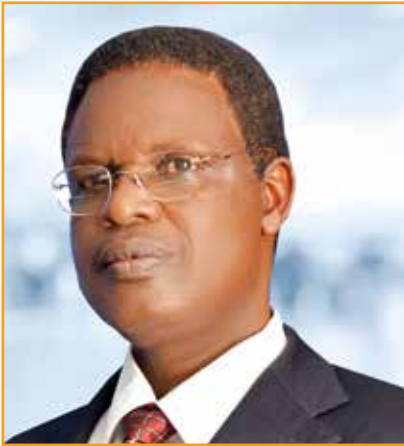
Eng. Johnson Amayo
Deputy Managing Director Technical Services



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



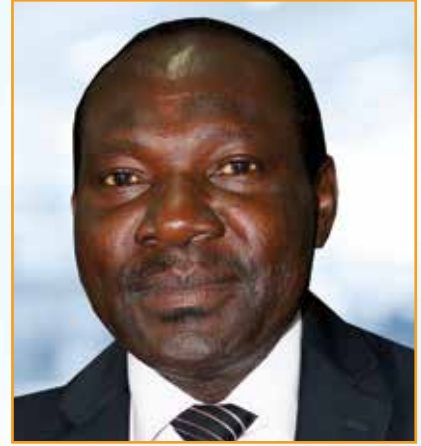
Dr. Edith Kateete
Deputy Managing Director Board Affairs and Management



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



Mahmood Lutaaya
General Manager Kampala Water

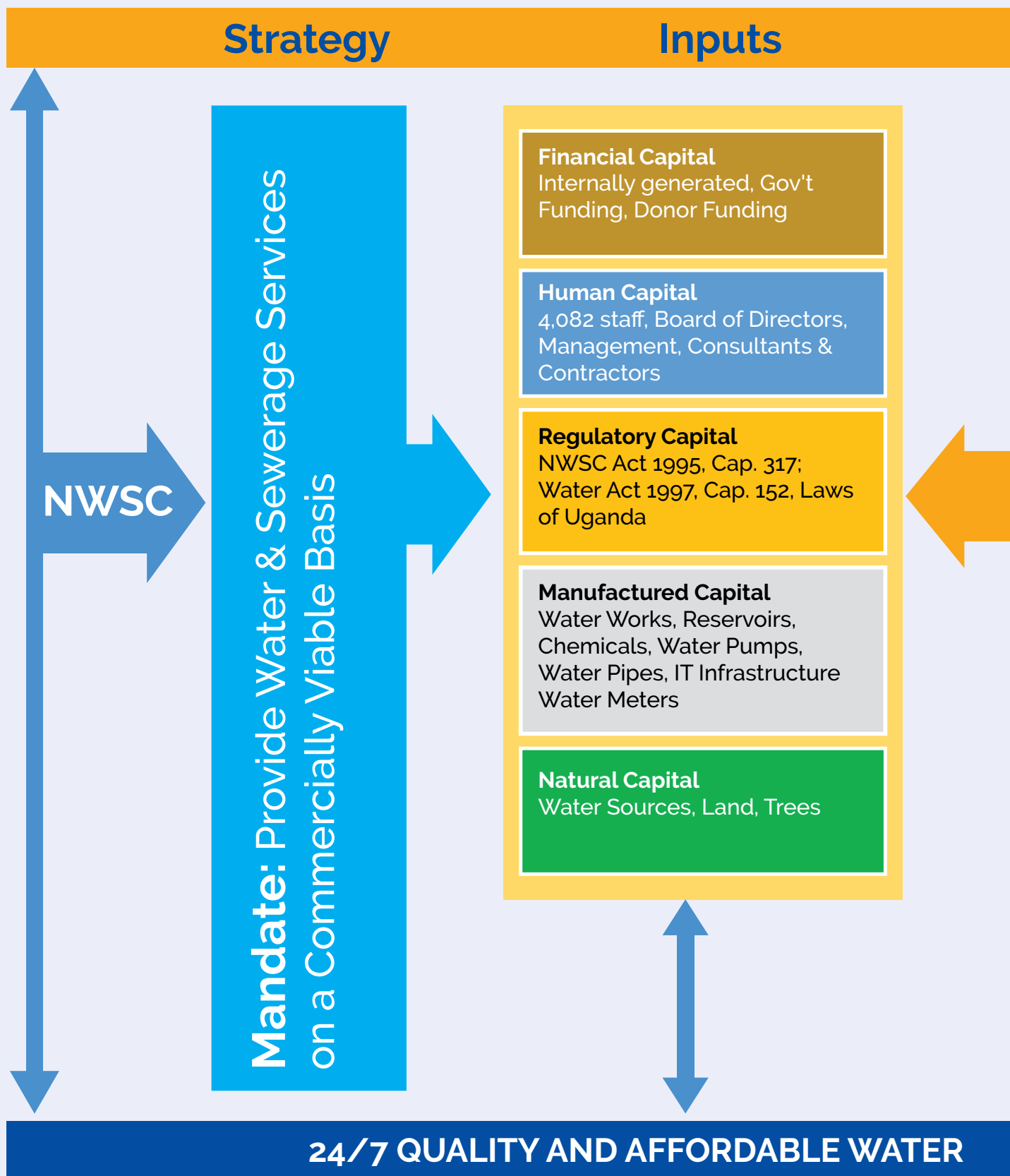


Ms. Christine Amucu
Director Human Resources.

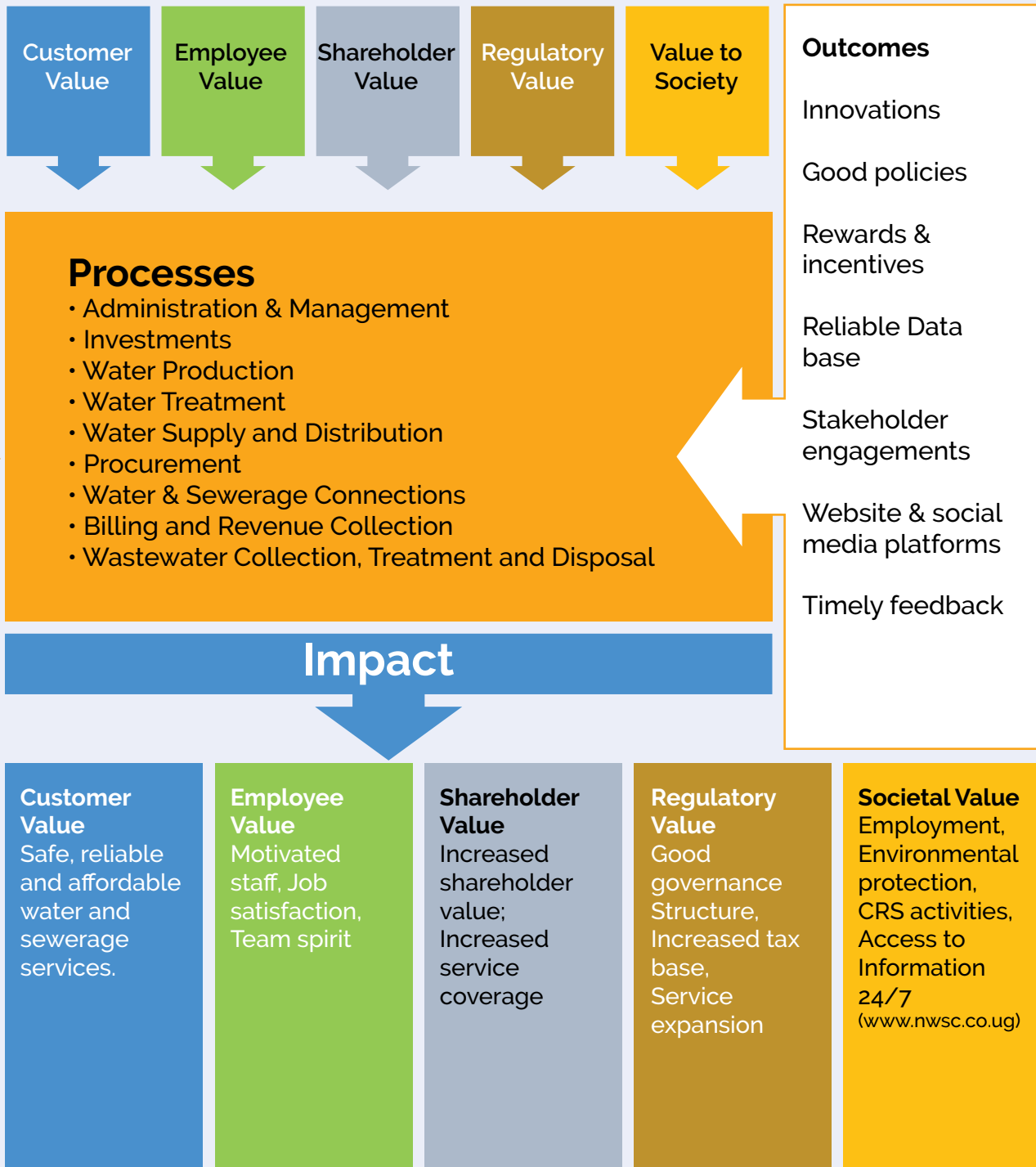


Mr. Jude Mwoga
Director Information and Business Solutions

Our Value Creation Model



Outcomes and Impact

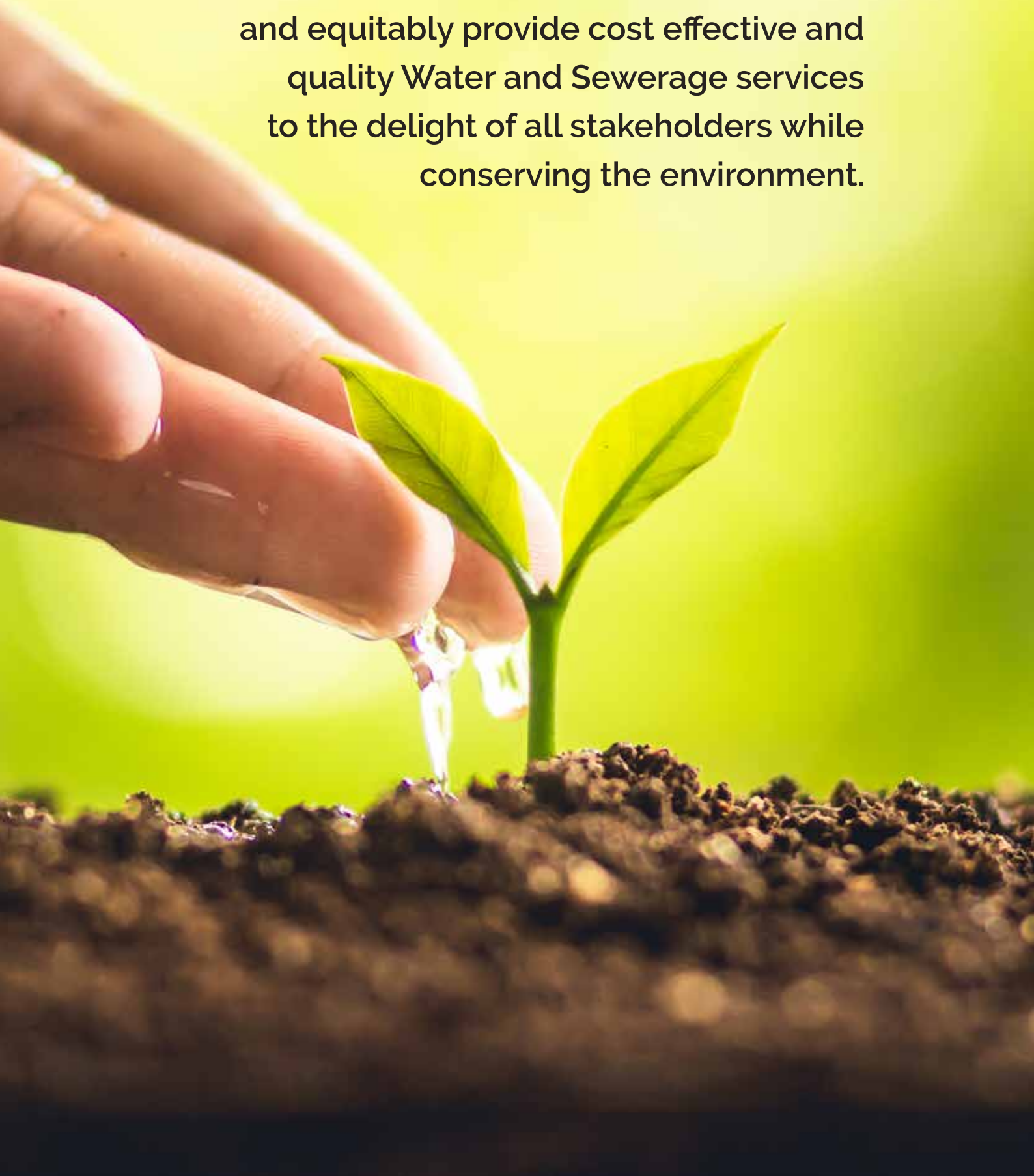


AND SEWERAGE SERVICES



Our Sustainability Approach

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 NWSC Sustainability approach is premised on the need to meet our 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.

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 2019/20 and they 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 2019/20, it grew by 5% from UGX442 billion to UGX463 billion. This is a result of the steps taken to extend the water networks, stabilise water supply in the existing towns and growth in the number of towns from 253 to 258. During the FY 2019/20, we extended our water mains by 2.135km and connected of 61,521 new water consumers. We extended our sewer network by 30 Km and connected 280 new customers to the sewer network.

The main source of revenue for the Corporation is derived from the provision

of water and sewerage services. However, we have diversified our income sources over the past 10 years to include revenues from Consultancy Services, hire of Training facilities and provision of laboratory services in the bid to strengthen our Balance Sheet.

NWSC continues to emphasize cost optimization to improve on the efficiency in providing services to our customers. Operating Expenditure amounted to UGX 360 billion in the FY 2019/20, compared to UGX 346 billion the previous year, representing an increase of 4%. Our Operating Profit was UGX103 billion in 2019/20 compared to UGX96 billion in the previous year.

All the profits made by the Corporation since its establishment have been reinvested in the refurbishment and expansion of the Infrastructure. The total amount of money invested in the FY 2019/20 was UGX 453 billion compared to UGX 508 billion for the FY 2018/19.

Our Impact on the General Economy

Our Contribution to the National Coffers

The Corporation is proud of its contribution to the National Treasury. We paid UGX40.6 billion in taxes during the FY 2019/20 compared to UGX40 billion in the FY 2018/19. NWSC was recognized as one of the most compliant taxpayers in 2017, 2018 and 2019.

NWSC Supporting Industrialisation and Economic Growth

We are aware of how our business directly impacts on industrialisation and economic development of our Country. We provide water and sewerage services to several small, medium and large enterprises which are engaged in



business, agriculture, manufacturing, tourism and hospitality.

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

As Uganda seeks to industrialize to meet National Development Goals, reliable and sufficient water supply is critical for the steady growth of the manufacturing. Reliable water supply is essential for a stable and sustainable industrial base.

The Corporation is implementing a number of interventions which are directly benefiting the industrial sector in Uganda;

- **Provision of Water and Sewerage Services in Industrial Parks**

NWSC has been working closely with the Uganda Investment Authority (UIA), to ensure reliable water supply in the twelve (12) established Industrial and Business Parks. These include Kampala

Industrial and Business Park, Bweyogerere Industrial and Business Park, Luzira Industrial and Business Park, Kapeeka Industrial and Business Park, Jinja Industrial and Business Park, Mbale Industrial and Business Park, Soroti Industrial and Business Park, Karamoja Industrial and Business Park, Kasese Industrial and Business Park, Mbarara Small and Medium Scale Enterprises (SME) Park and Nshara Agricultural Land.

Some of the initiatives undertaken include:

Expansion of the Water Pipe Network by 47.2km to Kampala Industrial and Business Park (21Km), Kapeeka

(7.8Km), Kasese (3Km), Nshara (3Km), Jinja (4Km), Soroti (2.4Km) and Tororo (6Km) industrial parks. All the above industrial parks have been connected to the NWSC water supply network. Plans are underway to extend our services to the rest of the industrial parks within the next two (2) years.

Upgrading of Kapeeka Water Supply System: The NWSC is laying a bulk transfer line of 5.8 Km and will install higher capacity raw water pumps and treated water pumps to improve production from 1,000m³/day to 2,500m³/day. The existing Water Treatment



Ongoing reinforcement and concrete works on the Project for upgrading of Kapeeka Water Supply System

Plant is being upgraded to produce additional 5,000m³/day. The initial construction of the Kapeeka Water Supply Scheme was financed by NWSC. The current expansion and upgrading works is being supported by the Government of Uganda.

These works are being carried out to support the industries located in the Kapeeka Industrial Park which will consume more than 90% of the water produced.

- **Creation of an industrial tariff**
NWSC reduced the unit price of industrial grade water by 42% from UGX 4,300 to UGX2,500 per unit to support industrial development. Consequently, water consumption for industrial customers has grown by 40% from 2.2 million cubic meters sold in 2019 to 3.1 million cubic meters sold in 2020.
- **Supporting Local Businesses**
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 UGX 291billion were awarded under the BUBU Scheme in the FY 2019/20. During the Financial Year under review, UGX 450 billion was paid to suppliers compared to UGX 299 billion in the FY 2018/19.

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

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

We aim at having a highly trained, skilled, healthy and motivated workforce at all times. The Corporation has put in place transparent recruitment, development and retention programs, which offer opportunities to all. We have a policy of Non-Discrimination on the basis of tribe, religion, gender, disability or political views. During the year under review, 304 staff were recruited bringing the total number of employees to 4,082 as at June 2020.

Gender Composition

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

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. UGX151 billion was paid to staff in the FY 2019/20 compared to UGX137 billion in the FY 2018/19. Each staff supports an average of 6 other people. NWSC therefore impacts on the welfare of over 25,000 people.

Staff Welfare

The Corporation has in place attractive welfare schemes to cater for our staff and their families. The Medical scheme

is designed to treat the employees and their immediate family members. All our staff are insured under the workers' compensation plan. We have activities for sports and recreation for staff including Water Football Club, 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.

Health and Safety at work

The health and safety of our employees, customers and the general public is our greatest priority. Occupational safety and health guidelines have been developed and are monitored for compliance. Field staff are provided with protective wear and work uniforms. Our offices are equipped with firefighting equipment, which are regularly serviced. Staff are entitled to annual leave of 35 days, compassionate leave of 7 days and maternity leave for female staff of 60 working days.

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

The Corporation ensures full compliance with the COVID-19 Standard Operating Procedures which have been issued by the Government at all our premises across the Country.

Long Service Award

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

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

Table 6: Gender Composition of Staff and Board of Directors

Category	Female	Male	Total
Board of Directors	3	5	8
Employees			
Executive Management	5	8	13
Other Staff	1,251	2,818	4,069
Total Number of Staff	1,256	2,826	4,082

Such employees are rewarded with building materials to enable them put up shelters where they can settle after retirement. During the Financial Year 2019/20, UGX 45 million was spent on long service awards compared to UGX 57 million for the FY 2018/19. Eighteen (18) 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 makes prompt payments of NSSF contributions to the fund to ensure that our staff accumulate savings for their retirement. NWSC has set up a Provident Fund which is over and above the mandatory requirement of NSSF. Contributions to the fund commenced on 1st October 2019. These schemes are aimed at ensuring that the Corporation continues to attract and retain a committed workforce and that adequate provisions are made towards their retirement.

Giving Opportunities to the Senior Citizens

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

Training and Capacity Development

The Corporation ensures that value adding trainings are conducted, with the view of imparting relevant knowledge and skills aimed at enhancing staff productivity. Since the beginning of the Financial Year 2019/20, the Corporation conducted forty-five (45) refresher courses in management related topics, while Six (6) vocational practical courses were done, to equip our technicians and artisans with technical skills to perform their jobs in the field. In total, 1,346 staff were trained.

NWSC continued embarking on the journey of re-skilling and re-tooling NWSC technicians and artisan staff, through Vocational Skills Training and Development. This stemmed from the fact that all the existing vocational training schools in Uganda could not duly address the technical training needs of the Corporation. As a result, a fully-fledged Vocational Skills Development Facility (VSDF) was constructed at Gaba with support from the German International Cooperation (GIZ), and collaboration with the Directorate of Industrial Training – Ministry of Education and Sports (DIT-MoES).

The Gaba VSDF school managed to develop and accredit modular vocational

and technical courses for: (i) Industrial Plumbers, (ii) Electro-Mechanical Technicians, (iii) Industrial Welders, (iv) Water Quality Technicians, (v) Sewerage Services Technicians, (vi) Photo Voltaic and Solar Energy Technicians, (vii) Customer Service Advisors, (viii) Heavy Equipment Operators and (ix) Workers' PAS certification for informally skilled technicians.

During the FY 2019–2020, the Corporation carried out a successful graduation and accreditation of 203 Technicians under the Workers PAS qualification framework, 18 Industrial Plumbers and 102 Customer Care Advisors who were awarded certificates of merit by the Directorate of Industrial Training (DIT) of the Ministry of Education and Sports. In the same vein, 38 Electro-mechanical Technicians (EMTs) are being prepared for DIT assessment under Level IV Uganda Vocational Qualifications Framework (UVQF).

Six staff who were sponsored by the Corporation completed their Msc degrees at Loughborough University during the Financial Year 2019/20 and eight other staff are still pursuing the same course.

NWSC signed a partnership agreement with IHE Netherlands, where up to 10



staff will be supported to acquire MSc in Sanitation through co-funding by NWSC and the Bill & Melinda Gates Foundation. The course will commence in October 2020. The Corporation also signed another agreement with EAWAG, with funding from USAID and Bill & Belinda Gates foundation to run joint courses at the NWSC International Resource Center in Kampala.

Under the Annual Training Plans, the NWSC Area Managers, Branch Managers and General Managers were successfully trained in people management, as a way of improving staff productivity. A total of 180 new staff who joined NWSC during the FY 2019–2020, were duly inducted before commencing work. All staff continue to be sensitized on customer handling practices through customer care trainings to improve the way they handle customers.

The onset of Covid-19 greatly affected the implementation of the NWSC training plans. This new reality has compelled the Corporation to rethink and refocus on how best learning could be conducted, by coming up with new innovative ways of delivering training using digital tools like zoom, skype and other online technologies. A total of five (5) live online zoom trainings were conducted during the period and a total of 87 staff benefited from these new online sessions.

NWSC has purchased a property in Bushenyi (Western Uganda), and is in the process of converting it into a Regional Training Center. The Corporation is also planning to construct another Vocational Skills Development Facility (VSDF) at Kachung in Lira City, to accelerate the re-skilling and re-tooling of NWSC technicians and artisans.

Stakeholder Engagement

Customers

The Corporation serves diverse range of consumers categorized under, 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 improving the reliability of our services.

We have invested heavily in programmes, which are aimed at taking services to more people. In this respect, 2,135 km of water mains and 30 km of sewer mains were extended in the FY 2019/20 compared to 2,727 km and 59 km in FY2018/19 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 completed the construction of the Kapchorwa Water Supply Project, the Gulu Water Supply and Sanitation Project and Kampala Sanitation Programme Phase 2. 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 UGX 21 per 20-litre jerrycan to aid access to clean water by the urban poor and rural population, benefiting more than 4 million PSP consumers across the Country.

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. 77% of customers surveyed during the year, expressed satisfaction with our services. The 23% 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.

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 villages from July 2017 to June 2021.

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 and we take keen interest in ensuring that donor funds are handled with the highest level of transparency and accountability and that the funds are fully absorbed.

During the FY 2019/20, the Development Partners supported the Corporation to the tune of UGX246 billion compared to UGX338 billion in the FY 2018/19.

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.

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.



Security Personnel with NWSC Management in a Stakeholder meeting aimed at curbing the NRW challenge in Kampala



Giving back to our customer (Gulu Hospital)



NWSC prepare to take part in a community cleaning exercise.



Supporting the Hotel Industry: Kampala Serena Hotel relies on NWSC supply.



Supporting the Pharmaceutical Industry: CiplaQCI Plant i Luzira, Kampala.



Catering for the Poor Urban/Rural communities (PSPs): Elderly woman drawing water from a Public Stand Pipe constructed under the 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 Arua 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.





Dr. Sylvia T. Alinaitwe
Deputy Managing Director
Coordinator of Environmental Matters

Tackling Environmental Issues Head-On

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 the 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 incorporating 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. It is spearheaded by the Young Water Professionals (an association of NWSC Staff who are under 35 years of age). The seedlings are provided by the National Forestry Authority (NFA) and the planting is undertaken by the Corporation across the Country.

The program was a 3-year campaign, which commenced in October 2017 and ended in June 2020. All the one million trees, which were projected, were planted. 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)

The Corporation 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 2019/20, 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.

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 1,000,000 Trees planted by the SWAS Clubs since 2014.
- The Clubs engage the Communities around their schools on the need to protect the environment.

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 next 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.

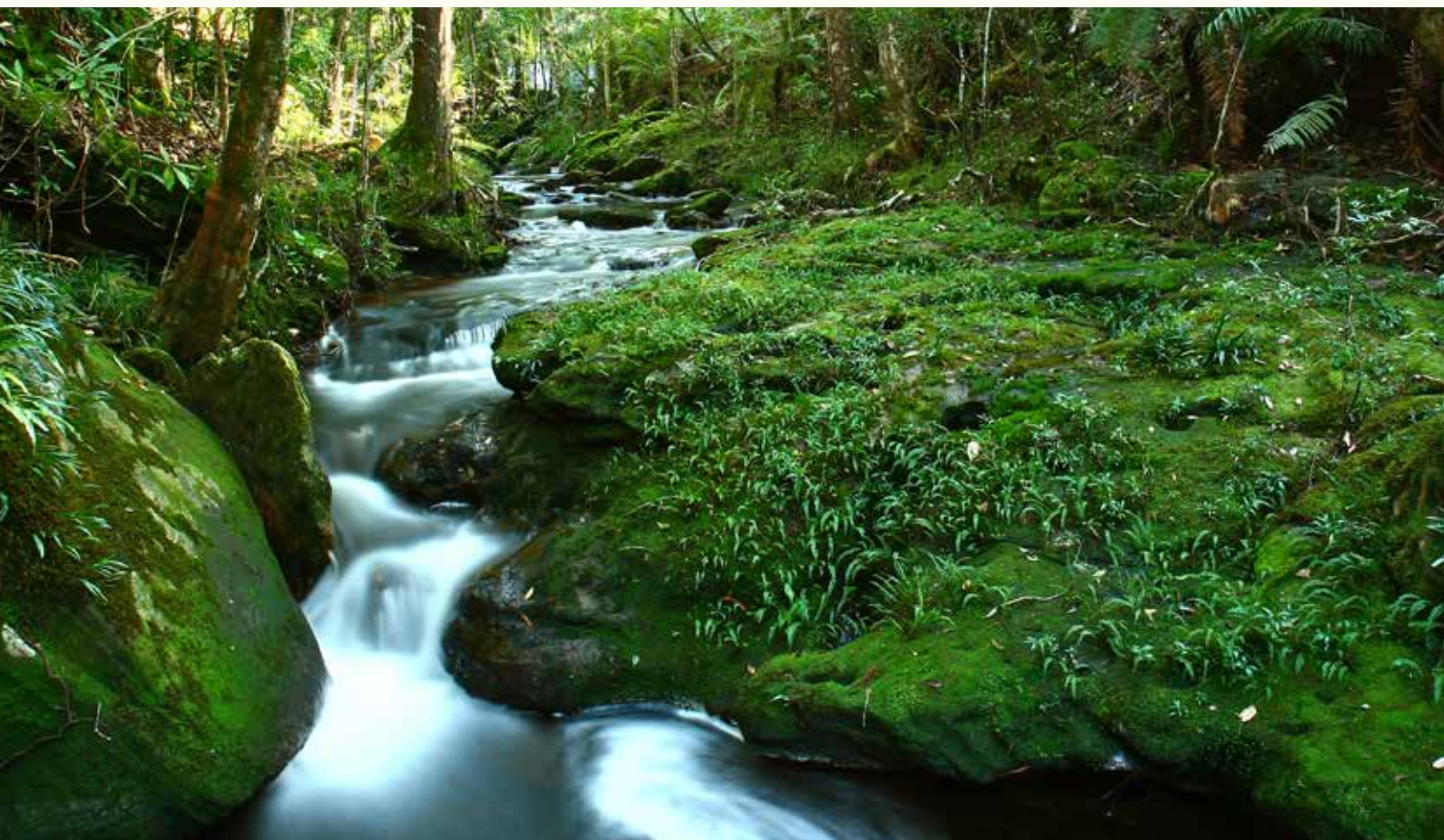
With financing from the KfW Entwicklungsbank (KfW), European Union Africa Infrastructure Trust Fund (EU-ITF), European Investment Bank (EIB), Agence Française de Développement (AFD) and GoU, NWSC

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.





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 2019/20	FY 2018/19
Economic Sustainability		
Turnover (UGX '000)	463,000,000	442,000,000
Operating Expenditure (UGX '000)	360,000,000	346,000,000
Operating Profits (UGX '000)	103,000,000	96,000,000
Investment made (UGX '000)	365,000,000	302,000,000
Asset base (UGX '000)	3,500,000,000	3,100,000,000
Number of Towns	258	253
Environmental & Ecological Sustainability		
Number of Towns using Solar Pumps (Nos)	28	25
Number of towns using electrolysis instead of Chlorination	25	25
Volume of Sewerage treated and Discharged (Million litres)	135	100
Expenditure on Energy (In UGX Billions)	70	66
Social Sustainability		
Domestic Customers served	584,236	535,532
Commercial/ Industrial customers served	98,787	88,340
Institutional/Government customers served	19,383	17,368
PSP consumers served	21,600	17,186
Total number of consumers served	724,006	659,157
Water Mains Extension (kms)	2,135	2,727
Sewer Mains Extension (kms)	30	59
Number of customer complaints received	166,942	166,698
Number of Customer complaint handled	164,017	163,557
Resolution rate (%age of complaints resolved)	98%	98%
Number of Staff employed	4,082	3,778
Payment to staff (employee costs) UGX '000	151,164,016	137,265,190
New Water Connections	61,521	69,215
New Sewer Connections	280	368
Corporate Social Responsibility		
Amount spent on donations (UGX '000)	1,376,341	914,000
Number of beneficiaries of donations	3,500,000	5,000,000
Amount paid in taxes (UGX '000)	40,600,000	40,000,000
Human Resource Sustainability		
Number of Staff recruited	304	355
Number of Employees over 55 Years	86	119
Total number of staff + Board	4,089	3,778
Gender Composition (Staff + Board)	Female - 25% Male - 75%	Female - 30% Male - 70%
Amount spent in long time awards (UGX '000)	45,000	57,000
Amount spent on research and training (UGX '000)	1,675,546	2,235,072
Number of interns Trained	800	1,700



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

A close-up photograph of a hand holding a small, metallic gear. This gear is part of a larger assembly of interlocking gears of various sizes, some of which are blurred in the background. The lighting is dramatic, with a bright highlight on the point where the hand holds the gear, suggesting a spark or a moment of ignition. The overall tone is industrial and focused.

Operational Performance

The key performance Indicators (KPIs) for the Corporation are set out in the Corporate Plan, GOU Performance Contract and the Strategic Direction. They include the following: a) Water Production, b) Capacity Utilization, c) Water Supplied, d) Water Sold, d) Non Revenue Water, e) Water Mains Extensions, d) New Connections, e) Public Stand Pipes installed, f) Billings, g) Collections and Compliance with the Quality Standards. NWSC has witnessed improved performance on most of the KPIs over the years. The Performance for the FY2019/20 is set out in the following paragraphs;

Water production

Water produced is water that has gone through a treatment process and is ready for consumption. Production increased by 4%, from 134.9 million m³ in the Financial Year 2018/19 to 139.7 million m³ in the reporting period. The increase in production is mainly attributed to efficiency gains, infrastructure upgrades through the Water Stabilization Programmes and implementation of other Capital Development Projects. This has increased access to clean and safe water to people of Uganda.

The water produced was 83% of the planned target. The following factors affected the achievement of the target;

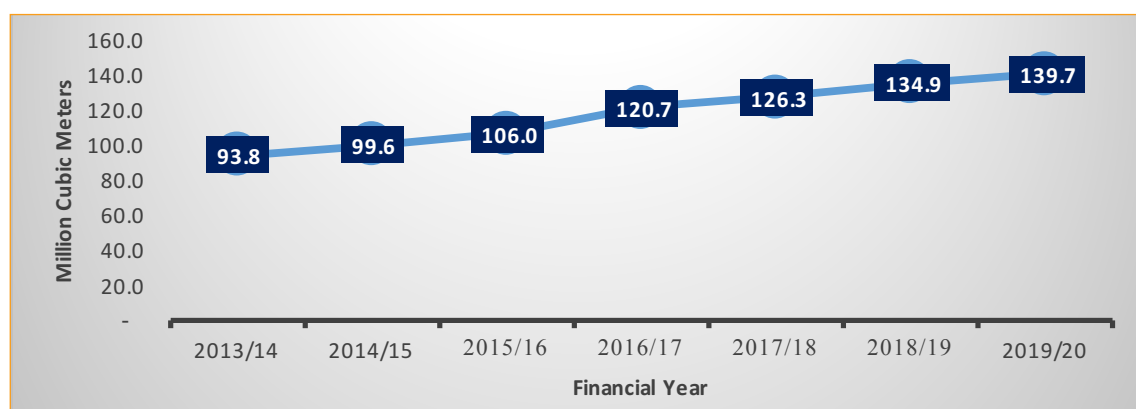
- Frequent power outages which affected most of our plants around the Country.
- Floods which disrupted production in our plants in Manafwa, Tororo, Entebbe, Kasese, Mpondwe and Lira.
- Prolonged droughts which dried up water sources with Mbarara and Arua being the most affected.

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

Table 11: Trend of Water Production in million m³ from FY 2013/14 to FY 2019/20

Region	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20			
							Actual	Growth	Target	% Achieved
Kampala	63.8	63.8	66.3	77.2	79.0	82.8	85.1	3%	105.5	81%
Central	15.4	16.9	18.3	18.6	20.3	22.1	22.8	3%	27.0	84%
Eastern & Southern	7.0	9.8	9.5	10.8	12.5	14.0	15.4	10%	16.4	94%
Western & South western	7.6	9.1	11.9	13.2	14.5	16.0	16.3	2%	19.5	84%
NWSC Global	93.8	99.6	106.0	120.7	126.3	134.9	139.7	4%	168.4	83%

Figure 2: Showing growth in water production for the last Six years (2013-2020)



Capacity Utilization

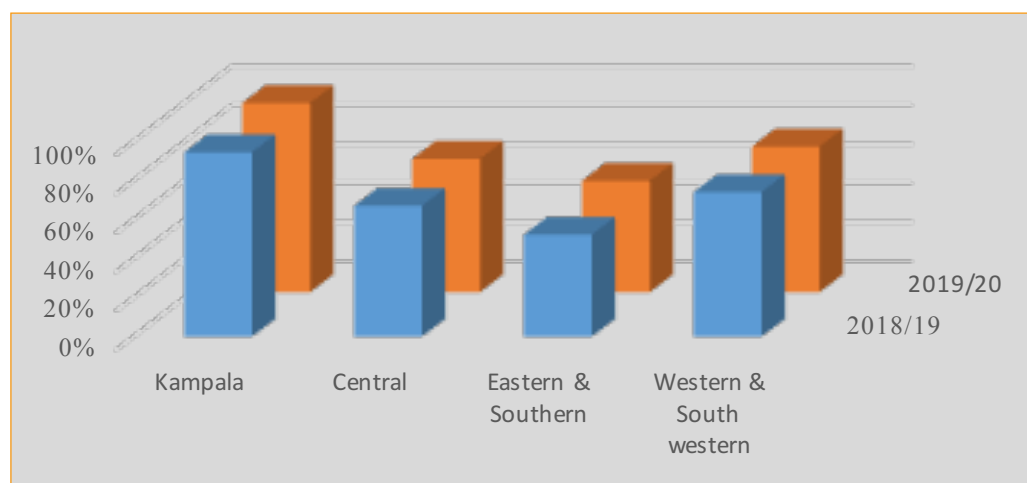
This is a measure of the extent to which the capacity of the water production infrastructure is being used. During the FY 2019/20, the Corporation recorded 82% capacity utilization, an increase of 2% from the previous year due to increased investment in water production infrastructure. The capacity utilization is very high in Kampala Area, 97% compared to Central (68%), Eastern and Northern (57%) and Western and South Western (75%). 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 is also planning to implement the Wakiso West WatSan project to serve Wakiso and the southern parts of Kampala. NWSC is also investing in other infrastructure projects in the Western, Central, Northern and Eastern parts of the Country to improve the water production capacity around the Country.

Table 12: Daily Capacity Utilization as at June 2020

Region	Practical Capacity m ³ /day	Production m ³ /day	Capacity Utilization		
			2017/18	2018/19	2019/20
Kampala	240,000	232,609	93%	94%	97%
Central	91,292	62,377	64%	67%	68%
Eastern & Southern	73,948	42,184	53%	52%	57%
Western & South western	59,851	44,650	70%	74%	75%
NWSC Global	465,091	381,819	78%	80%	82%

Figure 3: Comparison of Capacity utilization between FY 2018/19 and FY 2019/20



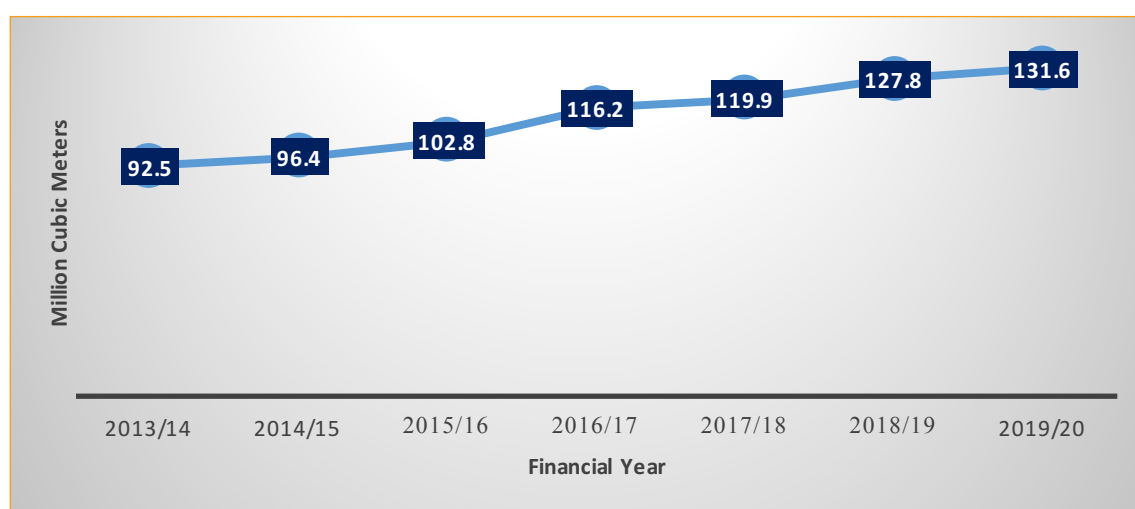
Water Supplied

This is water that enters the distribution system for use by the final consumers. The Corporation registered a growth in water supply of 3% from 127.8 million to 131.6 million m³ in Financial Year 2019/20. The Corporation achieved 81% of the annual target of 163.4 million m³.

Table 13: Trend of Water Supplied in million m³ from 2013/14 to 2019/20

Region	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20			
							Actual	Growth	Target	% Achieved
Kampala	63.8	63.8	66.3	75.8	76.5	79.7	81.3	2%	98.8	82%
Central	15.2	15.9	16.6	18.1	19.1	20.5	21.2	4%	28.1	75%
Eastern & Southern	6.5	8.0	8.8	10.1	11.3	12.9	14.2	10%	16.9	84%
Western & South Western	7.0	8.7	11.1	12.2	13.0	14.7	15.0	2%	19.6	76%
NWSC Global	92.5	96.4	102.8	116.2	119.9	127.8	131.6	3%	163.4	81%

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 reduced by 3% from 90.5 million m³ in the FY 2018/19 to 87.5 million m³ in the FY 2019/20. The reduction in water sales is more prominent in Kampala due to the adverse effects of COVID 19 which led to closure of most of the Institutions, Schools and Commercial entities.

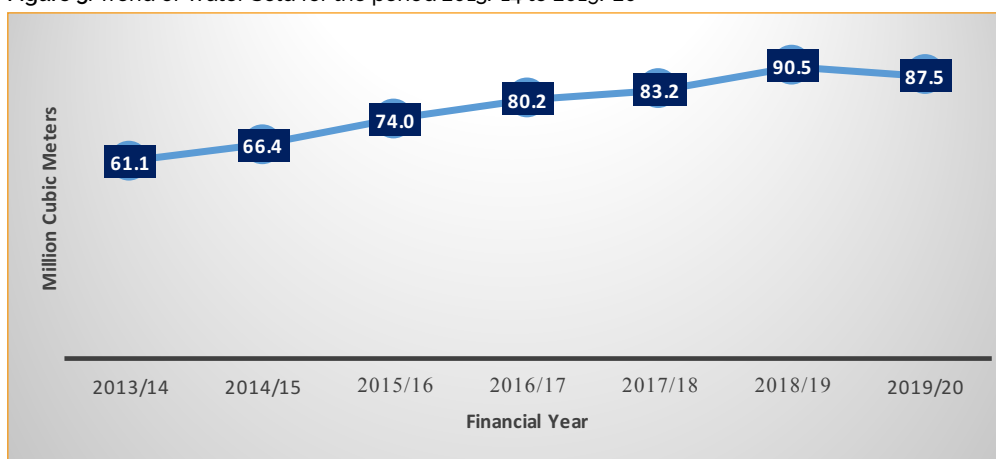
The Corporation achieved 74% of the water sales target of 117.7million m³, for the Financial Year 2019/20.

Table 14: Trend of Water Sales in million m³ from FY 2013/14 to FY 2019/20

Region	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20			
							Actual	Growth	Target	% Achieved
Kampala	40.3	42.5	45.2	47.7	48.8	52.2	49.2	-6%	65.2	75%
Central	9.7	11.1	12.9	14.6	15.0	16.1	15.8	-2%	22.8	69%
Eastern & Southern	5.4	6.1	7.1	8.4	9.2	10.5	10.8	3%	14.1	77%
Western & South Western	5.7	6.7	8.7	9.6	10.1	11.7	11.7	0%	15.4	76%
NWSC Global	61.1	66.4	74.0	80.2	83.2	90.5	87.5	-3%	117.5	74%



Figure 5: Trend of Water Sold for the period 2013/14 to 2019/20



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 33.5% in the FY 2019/20, compared to 29% in the FY 2018/19. Kampala Water registered NRW of 39.5%, Central Region (25.5%), Northern & Eastern (23.4%) and Western & South Western (22%).

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

- 20,000 meters have been procured to replace the old ones.
- The Water Loss and Prevention Units have been strengthened to ensure efficiency in dealing with cases relating to water theft.
- All reported pipe bursts and leakages are being attended to promptly.
- Management is sourcing for funds to replace the old pipe network in the long term.

Table 15: Trend of Non-Revenue Water from FY 2013/14 to FY 2019/20

Region	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20			
							Actual	Decline	Target	% Achieved
Kampala	37%	33%	32%	37%	36%	35%	40%	-13%	34%	86%
Central	36%	30%	22%	19%	21%	22%	25%	-16%	19%	75%
Eastern & Northern	17%	24%	19%	17%	19%	18%	23%	-30%	17%	70%
Western & S.Western	19%	23%	22%	21%	22%	20%	22%	-10%	21%	96%
Total NWSC	34%	32%	28%	31%	31%	29%	34%	-16%	28%	84%

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. The project was supposed to end in June 2020, but NWSC and Government have agreed to extend the implementation period to June 2021.

The Project aims at extending water mains by **8,000 km**, connecting **140,000** new water consumers and 20,000 Public Stand Posts. The project is being implemented in **12,000** villages.

The Corporation is contributing 58% of the funds for SCAP 100 amounting to an average of UGX 41 billion per year and GoU is providing the difference (UGX42%, approximately UGX 30 billion per annum). The performance of SCAP 100 is analyzed below;

Water Mains Extensions

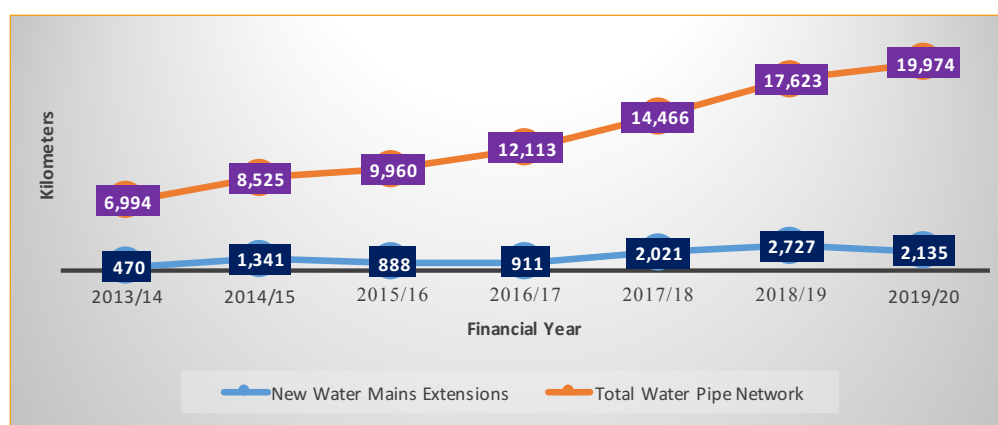
The Corporation laid 2,135 km of water pipes against a set target of 3,000 km for the FY2019/20. The lockdown which Government imposed to fight against the COVID 19 pandemic affected the implementation of procurements and works related to SCAP 100. The Corporation also inherited 216 km of pipe network from the 5 new towns.

The total water pipe network grew by 13% from 17,623 km in FY 2018/19 to 19,974km in the FY2019/20. 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).

Table 16: Seven-year trend of Water Mains extensions from FY 2013/14 to FY 2019/20

Region	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20			
							Actual	Growth	Target	% Achieved
Kampala	83	83	157	161	358	216	73	-66%	531	14%
Central	100	289	189	194	430	577	516	-11%	638	81%
Eastern & Northern	97	393	184	188	418	785	438	-44%	620	71%
Western and Southwestern	190	576	358	368	816	1,150	1,107	-4%	1,210	91%
Total New Water Extensions	470	1,341	888	911	2,021	2,727	2,135	-22%	3,000	71%
Water Network from New towns		190	547	1,242	332	430	216			
Growth in Water Pipe Network	6,994	8,525	9,960	12,113	14,466	17,623	19,974	13%	20,623.1	97%

Figure 6: Growth in New Mains Extensions and Total Pipe Network FY2013/14 to FY2019/20.



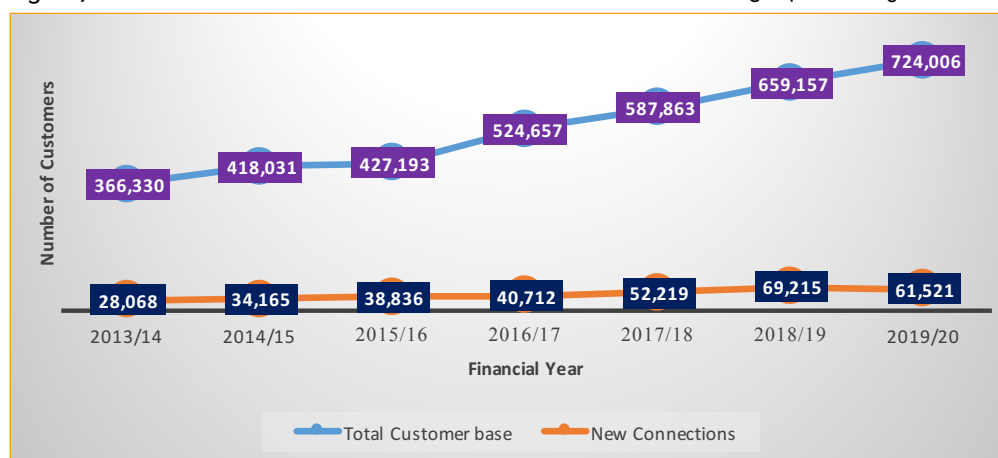
New Water Connections

New water connections represent the number of customers who have been newly connected to the distribution network. The Corporation connected 61,521 new consumers during the year against a target of 55,501 (111% target achievement). The NWSC customer base grew by 10% from 659,157 in FY2018/19 to 724,006 in the reporting period.

Table 17: Trend of New Water Connections (FY 2013/14 - FY 2019/20)

Region	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20			
							Actual	Growth	Target	% Achieved
Kampala	15,324	14,982	18,951	20,577	25,931	32,130	28,720	-11%	27,725	104%
Central	6,106	7,686	8,253	8,330	10,169	13,959	11,389	-18%	10,896	105%
Eastern & Northern	3,341	5,079	4,796	5,271	6,663	10,387	8,978	-14%	6,852	131%
Western and South Western	3,297	6,418	6,836	6,534	9,456	12,739	12,434	-2%	10,028	124%
Total New water connections	28,068	34,165	38,836	40,712	52,219	69,215	61,521	-11%	55,501	111%
Connections from new Towns	20,970	17,626	15,419	11,752	12,865	2,079	3,328		-	-
Total Customer base	366,330	418,031	427,193	524,657	587,863	659,157	724,006	10%	714,658	101%

Figure 7: Growth in New Connections and Total Customer base from FY2013/14 to FY2019/20



Kampala Water General Manager, Mr. Mahmood Lutaaya demonstrates to the KCCA Executive Director, Mrs. Dorothy Kisaka, how a token meter works.



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 UGX21 per 20 liter jerrycan (net of VAT) compared to the domestic tariff of UGX70.

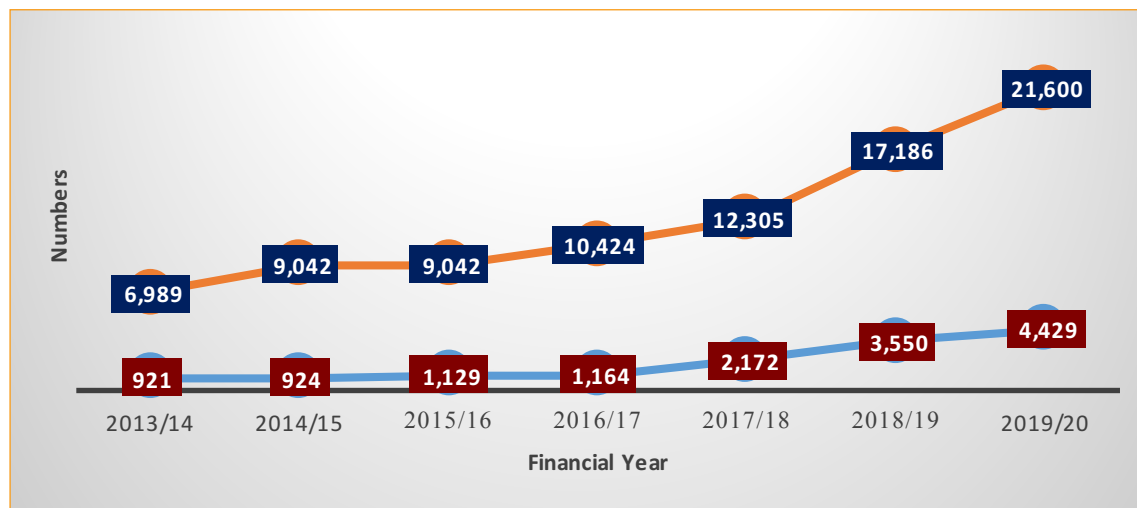
During the Financial Year 2019/20, the Corporation installed 4,429 new PSPs bringing the total number of PSPs to 21,600. The Corporation intensified the installation of PSPs in Kampala with the objective of increasing the water points for hand washing in a bid to fight COVID-19.

The total number of PSPs grew by 26% from 17,186 in June 2019 to 21,600 in June 2020.

Table 18: Trend of New PSPs from FY 2013/14 to FY 2019/20

Region	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20			
							Actual	Growth	Target	% Achiev't
Kampala	778	43	99	36	247	74	1,355	1731%	331	409%
Central	10	243	227	183	545	954	619	-35%	992	62%
Eastern & Northern	69	276	299	356	627	1066	1,018	-5%	1,194	85%
Western & Southwestern	64	360	504	589	753	1456	1,437	-1%	1,083	133%
Total New PSPs	921	924	1,129	1,164	2,172	3,550	4,429	25%	3,600	123%
Total No. of PSPs	6,989	9,042	9,042	10,424	12,305	17,186	21,600	26%	20,786	104%

Figure 8: Growth in PSPs from FY2013/14 to FY2019/20



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.

As at June 2020, the Corporation's jurisdiction covered 16,130 villages with an estimated population of 22.5million people. We were able to increase our coverage to 10,209 villages, covering a population of approximately 15.7 million consumers.

There are still 5,921 villages with a population of over 6.8 million under our jurisdiction which is not yet receiving our services. This calls for the need for the Government, Development Partners and the Corporation to continue supporting the refurbishment, expansion and development of our Infrastructure Projects.

Table 19: Population and Villages served by NWSC as at June 2020.

Region	NWSC Jurisdiction		NWSC actual Performance –June 2020		Not yet Served	
	Total No. of Villages	Population	Villages Served	Population Served	Villages	Population
Kampala	1,379	6,761,636	1293	6,242,420	86	519,216
Central	4,463	5,616,283	2,178	3,505,638	2,285	2,110,645
Eastern & Southern	3,506	4,831,921	2,742	2,911,091	764	1,920,830
Western & South western	6,782	5,335,338	3,996	3,044,785	2,786	2,290,553
NWSC Global	16,130	22,545,178	10,209	15,703,934	5,921	6,841,244





Sewer Services

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

During the FY2019/20, 280 new sewer connections were made (93%) of the target of 300. The total sewer connections stood at 23,914 in June 2020.

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

Table 20: Total Sewer Connections as at 30th June 2020

Region	New Sewer Connections			Total Sewer Connections		
	Actual	Annual Target	% Achieved	Active Accounts	Inactive Accounts	Total Sewer Connections
Kampala	161	124	130%	10,348	898	11,246
Central	85	80	106%	4,709	732	5,441
Eastern & Northern	24	80	30%	4,148	733	4,881
Western and Southwestern	10	16	63%	1,993	353	2,346
NWSC Global	280	300	93%	21,198	2,716	23,914

Financial Performance



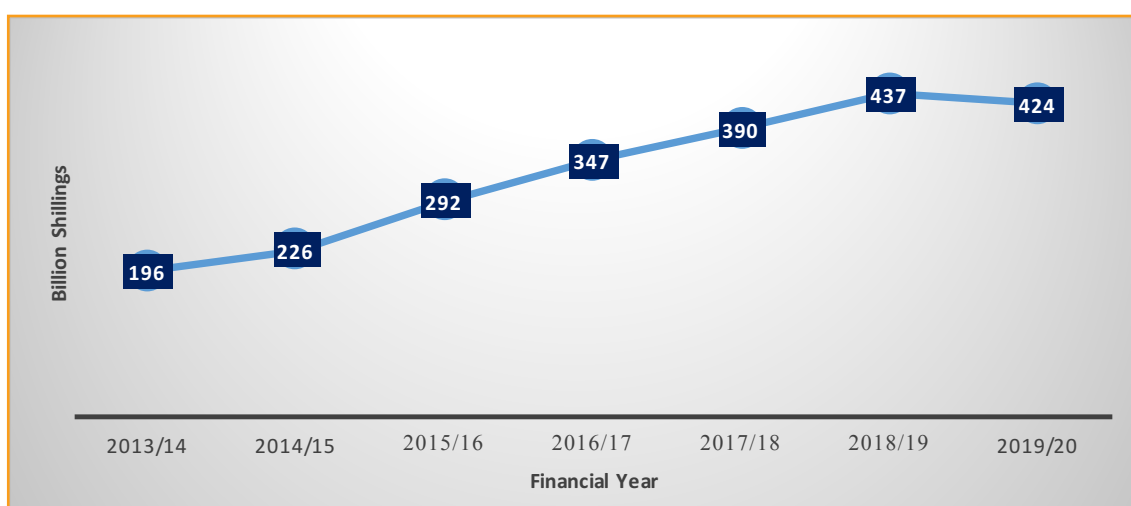
Billing

The Corporation registered a decline in billing of 3% from UGX437billion in FY2018/19 to UGX424billion in FY2019/20. We achieved 82% of the annual billing target of UGX517billion. The decline in billing was due to the adverse effects of COVID-19 which led to closure of most of the Institutions, Schools and Commercial entities.

Table 21: Trend of NWSC Billings (Billion Shillings) from FY 2013/14 to 2019/20.

Category	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20			
							Actual	Target	% Achieved	Growth
Government	22	25	33	39	44	53	54	63	86%	1%
Non-Gov't	174	201	260	308	347	385	370	454	81%	-4%
Total Billing	196	226	292	347	390	437	424	517	82%	-3%

Figure 9: Trend of Billing from FY2013/14 to FY2019/20



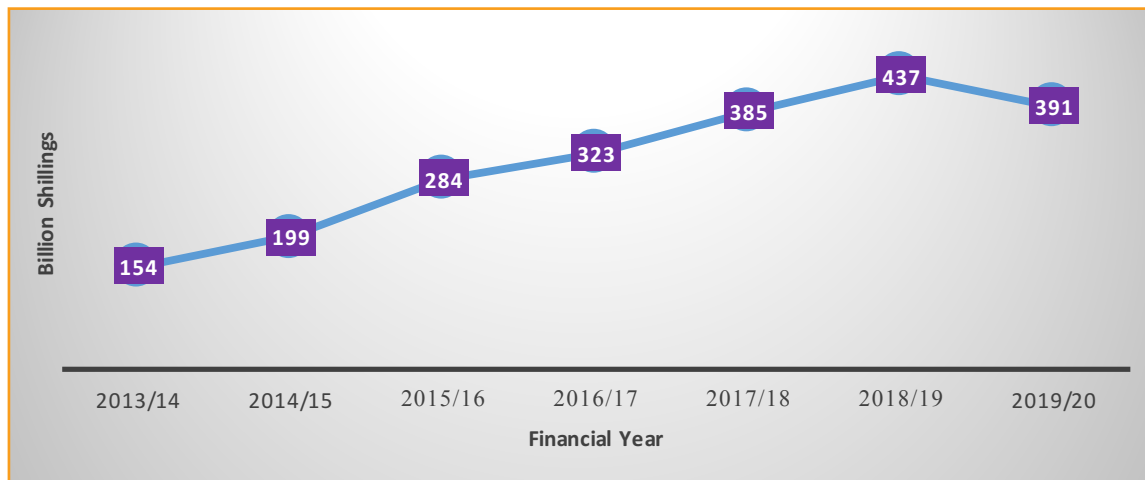
Collections

The Corporation registered a decline in collections of 10% from UGX437billion in FY2018/19 to UGX391billion in FY2019/20. We registered a 75% achievement of the annual collections target of UGX522billion. The decline in collections is due to the adverse effects of COVID 19 which led to closure of most of the Institutions, Schools and Commercial entities. The Government guided the Corporation not to interrupt services to our consumers due to non-payment of water bills. NWSC therefore, experienced challenges in the collection of revenue especially from Domestic and Commercial customers.

Table 22: Trend of NWSC Collections (Billion Shillings) from FY 2013/14 to 2019/20.

Category	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20			
							Actual	Target	% Achieved	Growth
Government	23	29	42	47	45	64	42	66	64%	-34%
Non-Gov't	132	170	243	276	340	373	349	456	77%	-6%
Total Collections	154	199	284	323	385	437	391	522	75%	-10%

Figure 10: Six-year trend of NWSC Collections (Billion Shillings) from FY 2013/14 to 2018/19



Arrears and Debt age

Total arrears grew by 35% from UGX94 billion in FY2018/19 to UGX126 billion in FY2019/20. Government arrears increased by UGX10billion (33%), while Non-Government arrears also increased by UGX23billion (36%). The Debt age increased by 40% from 2.6 months in FY2018/19 to 3.6 months in FY2019/20.

Table 23: Summary of Arrears (Billion Shillings) and Debt age as at 30th June 2020

Category	Arrears					Debt age (Months)		
	2018/19	2019/20	Target	% Achieved	Decline	2018/19	2019/20	Decline
Government	30	40	31	77%	-33%	6.8	9.0	-31%
Non-Gov't	63	86	62	71%	-36%	2.0	2.8	-41%
NWSC Total	94	126	92	73%	-35%	2.6	3.6	-40%







Quality Assurance

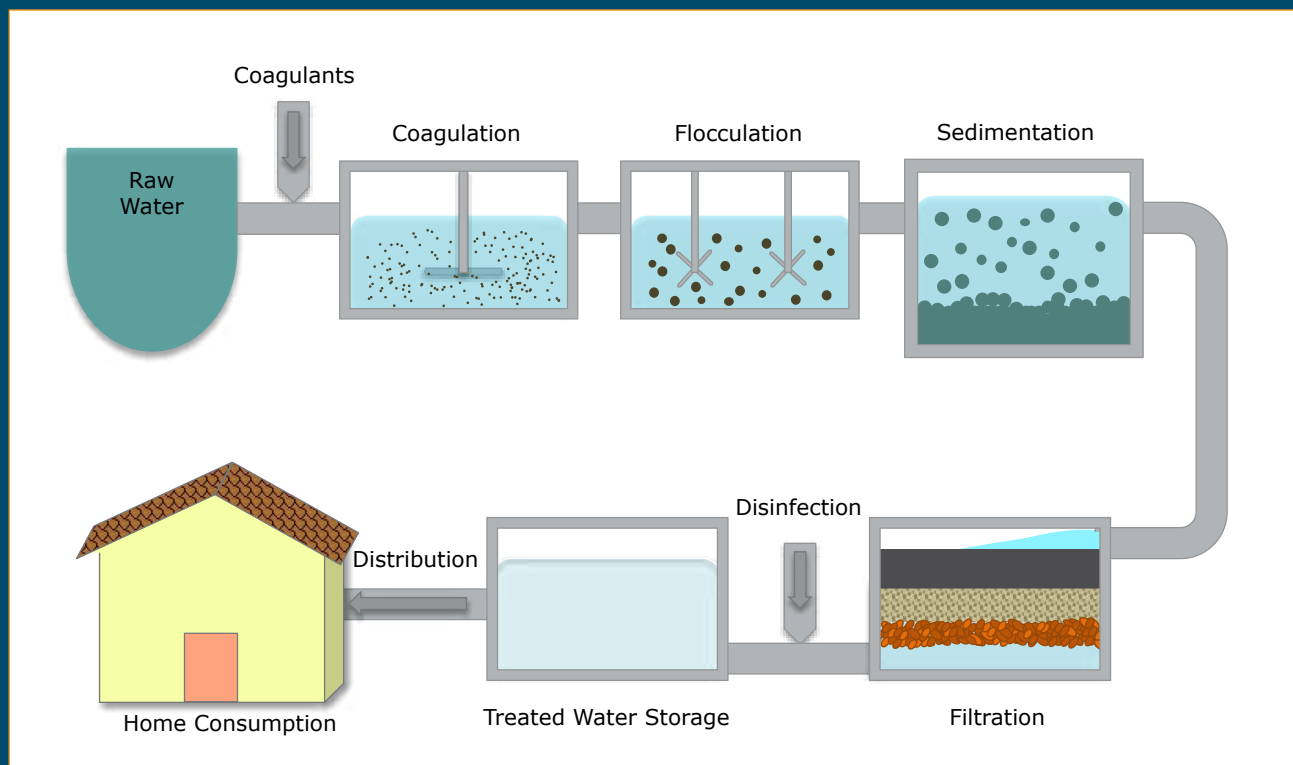
The mandate of National Water and Sewerage Corporation (NWSC) is to ensure that the quality of drinking water delivered to customers and the quality of wastewater effluent discharged into the environment meet the National Standards. NWSC employs a team of competent water chemists and microbiologists 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 24: 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 (%)	99.8
		Colour (%)	88.4
		Turbidity (%)	96.9
		Chlorine residual (%)	98.2
		pH (%)	100.0
		Electrical Conductivity (%)	100.0
		Alkalinity Total (%)	100.0
		Hardness Total (%)	99.6
		Average (%)	98.0
Sewage Quality			
Compliance with all 54 Effluent discharge Parameters	(No. of Samples passing National Discharge Standards/ Total Samples tested) X 100	BOD (%)	45.6
		Total Suspended Solids (%)	46.3
		Average (%)	46.0

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.



Kampala Water- The Heart Beat of NWSC



Mahmood Lutaaya
General Manager
Kampala Water

Kampala Water is the biggest Area of operation for the NWSC, it constitutes 60% of the Corporations operations. We produce 81 billion litres of water per annum and serve more than 342,349 customers. Kampala Water is committed to becoming an exceptional service provider that puts customers first and cares about the community in which we operate. There are a number of Infrastructure projects which are being implemented with the aim of expanding production capacity to enable us serve more people.

Kampala Water is privileged to serve one of the fastest growing metropolitan regions in Africa. More than four million people rely on us each and every day to provide safe, efficient and affordable services across Kampala City, parts of Mukono and the vibrant communities of Wakiso.

Our core business is the supply of safe water and sewerage services to the customers in accordance with our Customer Charter. We serve approximately 342,349 customers, which include Domestic, Commercial, Industrial, Institutions and Public Water Points. We manage an asset base valued at almost UGX2 trillion (approximately USD 535 million) across our service area of more than 4,000 km of pipe network.

As our customer base continues to grow, leading to increase in demand, which puts pressure on the existing infrastructure. With the ever-present challenges of population growth, urbanization and an increasingly changing and variable climate, we have to work harder and think differently, in order to achieve greater efficiency. Our Strategies are guided by the NWSC Vision – of being the Leading Customer Service Centered Utility in the World- and the Strategic Direction and Corporate Plan.



The Financial Year 2019-20 was one of the most challenging periods ever experienced following the outbreak of the Covid-19 pandemic. We experienced a significant slowdown of business ultimately affecting the annual performance of Kampala Water on most of the Key Performance Indicators (KPI's). In addition, the Country received the highest rainfall than any other time in the last 50 years, which resulted in rising water levels that threatened to disrupt the operations of our key installations at the Ggaba Water Treatment Plants.

We have a comprehensive Business Continuity Plan that allows us to manage risks to our services and assets. Our response to the Covid-19 pandemic and the rising water levels was immediate and extensive. Thanks to the well-established structures, resilient workforce and the strong support and leadership of the Board and Management – we did not have major disruptions in water supply provision to our customers.

In the FY 2019/20, we produced approximately 81 billion litres of drinking water from our three Water Treatment Plants at Ggaba and 14 motorized groundwater wells and sold 49 billion litres to our customers. A large percentage of the wastewater was collected and treated at our Wastewater Treatment Plants of Lubigi, Kinawataka and Bugolobi.

Throughout the year, there was an emphasis on improving our systems and processes. A key achievement was the strengthening of our Territorial Management Concept that is designed to enhance customer outreach and staff accountability. This has also provided us with an opportunity to harmonize our billing and revenue collection cycles and provide more convenience and flexibility to our customers.

We have continued to make progress on customer engagement especially on social media platforms, call center and community meetings. We responded to more than 129,842 customer complaints, during the year. We managed to reduce response time for our customer inquiries to less than one day. We also made significant progress, in enabling and encouraging customers to utilize our user-friendly Mobile-App, which offers a range of self-service options.

We put a lot of emphasis on raising awareness with customers about the water cycle, affordability and water efficiency. This has been achieved through educational and sensitization programs, which are conducted by all our branches on a regular basis. We have put in place mechanisms to ensure that the customers' interests and feedback are embedded in our decision-making. Much of Kampala Water's work takes place in the field. We have introduced innovative technologies, the MAPKIT tool that aims at enhancing our network repair and maintenance activities and ensure our services to our customers continue to be delivered with efficiency and best practice. The tool is to be fully rolled out to all our network operations within the coming Financial Year.

Renewals of major assets in and around the Kampala Water have been a major focus this year, including upgrade and installation of over 70 km of new water pipe extensions across our service Area. Additional key strategic projects across the Kampala Water service area included; major network modifications to relieve the primary reservoirs of Muyenga, Nagguru and Rubaga so as to augment supply in secondary storage tanks, and implementation of SCAP100 that aims at achieving 100% service coverage across NWSC operational areas.

Our plan in the coming year is to provide greater digital experiences, enhanced personalized services and additional channels for customer engagement. We shall also upgrade our business processes and introduce new technologies. The New Water Treatment facilities at Katosi, which are expected to be operational by December 2020, will provide Kampala Water with the opportunity to serve many more customers in our service Areas.

As the Country continues to recover from the effects of the Covid-19 pandemic, the FY 2020/21 promises to be an exciting year in many aspects and we look forward to delivering our commitment of providing exceptional services to our esteemed customers.





NWSC Footprint on a Global stage

The NWSC established the External Services (ES) Unit in January 2005 after effective implementation of reforms that resulted in rapid expansion of the customer base, reduction of Non-Revenue Water (NRW), improvement of staff productivity, quadrupling of the annual turnover, a change of staff behavior and attitude and sustained corporate profit after depreciation to mention but a few.

The External Services Unit aims at providing world-class high impact innovative solutions in a professional, innovative manner focusing on performance enhancement solutions in an efficient and cost effective manner. We offer our services to utility organizations in Uganda, the African region and elsewhere in the World.

The core business of the Unit includes:

- i) Advisory Services in Utility Management, Performance Planning and Management and modernization of utilities.
- ii) Technical Assistance in Water Quality Testing and Monitoring, GIS Surveying and Mapping, ICT Services and Billing and Customer Care Management
- iii) Water Utility Capacity development including tailor-made training programs, Staff Attachments, on-the-job training and vocational training
- iv) Provision of Conferencing and Training facilities at the NWSC International Resource Centre

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

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

In the Financial Year 2019/2020, the External Services Unit was able to raise an income of UGX 7,425,707,883 (Approximately USD 2.0million). One (1) contract was

successfully completed bringing the total number of contracts completed since inception to Eighty three (83). Two (2) new contracts were signed, namely; Contract for Consultancy Services for the Development of Customer Relations Management Software and its Integration to GIS and BIQ Systems for the City of Bulawayo (Zimbabwe) and Contract for Consultancy Services for Support to Implementation of Water Operators Partnership (WOP) for Bauchi State Water and Sewerage Corporation (Nigeria). The ESU team facilitated nine (9) benchmarking teams from Nigeria, Zimbabwe, Kenya, Uganda, Burundi, Ghana, Ethiopia, Mali and Tanzania.

We are also proud to be the leading partner in the implementation of the following projects;

- **Alternative Approaches and Tools for Improved Water Supply and Sanitation Services delivery in Northern Uganda** funded under the Sustainable Water Fund (FDW) for increasing access to safe drinking water and sanitation;
- **Chittagong Water Supply Improvement Project in association with Dev Consultants Limited (DevCON) Bangladesh and UNESCO IHE Netherlands.** The project aims at assisting in developing the capacity of Chittagong Water and Sewerage Authority (CWASA) in the operation and management of water utility services, providing support in the modernization of its operating structure, system and processes;
- **SALWACO IDS: Consulting Services for Institutional Development Support to Sierra Leone Water Company.** The main objective of this assignment is to support the transformation of SALWACO into a financially viable water utility able to meet the aspirations of its stakeholders. The specific objectives include institutionalizing a commercial and customer orientation attitude, improving the operational and financial performance, secure staff commitment and motivation and provide transferable skills to the leadership;
- **Utility Support to Capacity Development for Sustainable Water Services within Uganda** (CaDeSWas), a Water Operator's Partnership with Vitens Evides International (VEI), Netherlands geared at building capacity of the NWSC in Asset Management and Pro-poor services;

- **Strengthening Training Institutions of Uganda and Rwanda (STUUR Project)** funded by the Dutch Government and;
- **Bulawayo:** Consultancy Services for Development of Customer Relations Management Software and its integration to GIS and BIQ Systems for City of Bulawayo in Zimbabwe

NWSC in collaboration with African Water Association (AfWA) and Ministry of Water and Environment (MoWE) successfully hosted the 20th AfWA International Congress and Exhibition from 24th – 27th February 2020 at the Kampala Serena International Conference Centre. The Congress, was the largest, most successful ever held by AfWA with over 2,300 delegates from 81 countries across the world.

The theme of the Congress, "Breaking new grounds to accelerate access to safe water and sanitation for all in Africa" which provided opportunities to share ideas, new breakthroughs and innovations. The congress attracted the largest ever exhibition of over 300 Exhibitors that showcased latest technologies and innovations in water and sanitation.

During the year, NWSC also participated in the International Water Association Development Congress in Sri Lanka from 1-5th December 2019.



NWSC Board Members attend the 20th AfWA International Congress and Exhibition, hosted by NWSC, at the Kampala Serena International Conference Centre from 24th – 27th February 2020.

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 (NDP II). 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 FY2019/20, the Corporation invested UGX365 billion in various infrastructure projects compared to UGX508 billion in the FY 2018/19 as shown in table 11 below.

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

Projects Completed/ Substantially Completed During FY 2019/20

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

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

Projects Under Implementation by 30th June 2020

There are eight projects where the Corporation made significant progress during the FY 2019/20 but were not yet completed by the end of the financial year. The projects which are still under

implementation include:

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

Table 25: Expenditures on Capital Development Projects during the FY 2019/20 (UGX' 000)

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



Katosi Water Treatment Plant intake construction works

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

Projects At Planning Stage As At 30th June 2020

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

- **Adjumani Water Supply and Sanitation Project** – improvements in existing Water supply and sanitation infrastructure.
- **Mbale Water Supply and Sanitation Project** – construction and rehabilitation of water and sanitation systems.
- **Wakiso West WatSan Project**

(WWWSP) – construction of water and wastewater treatment plants

- **Kyotera Water Supply Project** – construction of Water Treatment Plant and bulk transfer to Kyotera, Kalisizo, Sanje, Kakuuto, Mutukula, Rakai, Lyantonde and Kalisizo.
- **Albertine Graben Cluster North WatSan Project** - development of WatSan Infrastructure for the Hoima - Masindi Areas.
- **Kiruddu Waste water Treatment Plant** – construction of wastewater treatment plant targeting Kiruddu Hospital and the surrounding community.

Table 14 on pages 95 - 97 shows a list of completed, ongoing and planned projects as at 30th June 2020. The level of progress on each of these projects is outlined therein.



Responding to Water and Sanitation Challenges Across The Country



Eng. Alex Gisagara
Director Engineering Services

Water Infrastructure

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

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

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



Water Projects for Greater Kampala Metropolitan Area (GKMA)

There has been a water supply crisis in the Greater Kampala Metropolitan Area (GKMA) for many years. This is largely attributed to rapid urbanization, industrial growth, and expansion of the Service Area which now covers not just Kampala but also parts of Mukono and Wakiso Districts. The crisis has been aggravated by the deterioration in raw water quality at Gaba.

NWSC commissioned a study to come up with ways of addressing the water crisis 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 the Greater Kampala Metropolitan Area (GKMA) would increase from the current 250,000m³/d to over 530,000m³/d 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 7.4million people in the Greater Kampala Metropolitan Area 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 – Kampala Drinking Water Transmission main & Distribution system.

- (iii) Water Supply and Sanitation to the Informal Settlements:
- (iv) Network Restructuring & Rehabilitation
- (v) Project Management Assistance

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

This component was aimed at addressing water supply challenges in greater Kampala metropolitan area up to the year 2035. It involved upgrading (60% increment) & rehabilitation of Ggaba I & II, construction of new 8,000m³ storage capacity reservoir at Namasuba, laying 9.6km of a 700mm diameter Gaba/ Namasuba pipeline, modifications at Muyenga reservoirs, replacement of section of 800m, 500mm Naguru Main). This Project component was completed in July 2018.

Aerial view of the Ggaba water treatment Plants after rehabilitation.



(ii) 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 a new location east of Kampala,
- b) Construction of a water treatment plant with a capacity of 160,000 m³ per day, sludge handling facilities, clear water pumping station,
- c) Construction of a 54 Km transmission main from Nsumba Hill to Ssonde Hill
- d) Construction of 15,000 litres reservoir at Ssonde hill and a booster station at Namugongo.

The works were affected by restrictive measures put in place by government to curb the further spread of COVID-19. However, the overall progress of works was 70% as at 30th June 2020 and the expected completion date is February 2021.

(iii) Water Supply and Sanitation to the Informal Settlements

The sub-component involves construction of;

- Nalukolongo faecal sludge treatment plant (400m³/d)
- 240 toilet stances in 17 Government schools
- 80 toilet stances in 7 KCCA Public toilets and 5 Non-KCCA public toilets
- Hygiene promotion and sanitation marketing for improving conditions in at least 16 informal settlements in Kampala.

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

(iv) Network Restructuring & Rehabilitation.

This component involves the following;

- Laying of Transmission mains of sizes DN500mm to DN1,400mm (approx. 60km), secondary mains of sizes OD225mm to DN400mm (approx. 66km) and tertiary mains of sizes OD160mm to OD110mm (approx. 216km).
- Construction of Booster pumping stations (04 No.)

- Construction of Reservoirs of volume 30 – 200m³ (03 No.)
- Installation of District Metering Areas (DMAs) and DMA feeding points (06+23+7+5No.) of sizes DN80mm to DN500mm
- Implementation of a SCADA system for network monitoring at 08No. critical stations in the distribution network and linking to the main station at Gaba water works.
- Refitting of existing 20,000 m³ Gunhill reservoir

This project component is at design stage.

(v) Project Management Assistance

This component comprises project management, PIU support services and consultancies to manage and address gaps within the Project Management and the Corporation management.

This project component is at design stage.

Challenges experienced in the implementation of KW-LVWATSAN Project

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



Aerial view of the Katosi Water Treatment Complex under construction.



Water filters under construction at Katosi



Water Projects for the Northern Region

The Gulu Water Supply Improvement Project

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

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

Short-Term

The short-term measures were quickly developed to improve water production and sustain the population for the period of three years (2017-2020). A temporary dam was developed with additional Raw Water abstraction capacity of 2,500 m³ per day. Six production wells were also drilled, developed with a total daily water production capacity of also 2,500 m³. Two of the new boreholes were connected to the National Power Grid. Two brand new generators were supplied and installed at the Oytino Raw Water Dam and at Mican Production Well.

These interventions ensured that the Corporation was able to meet the demand for water in and around Gulu municipality until the medium-term intervention was completed in January 2020.

Medium-Term

The Long-term strategy for addressing the water challenges in Gulu is to draw water from River Nile at Karuma and transfer in bulk to Gulu. However, this intervention is unlikely to be implemented until 2025. The Corporation and the GoU therefore decided to implement a medium-term project, which would ensure that the demand for water is met until the long-term project is implemented. The Corporation is grateful for the support given to us by the Development Partners; The World Bank and KfW, who provided approximately USD 24.6 million for the medium-term interventions.

These interventions were implemented from 2017 and substantially completed in December 2019. The main achievements included the following;

- Rehabilitated and upgraded the existing abstraction facilities, Water Treatment Plant and the Water Distribution Network.
- Increased the holding capacity of the existing dam by raising its embankment by 0.6 metres.
- Constructed an additional Raw Water In-take Structure at Oytino and a New Water Treatment Plant alongside the rehabilitated one.

The above interventions improved the operating efficiency and reliability of the Water Infrastructure in Gulu and increased the daily water production capacity by an additional 5,000 m³. This can sustain the population until 2025 when the Karuma Project is expected to be operational.



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

Long-Term Measures

Under the long-term measure, the Corporation and the Government planned to draw water from River Nile at Karuma, Treat it and transfer it in Bulk for 72KM up to Gulu. This is the only way of ensuring that the rapidly growing demand for Water by Gulu City is met. Six other towns en-route Gulu will also be served by the Karuma Project. These towns include; Karuma, Kamdini, Minakulu, Bobi, Palenga and Koro Abili.

The Karuma Project will be implemented at the Total Cost of USD 53 million. The Corporation is grateful to the World Bank for providing loan worth USD 28 million to the GoU for implementing the project. We also extend our sincere appreciation to the German Government through KfW for providing a grant to the Government of USD 25 million towards the project.

The Key Components of the Karuma Project includes;

- Construction of a Raw Water In-take on River Nile.
- Construction of the Water Treatment Plant at Nora Village in Oyam District.
- Construction of a Water Transmission Pipe line for a distance of 72 KM to Gulu.
- Construction of a 5,000m³ Reservoir in Gulu.

The Karuma Project will initially deliver 10,000 m³ per day but will be increased to 30,000 m³ per day after carrying out additional expansion works by 2035. The in-Take structure at Karuma has been constructed. The works contracts for the Water Treatment Plant, Raw Water In-take and Water Transmission Pipe line are undergoing the tendering process. The Karuma is expected to be completed in 2025.

The Other Projects in the Northern Region

The Corporation is also implementing Projects in the following towns

Adjumani Project

The Project will involve construction of; a new water system which includes an In-take, Water Treatment Plant, Transmission Pipeline, Reservoir and Distribution System, to supply approximately 5,000m³ per day this project will also be funded using a loan of USD17million from the World Bank and the GoU and it is expected to be implemented between (2020-2024).

Parombo Project

The Project involves drilling and development of production wells, construction of a Sump, Transmission Pipeline, Reservoir and Distribution System, to supply approximately 500m³ per day. The project is being funded using market financing from a Commercial Bank. The project expected to cost UGX3.7billion, approximately USD 1million and it is expected to be completed by December 2020.



H.E Y.K.T Museveni being shown around the newly refurbished and expanded Gulu Water Supply Plant.



Water treatment section of the refurbished Gulu Water Supply Plant.

Water Projects for the South Western Region

The South Western Cluster Water Project

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

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

Isingiro District on the other hand lies in the cattle corridor but is water stressed and has no reliable source of water, for both domestic use and production. In 2017, Isingiro District suffered the worst drought which led to adverse famine and death of animals.

In an effort to address the above situation, in 2013, the Government secured a grant of EUR 0.9 million from the French development Agency (Afd) to conduct a feasibility study for the development of Water and sanitation infrastructure in the South Western Cluster Towns. The study was used to establish baseline conditions, infrastructure requirements and financial needs for the project.

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

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

The project will be implemented under three components; Package1: Kagera Water Treatment Plant, Package 2: Mbarara and Package 3: Masaka. The key components of the project are summarized in the table below;

No.	Package	Description
i	Kagera	i) Construction of New Water Intake on Kagera River at Nshungyezi – to provide water for domestic use and for production). ii) Construction of a new Water Treatment Plant and associated infrastructure to meet the domestic water demand for the year 2040 of Mbarara City. The plant will also serve the rural areas of Isingiro District. The water distribution system for Isingiro is to be implemented under a separate project managed by the Ministry of Water and Environment.
ii	Mbarara	Rehabilitation and expansion the existing water supply infrastructure in Mbarara City and surrounding areas
iii	Masaka	Rehabilitation and expansion of the existing water supply infrastructure in Masaka City and some towns along the Lukaya-Masaka Highway.

The Corporation is very grateful to the Afd which provided a grant of EUR 0.9 million to the Government of Uganda for conducting a feasibility study for the South Western Water and Sanitation Project. The construction works are expected to cost EUR 126 million and the Corporation would like to extend our great appreciation to Afd for extending a loan of EUR 120 million to Government of Uganda for the construction phases of the Project. Government has also undertaken to provide additional EUR 6 million to ensure that the project is fully financed.

The project is expected to be implemented in a period of five years from 2019 to 2024. When completed, the South Western Cluster Water Projects will produce 20,000 cubic meters per day and serve an additional 75,000 people.

The Corporation is at the stage of where the contractors for the construction works are being procured. Construction works are expected to commence February 2021.

The Other Projects in the Western and South Western Region

Water for Virungas Project (Kisoro)

The Project aims at improving water supply of the 17 villages around the Virunga ranges, to deter the locals from entering the Mgahinga National Park to compete with the Animals for water especially during the dry season. The source of water for the project is the Nkanka Treatment Plant, a recently constructed plant by NWSC using internally generated funds.

The project involves construction of New pumping stations and transmission lines at Bukara, Buzeyi and Gishondori, Rehabilitation of existing reservoirs. The project is being funded using a grant from MDF global consortium at an estimated cost of EURO 1.2 million. The project implementation commenced in May 2019 and is expected to be completed by December 2020.

Fort Portal Water Production Improvements

The project is aimed at improvement in water quality and increase water production by 2500m³/day. It involves construction of flocculator, coagulator, clarifier, filter and ancillary works at a contract price of UGX 2.5Billion. Construction work is complete and the facilities are undergoing tests.



Water Projects for the Eastern Region

Mbale Water Supply And Sanitation Project

Mbale has had its share of infrastructure development backlog experienced as all urban centres in Uganda that have undergone rapid growth. The backlog has placed immense pressure on the capacity of NWSC to effectively deliver water and sewerage services. Although a number of interventions have been undertaken in the production systems, little has been done in the distribution network and the expansion of sanitary services.

The first piped water supply system in Mbale was constructed around 1939. The City relies on two treatment plants, namely Bungokho and Manafwa Water Treatment Plants. The Total Production from both plants currently stands at about 9000m³/day. The system was originally constructed for a population of around 45,000 but the population currently stands at over 100,000 inhabitants. With the City's boundaries having grown, it is imperative that the water supply system be expanded in order to address the low per capita water production.

In 2015, the Ministry of Water and Environment (MWE) and National Water and Sewerage Corporation (NWSC) jointly prepared a feasibility study report, detailed design and tender documentation for Mbale Water Supply and Sanitation Project. This was done under the "Water Management and Development Project (WMDP)" funded by a loan from the World Bank to the Government of Uganda. The construction works for Mbale Water Supply and Sanitation Project will be funded under the new Integrated Water Management and Development Project (IWMDP). The IWMDP also covers Adjumani and Gulu - Karuma.

The scope of the Mbale Water Supply and Sanitation Project includes the following interventions;

- i. Rehabilitation and expansion of the Bungokho Water Treatment Plant and its abstraction points at Nabijjo and Nabiyonga.
- ii. Construction of a new intake at Namatala.
- iii. Upgrading of the Manafwa Water Works.
- iv. Catchment Protection activities for the Manafwa and Bungokho water sources
- v. Rehabilitation, upgrading and expansion of the Water Supply And Distribution Systems in Mbale

Municipality, including laying of new water supply mains to Butaleja, Busolwe, Budaka, Kadama, Tirinyi and Kibuku.

The Project will benefit Mbale City and the towns of Butaleja, Busolwe, Budaka, Kadama, Tirinyi and Kibuku. The Project is expected to benefit a total of more than 646,000 inhabitants in the above Areas up to 2040. The Project will also address the problem of accessing water in the informal settlements in Mbale Municipality where about 74,000 people will be served by a new a New Water Distribution System and 43 New Public Stand Posts.

The Consultancy Contracts for the design review and Construction supervision for the project were signed on the 07th August 2020 between the NWSC and Saman Corporation (Lead Firm) in Joint Venture with Cheil Engineering Co. Ltd, and Air Water Earth Ltd. The consultant is required to carry out a design review of the project design and prepare works tender documents as well as help in works tendering. The duration of this component of the work is 10 months. The works construction are expected to take a duration of 40 months.

Other Water Projects in the Eastern Region

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

- The Kapchworwa Water Supply Systems have been refurbished, expanded and commissioned in April 2020.
- The Jinja-Iganga Water Project is being upgraded to stabilize and increase water supply for residents of Jinja and Iganga.

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

Unveiling Modern Sewerage Works

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

The Sanitation Projects for Kampala Metropolitan Area

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

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

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 Plan recommended the construction of the Bugolobi Sewerage Treatment Works, a new modern Wastewater Treatment Plant at Nakivubo, replacement and upgrading of the existing sewer networks, extension of the sewer network in new catchments and the gradual implementation of additional wastewater treatment capacities at Kinawataka, Lubigi and Nalukolongo. The Plan was updated in 2008 and the first and implementation was planned to be in two stages.



The Lake Victoria Protection I Project (LVPI)

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. The key components of the project included:

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

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

The Lake Victoria Protection II Project (LVP II)

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

- Construction of a 30 Km sewerage network in the Nakivubo and Kinawataka catchments.

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.
- Construction of a Pre-treatment and Lifting station in the Kinawataka catchment with capacity of 9,000m³/day. It will do preliminary treatment of the wastewater generated from the areas of

Nakawa, Ntinda, Banda, Kyambogo Butabika, Mutungo, Mbuya and Bukoto, before pumping it to the Nakivubo WWTP for full treatment.

- Construction of the Nakivubo Wastewater Treatment Plant at Bugolobi with the capacity of 45,000m³/day

The Sewer networks and the Treatment Lifting Station were the first to be completed. The Bugolobi Sewerage Treatment Plant was substantially complete by 30th June 2020.

Unveiling a Modern Sewerage Treatment Plant at Bugolobi

Until 2015, Kampala Metropolitan Areas relied on a single Sewerage Treatment facility located in Bugolobi which was developed in the 1940's which could no longer sufficiently serve the current population of the City. The second Treatment Facility was developed in Lubigi to serve the Western part of the City. The third Sewerage Treatment Facility was supposed to be located within the Nakivubo swamp. However, upon commencement of the works, the site conditions proved unsuitable. The site was therefore relocated to Bugolobi in January 2014.

The project involves construction of a modern Wastewater Treatment Plant with the capacity of 45,000m³/day. It will serve the Central Business District of Kampala, as well as flow from the Nakivubo Channel. It will serve a population of over 380,000 people and will contribute towards improvement of urban hygiene and sanitation. The Plant will also contribute towards 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 collect any gases generated during the treatment processes to create an odour free environment and reduce the greenhouse gas emitted into the atmosphere.

The Construction Contract was signed on 3rd November 2011 at a cost of Euro 52.6 million. The overall progress was at 99% as at 30th June 2020 and the plant is operational. Pending works include; digester construction, landscaping and road works. The final completion date is June 2021.

The implementation of the Kampala Sanitation Project is expected to increase from 6% to 15% by 2021. The project will also save the residents of Kampala from the obligation to build septic tanks and pit latrines. The quality of water discharged to Lake Victoria will improve which will lead to reduction in the cost of treating water supplied to the residents of Kampala. The cases of sewage spillage will be reduced due to the installation of new and larger diameter sewer pipes.

The implementation of the Kampala Sanitation Project took quite a long time from 2004 to 2020. There are a number of challenges that were responsible for the delay;

- Delayed acquisition of land due to land disputes and court actions.
- Congestion in the Central Business District delayed excavation and pipe laying works.
- Budget shortfalls in counterpart funding delayed payment to Contractors which are affected the progress of works.

Future Sanitation Plans for the Kampala Metropolitan Area

The Corporation is currently working on the Lake Victoria Protection III which will involve the Expansion and Development of Sewage Treatment Systems for Gaba and Mukono Sub-Catchments. This project will benefit approximately 1.425 million People and will entail the following key components;

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

Sanitation Projects in Other Parts of Country

In addition to the Kampala Sanitation projects, the Corporation is also implementing projects, which are intended to improve the sanitation facilities across the Country. 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. A new Faecal Sludge Reception and Treatment Center was constructed and the existing Wastewater Treatment Plant was upgraded and expanded. The Project also involved the construction of 20 Public Toilets and 180 stances of toilet

facilities, the associated sock pits and septic tanks to serve the Areas which are not connected to the sewers. The Project was substantially complete by June 2020.

The Arua and Gulu Sanitation works were implemented under the Water Management and Development Project, which was financed using a loan provided by the World Bank to Government of Uganda.

Fort Portal Package Sewage Treatment

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

Kisoro Package Sewage Treatment

Plant: 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 under the Integrated Water Management and Development Project (IWMDP). The Namatala and Doko Wastewater Treatment Ponds will be rehabilitated under the project.

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

Sanitation Investment Plan (SIP); The Corporation is working on a Sanitation Investment Plan, which will cover the towns under its jurisdiction. The SIP will focus on addressing the sanitation challenges across the Country by collaborating with the private sector. The estimated cost of implementing

the SIP is approximately UGX 88 billion. The SIP will focus on; sewer expansions and extensions, improvements on sewage treatment facilities, construction of communal and public toilets, development of faecal sludge systems and deployment of cesspool emptier trucks

Market Financed Projects

The main sources of funding for the Water Infrastructure Projects are Loans or Grants from the Development Partners and Equity contributions from the Government of Uganda. The Corporation also set aside funds from its internal revenues on annual basis for refurbishing and maintaining the Water Systems. However, due to high population growth rate and other competing demands for funding, there is a huge infrastructure gap which may continue to pause a challenge for many years to come.

In 2003, the Corporation faced a serious challenge when the water levels in Lake Victoria dropped significantly, which threatened to leave the water intakes in Kampala and Jinja exposed. In addition, the quality of raw water at the intakes had deteriorated due to human activities, which led to the increase in cost of water treatment. The Corporation therefore needed to extend the intakes in Gaba and Jinja by one (1) kilometer further into the lake to draw better quality water and ensure sustainability of production for the foreseeable future.

Unfortunately, funding for these projects was not available from the traditional sources, the Government and Development Partners. The Corporation therefore conceived a plan to issue bonds in the market to raise funds for this project and all preparatory work was complete. This was the first bold attempt by NWSC and supported by Government and the World Bank for the Corporation to finance infrastructure projects using debts payable the Corporation. Much as the Corporation was ready for listing, the Bonds were not issued. This is because the AfD offered to finance the projects with a partial Grant and a partial Loan on preferential terms.

The projects were completed and the Loan was fully repaid. This was the first attempt by the Corporation to

demonstrate to the financial markets, its ability and discipline to manage debt.

More recently, in 2018 the World Bank Financed another study to consider whether or not the Corporation was able to finance future infrastructure projects using debt in view of the widening infrastructure gap. The report of the study concluded that NWSC has the capacity to issue Bonds of up to USD 200million, over a period of 5years. A parallel study carried out by the Global Rating Company assigned the Corporation a credit rating of AA+ with a stable outlook up to 31st October 2019.

At the beginning of the Financial Year 2019/20, the Corporation was faced with a number of challenges. Fifty billion shillings (UGX50 billion) was required to implement a number of Critical Capital Projects in different parts of the Country, but there was no available funds to implement them. It was not possible to issue a Bond since the projects were supposed to be implemented within twelve months. The Corporation therefore, decided to take a medium term facility for a period of six (6) years to address the urgent financing gap. Kapchorwa Water Supply Project was one of the projects that required immediate attention to ensure that the acute water shortage was addressed.

The Ministry of Finance, Planning and Economic Development (MoFPED) authorized the Corporation to borrow the **Ushs.50 billion** from the Commercial Banks for implementing the Critical Projects. The Government did not issue guarantee for the facility.

NWSC commenced the process of utilizing the facility in December 2019 and expects the intended projects to be completed by 30th June 2021. The projects for which the Board authorized the utilization of the Market

Finance Facility include; Kapchorwa Water Supply Project, Fort Portal Water Production Improvement Project, Sembabule Water Supply Project, Parombo Water Supply Project, Jinja - Iganga Water Supply Improvement Project, Development of Training Facilities in the North, East and West of the Country, Lira Network Restructuring Project, Bushenyi Water Supply Augmentation Project, Construction of office premises in Lira, Arua, Bushenyi, Rukungiri and Kasese, Kisoro -Nkanka Water Supply Project and Arua Water Project.

Out of the **Ushs.50 billion** which MoFPED authorized, **Ushs. 47,950,000,000** had been disbursed by 31st of January 2021. The amount which had not yet been disbursed was **Ushs. 2,050,000,000**.

The status of implementation of the critical projects using market finance has been summarised here below:

Completed Projects as at 31st January 2021

a) Kapchorwa Water Supply Project

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

- The supply was restricted to only 3-4 hours per day and yet the population of the town was expected to grow from 110,700 in 2016 to 155,000 by 2030 (*UBOS population projection statistics*).
- The Chebukat Water Treatment Plant was constructed in 2006 and

was producing only about 1,100m³/day, which was not sufficient to meet the demand for water.

- The raw water quality had deteriorated due to the increased agricultural activities upstream.

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

The Corporation therefore embarked on a project to construct a 3,000m³/day Water Treatment Plant at Kapenguria, and lay a 4km DN200 bulk water transfer main from the plant to the Kaptebum reservoir. Additional works included, the Rehabilitation of the Chebukat Water Treatment Plant and Cheseber Intake. Other components of the project included the following;

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

Following the completion of the project, water production increased by 28,000m³/month.

The Kapchorwa Water Improvement Works were implemented at cost of **Ushs.10billion** (approximately USD 2.7million) and was commissioned in March 2020, becoming the first project to be completed using the Market Financing approach.



The Kapchorwa Water Treatment Plant after rehabilitation and Expansion works.

b) Fort Portal Water Production Improvement Project

The Fort Portal Water Production Improvement Project was meant to improve the water production capacity of the treatment plant in order to match the current and increasing demand. The Plant was operating at full capacity, and this often resulted into process failures, which affected the quantity and quality of water produced.

To address the above challenges, NWSC decided to construct an Additional Water Treatment line with a capacity of 3,000m³/day. The works were executed at a contract price of Ushs. 2.7 billion and included the following;

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

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



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

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

The Corporation attaches a lot of emphasis on continuous learning to equip our staff with up to date and modern skills of performing their duties. Training has been centralized at our International Resource Center (IREC) in Bugolobi. We also have a Vocational Institute at Gaba for staff who work as technicians in Plumbing, Electrical and Welding disciplines.

The Corporation now employs more than 3,000 staff and are spread in every corner of the Country. The centralized training facilities have therefore become inadequate and too far away for many of our staff. The Board decided therefore, that additional training facilities be developed in the North, East and West of the Country and allocated **Ushs.6 billion** out of the Market Finance Facility for this purpose.

During the Financial Year 2019/20, the Corporation acquired a property in Bushenyi which can readily be used for training purposes. Management is now making final preparations to start using the property as a Training Center for the Western Region.

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



The proposed Training Facility for the Western Region

Ongoing Projects

a) Sembabule Water Supply Project

NWSC took over operations of the Sembabule Town Water Supply System in April 2016 and Mateete Town System in March 2018 from the Private Operators.

The Corporation immediately realized that there was an urgent need to improve water supply services and extend piped water to the neighboring areas within Sembabule District, but the water produced is not enough to supply the population. In addition, the systems experience frequent pipe bursts and leakages, hence interrupting water supply services. During rainy seasons, people in unserved areas draw water for domestic consumption from the runoff ponds.

To compound the problem, the water sources often dry out at the start of dry seasons and the communities have to walk up to 10km to access water from Kyogya Swamp and River Katonga. The water vendors sell a jerrycan of water at a cost Ushs. 1,000.

It is against this background that the NWSC Board allocated part of the proceeds from the Market Finance to refurbish and expand the Sembabule Water Supply System. The Project is expected to serve a total population of about 370,000 people (*UBOS population projection statistics*) by the year 2030 in the following locations;

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

The scope of the Project includes the following;

- Rehabilitation and expansion of the Water Treatment Plant in Kikoma from the current 300,000 to 3,000,000ltrs/day.
- Expansion of the Intake at Kyogya, and upgrading of the 4.1Km raw water pumping main from 4 to 8 inches.
- Upgrading of the current 8.6Km Water Transmission Mains from 4 to 8 inches.
- Expansion of the Water Storage of the Main

Reservoir from 110,000 to 1,000,000ltrs.

- Laying of 1.3km main pipeline of 8 inches from main reservoir to Sembabule Town Centre.
- Laying 42km distribution main from Sembabule Town Centre to Lugusulu.
- Construction of a boosting station around Mbuye area.
- Installation of 100,000ltr reservoirs at Lusheshe Hill and Kyabi.
- Laying 9.6km pipeline from Sembabule Town to Kabundi Hill.

The Project is expected to cost **Ushs.14Billion** (approximately USD 3.8 million). The construction works have commenced and so far the intake has been expanded and the water treatment units are being constructed. The administration, Laboratory and staff quarters have reached the roofing stage. The construction period is estimated at 12 months, which will end in June 2021



Ongoing refurbishment and expansion works on the Sembabule Water Treatment Plants.

b) Jinja - Iganga water Supply Improvement Project

The Jinja Water Supply system was set up by the colonialists in 1939, and was extended to Iganga fifteen years ago. The following challenges led to the decision to carry out improvement works on the Jinja - Iganga Water Supply system;

- Intermittent water supply in Jinja, Njeru, Mayuge and Iganga leading to rampant public outcry.
- The demand of 28,000m³/day compared to production of 24,000 m³/day leading to supply shortage of 4,000m³/day in the service Area.
- Water is supplied for about 12 hours per day in a number of locations especially Iganga and Mayuge thus causing high inconvenience to consumers.
- Low water levels in the storage Reservoir Tank at Rubaga Hill leading to low pressure in areas of Kakira, Magamaga, Njeru, Bugembe, Iganga and Mayuge.
- Projected increase in demand from the current 28,000m³ to 32,000m³ per day within the next 5 years due to the growing population.

In order to solve the existing challenges, a Water Supply Stabilization Project (WSSP) was initiated with the following components:

- Installation of additional transmission mains (Number 4), DN 300mm Steel Pipe for 4kms from the Water Treatment Plant in Masese to the main reservoir located at Rubaga Hill.
- Installation of 4 High Lift Pumps of 384 m³/hr and surge vessel.
- Installation of a Transformer of 1,000 KVA to match the new High Lift Pumps and Surge Vessel.
- Overhaul of 06 Filters
- Drilling of 07 production boreholes in Iganga, Mayuge, Jinja and Njeru.
- Construction of two 100m³ Steel Tanks in Jinja and Njeru.

The total estimated Cost of the Project Interventions is expected to be **UGX 5.6 billion**. It commenced in March 2019 and is expected to be completed in June 2021. The project will add 6,000,000 litres of water per day and will serve additional 300,000 people in 200 Villages in the districts of Jinja, Iganga, Mayuge, Kayunga and Buikwe. By 31st January 2021, **UGX. 4.9 billion** had been spent on the project. The outstanding works include the following:

#	Description of Works Completed	Estimated Cost (UGX)	Status of Implementation
1	Construction of anchor blocks and thrust blocks for transmission line support	71,755,210	Works on-going
2	Installation of fittings along transmission pipeline and chamber construction	47,943,400	Works on-going
	Construction of surge vessels and pump base footings	14,700,000	Works on-going
3	Installation of pumps, surge vessels, suction works and fittings	20,000,000	Works on-going
4	Drilling of 02 No. Boreholes in Njeru for water supply stabilisation in the Jinja	150,000,000	Procurement on-going
5	Construction of 02 No. Elevated steel reservoirs in Njeru	378,000,000	Under Procurement
Total		682,398,610	



Community people in Mayuge lining up for water during a dry season.

c) Parombo Water Supply Project

In 2018, His Excellency the President of the Republic of Uganda visited Parombo Town Council in Nebbi District and commissioned a water factory. Parombo Town Council is an urban centre in the West Nile region close to the border with the Democratic Republic of Congo.

During his visit, the President noted that this township with a total population of about 28,000 people is fast growing but lacked adequate water supply. He therefore, directed NWSC to extend water to Parombo Town. However, the Corporation did not have the funds to implement this Project and GoU had not made provision for this activity in their Annual Budgets for FY2019/20 and FY2020/21.

Due to the acute water challenges in Parombo, the NWSC Board resolved to allocate **Ushs. 3billion** out of the Market Finance Facility to fast track the development of the Water Scheme for the Town Council.

There is currently no piped water system in Parombo Town Council and therefore the scheme is being developed from scratch. The scope of works consists of the following:

- Establishing two (2) pumping stations consisting of a complete set of boreholes, submersible pumps and their accessories, standby generators and an operator's room.
- Power extension to the pumping stations covering a distance of 4km.
- Construction of a 162m³ water storage reservoir on Acana hill.
- Laying approximately 4.3km transmission mains from the pumping stations to the Acana reservoir.
- Laying 10.3 km of distribution mains from the reservoir to Acana sub county, Parombo Township and Akworo Sub county.

The following works had already been implemented as at 31st January 2021.

- Two production wells have been developed. The Corporation has ordered for pumps and accessories to complete the remaining works at the water works. Applications have also been made for power extension to the pumping stations.
- The 162m³ capacity water storage tank has been constructed on Acana hill.
- The 60m³ capacity sump and a break pressure tank for the distribution pipeline has been constructed.
- 4.3Km of transmission mains and 10.3Km of distribution mains have already been laid.

The pending works include the following:

- Power extension
- Delivery and installation of electromechanical equipment
- Completion of pipe intensification works
- Drilling and development of an additional pumping station to augment water supply.

The overall Budget for developing the Parombo Water Supply Scheme is **Ushs.3billion**, out of which **Ushs.1.6billion** has already been spent (**Ushs.700 million** out of Market Finance and **Ushs.900million** from NWSC operations). The outstanding works are expected to cost approximately **Ushs.1.4billion** and will be completed by 30th June 2021.



Laying the 4.3 KM Transmission Main in Parombo



Ongoing works on the Parombo Water Supply Project. Reinforcement bars for sump, High Lift pump house and chemical house being installed with Attendants and generator house

d) Kisoro-Nkanka Water Supply Project

The Kisoro-Nkanka Water Supply Project was constructed from 2017-2019 and was commissioned by His Excellency the President in January 2021. It has a production capacity of 3,120 cubic meters of water per day. The system however, has some challenges:

- The distribution main cannot adequately deliver water to the Areas of Muramba, Nyarusinza, Bunagana, and Kisoro Municipality.
- Kisoro Area still remained with unserved areas of Busanza Sub County, Mwihe Parish and Nyundo Sub County.

The NWSC Board of Directors decided, therefore that the problems needed to be urgently resolved and earmarked the Kisoro-Nkanka Water Supply System to be one of the projects implemented using Market Finance.

The key components of the project include;

- Upgrading the capacity of the plant from 3,120 to 5,760 cubic meters per day.
- Construct a dedicated pumping mains with a yield of 60 cubic meters per hour to supply Bunanagana Town Council, Muramba and Nyarusinza.
- Upgrade Gishegera mini-system with a booster at Seseme to supply Nyundo Sub County.
- Construct a 270 cubic meter reservoir at Gishegera Hill.

The Project is expected to cost **Ushs.1.5Billion** (approximately USD 0.4 million). **Ushs.1.03billion** has so far been spent on the procurement of Pipes, High lift Pumps and fittings. Construction works will soon start and the project is expected to be completed by June 2021.

e) Lira Network Restructuring Project

The Lira water supply service area has a total population of 289,000 people and is expected to increase to 426,000 within the next 10 years. The Lira Water Supply System has the following challenges;

- a) There are frequent supply interruptions due to the screens at the Raw Water Intake regularly getting clogged.
- b) The capacity of the Pumps at the Raw Water Intake is lower than the design capacity.
- c) There are frequent power interruptions at the intake yet the existing standby generator can only run one pump, which leads to low production during power outage.
- d) The filters at the Water Treatment Plant at Kacung are faulty and hence the plant is not running at full capacity.
- e) Whereas the current production capacity at the treatment plant can be improved, the existing two (02) duty high lift pumps cannot carry the excess water.

- f) Low production at the treatment plant results into running only one pump at the booster station for about 12 hours.

- g) There are several areas within Lira that are water stressed and this requires the reconfiguration of the networks.

Management plans to address the above challenges in the following ways;

- Installation of new screens on abstraction pipe at Lake Kwania.
- Upgrading of the Raw Water Pump Station including all Civil and Electro-Mechanical Works.
- Re-sanding of Filters 1&2 and Overhauling of Filters 3&4 at Kachung Water Treatment Plant.
- Upgrading of the High Lift Pump Station including all Civil and Electro-Mechanical Works.
- Purchase and Installation of new 300KVA Standby Generator.
- Upgrade of Existing UMEME Transformer to at least 500KVA.
- Upgrading of Booster Pumps at Angwata Booster Station including all Civil and Electro-Mechanical Works.
- Refurbishment of old 450 m3 Steel and interconnection with existing system,
- Construction of booster station at Ireeda.
- Laying 16km of distribution mains around the Lira service Area. The targeted places are senior quarters, Akitenino, Ireeda-Shamba Road, Aduku Road, Ireeda, Bar Trading Centre and Baruwara Village.

Substantial work has already been done, (approximately 70%). The following activities are still pending and shall be achieved within the year;

- Installation of new screen at the intake
- Installation of pumps at Kwania Raw Water Intake.
- Installation of Generator Sets at Kacung Water Treatment Plant and Angwata Booster Station.
- Re-sanding of Filters 1 and 2 and Overhaul of Filters 3 and 4.
- Upgrading of Transformer at Angwata Booster Station.
- Refurbishment of Steel Tank, Construction of Booster House and Delivery and Installation of Booster Pumps at Ireeda.
- Charging of laid DN250 and DN250 Pipelines.

The overall Budget for the Lira Network Restructuring Project is **Ushs.4.3 billion**, out of which **Ushs.1.02 billion** has already been spent. The outstanding works are expected to cost approximately **Ushs.3.28billion** and will be completed by 30th June 2021.

f) Bushenyi Water Supply Augmentation Project

The Bushenyi Water Production Improvement Project is aimed at expanding the water supply services in Bushenyi District, by

constructing a new Water Treatment Plant.

Conceptual designs for new system were prepared and tenders for a Compact Plant launched. The offers received were in the region of **UGX 10 billion**, against a budget provision of **UGX. 3 billion**, necessitating a retendering of the Project. Detailed designs and tender documents for the works (based on a conventional system) have been finalised, and the works are due to be retendered at the end of February 2021.

g) Construction of office premises in Lira, Arua, Bushenyi, Rukungiri and Kasese

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

- The current office space is too small to accommodate all our staff.
- Some Area offices are located in temporary wooden structures that were meant to be side offices during project implementation. Their condition has deteriorated due to passage of time.
- There are growing cases where by land allocated for building offices is being encroached on.
- The Corporation has been faced with a number of threats from a number of Town Councils that want to withdraw the lease offers due to the delay by NWSC to construct on land allocated to it for offices.
- Many office premises are being rented from private landlords but their condition, location, size do not reflect the image of NWSC.
- The attempts by NWSC, to construct offices in up Country Towns have not made significant progress due to cash flow difficulties.

In view of the above challenges, the Board decided to allocate **UGX. 3 billion** to fast-track the completion of the office blocks (Rukungiri, Bushenyi, Lira, Arua and Kasese) whose construction had commenced.

Substantial progress has been made on all the above offices and Management expects to have all of them completed by 30th June 2021. The table below gives a summary of the estimated costs of the offices, amount to be spent, additional expenditure to completion and the status of works already done.

Challenges with Market Finance

The tariff structure for the water bills cannot absorb the huge investment requirements of the Corporation. There is no doubt therefore, that the Government and the Development Partners will need to continue investing in the Major Water Projects across the Country because of the existing infrastructure gap. The **Ushs.50 billion** Market Finance has demonstrated the Corporation's preparedness and commitment to seek private capital for implementing the Most Critical Projects.

The main drawback to Market Financing is the high Cost of Capital and short-term nature of the facility. Not many Commercial Banks are willing to lend beyond six (6) years. These challenges will be taken into account when considering future Debt Capital.

The Corporation is grateful to the Ministry of Water and the Ministry of Finance, Planning and Economic Development for granting authority to the Board of NWSC to take the above Facility for implementing some very critical projects. The completed projects in Kapchorwa and Fort portal have already made significant impact on the residents of these Areas. The rest of the projects will be completed by 30th June 2021. The Board of Directors, would like to assure the stakeholders that the Corporation will ensure that the Debt is well managed.

Office Location	Estimated Cost Ushs	Amount Spent Ushs.	Amount required to complete Ushs.	Status as at Jan 2021
Bushenyi	1,840,000,000	1,084,000,000	752,300,000	Project is at 95% and is expected to be completed by June 2021
Kasese	1,853,179,585	1,402,179,585	451,000,000	Project is at 85% and is expected to be completed by June 2021
Lira	992,000,000	592,000,000	400,000,000	To be completed by June 2021
Rukungiri	1,300,000,000	373,000,000	927,000,000	Phase 1 of the project was completed. Expected completion date is June 2021
Arua	1,200,000,000	300,000,000	900,000,000	To be completed June 2021
Total	7,185,179,585	3,751,179,585	3,430,300,000	



Office Block under construction in Bushenyi



Office Block under construction in Kasese



Office Block under construction in Lira



Office Block under construction in Rukungiri

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

PROJECT	OBJECTIVE	SCOPE	STATUS	COMPLETION DATE
PROJECTS COMPLETED/ SUBSTANTIALLY COMPLETED DURING FY 2019/20				
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.	Completed	
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.	Completed	
		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.		
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	Completed	
		Construction of Nakivubo and Kinawataka sewers project		
		Construction of Kinawataka Pre-treatment and pumping station.		
PROJECTS UNDER IMPLEMENTATION BY 30TH JUNE 2020				
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.	Construction of new Water Treatment Plant at Katosi of Kampala of 160,000 m3 per day.	Progress on Civil Works at the Water Treatment Plant is at 70%.	February 2021
			Works on staff houses at 95% progress.	
		Construction of the 54 Km Katosi – Kampala Drinking Water Transmission Main from Nsuba hill to Sonde hill	So far Laid 46km of transmission mains (90% progress)	
		Construction of a reservoir at Ssonde hill	Reservoir construction in progress. Concrete casting for columns and walls completed.	
		Construction of a pump station and a 600mm pumping main to Naguru as well as a booster station at Namugongo.	Installation of the transformer, stand-by generator & motor control center panels at Namugongo booster station completed. Electrical wiring is in progress.	
		Extension of Water Supply in Informal Settlements of Kampala.	Designs were completed and project is at works tendering stage.	

PROJECT	OBJECTIVE	SCOPE	STATUS	COMPLETION DATE
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.	Construction of water treatment plant at Karuma	In-Take structure at Karuma has been constructed.	June 2025
	The project scope will be co-funded by KfW and the World Bank (under IWMDP).	Bulk transfer of water from Karuma to Gulu and the six towns enroute to Gulu	The works contracts for the Water Treatment Plant, Raw Water In-take and Water Transmission Pipe line are undergoing the tendering process	
Development of Water and Sanitation Infrastructure for the Isingiro, Mbarara- Masaka Areas- South Western Cluster	To improve the living standards and productivity of the population in the project areas through provision of good quality water and improved sanitation services.	Construction of new water intake on Kagera River at Nshungyezi –to cater for domestic and production use.	Detailed designs were completed and Contractors for the construction works are being procured	June 2024
		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.		
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.	Construction of new intake and water treatment line including: flocculator, coagulator, clarifier, filter and ancillary works.	Construction works have commenced. The intake has been expanded and the Water Treatment Units are being constructed	March 2021
		Upgrading entire distribution network, and extension to surrounding towns (100km length, 90-200mm)		
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 Complete. Work on chemical dosing structure are in progress.	Dec 2020
PROJECTS AT PLANNING, PROCUREMENT AND INCEPTION STAGE				
Integrated Water Management and Development Project (IWMDP) –Adjumani Water Supply and Sanitation Project.	To improve water supply and sewerage services in Adjumani and the surrounding Areas.	Water supply and sanitation infrastructure improvements in Adjumani-Pakele and neighbouring towns.	Procurement has commenced.	Dec 2024

PROJECT	OBJECTIVE	SCOPE	STATUS	COMPLETION DATE
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.	Procurement has commenced.	
Wakiso West WatSan Project (WWWSP)	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.	Procurement for detailed design consultancy is ongoing.	April 2023
Kyotera Water Works and Bulk Transfer to neighbouring towns	To improve water supply reliability in Kyotera and the surrounding areas.	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	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 contractor is being procured. Project works expected to commence in August 2020	June 2021





Financial Statements

For the year ended 30th June 2020

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 2020.

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:

	2020 UGX '000	2019 UGX '000
Income	463,168,236	442,081,718
Profit before depreciation and amortisation	103,323,677	96,225,013
Depreciation and amortisation	(55,656,370)	(40,979,001)
Finance cost	(1,838,776)	(5,993,271)
Taxation credit/(charge)	(18,385,162)	36,447,535
Profit for the year	27,443,368	85,700,275
Other Comprehensive Income		
Revaluation gains	-	970,039,594
Related deferred tax	-	(291,011,878)
Related depreciation	(26,937,071)	(26,937,071)
Deferred Tax on excess depreciation	-	8,081,121
Total comprehensive income	506,297	745,872,042

Income

i) Water and Sewerage Income

This is the main source of revenue to the Corporation. Water and Sewerage income reduced by 3% from UGX382 billion in the year ending 30 June 2019 to UGX371 billion in 2020. This reduction was largely due to the impact of the lockdown, which the Government imposed to fight COVID 19. The Directors expect a gradual increase in water sales during the Financial Year 2020/21 as business activities improve across all sectors of the economy.

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

This includes revenues from External Services contracts, Sale of Tender documents and provision of Laboratory services. During the reporting period, UGX8.5 billion was realized from Other Operating Incomes compared to UGX10.3 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 recognized as income over the expected useful life of the projects. The grants from GoU in relation to the SCAP 100 and Subvention Projects are treated as income in the period in which it is received.

Report Of The Directors continued ►

During the reporting period, Deferred Income of UGX84 billion was released to the Statement of Profit or Loss compared to UGX50 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. In addition, the completed water projects in Gulu and Kapchorwa and the Sanitation project in Kampala were capitalized during the reporting period.

Operating Costs

Staff Costs

Staff costs, increased by 10% from UGX137 billion in 2019 to UGX151 billion in the current year. This was mainly due to increase in staff numbers from 3,778 in June 2019 to 4,082 by 30th June 2020 arising from takeover of new towns. In addition, the new facilities which have been built in Gulu, Kapchorwa, Kampala and other towns required additional staff to operate them.

Administrative Costs

Administrative expenses increased by 15% from UGX50 billion in 2019 to UGX51 billion in 2020.

Static Plant and Pipe Network Maintenance

Static plant and pipe network maintenance costs increased by 2% from UGX98 billion in the previous year to UGX100 billion in 2020. The increase was mainly due to the need to address operational challenges in the new towns.

Supplies and Services

Supplies and services costs reduced by 5% from UGX34 billion in 2019 to UGX32 billion in 2020.

Premises Maintenance Costs

Premises maintenance costs increased by 13% from UGX9.6 billion in 2019 to UGX9.7 billion in 2020. Additional expenditure was incurred on rent, rates, telephone, and maintenance of the new towns.

Transport expenses

Transport costs reduced by 5% from UGX17 billion in 2019 to UGX16 billion in 2020.

Finance Costs

Finance costs reduced from UGX6 billion in 2019 to UGX1.8 billion in 2020. The foreign exchange losses have been minimized in the Financial Year 2019/20, leading to reduction in the finance costs.

Operating Profit

The Corporation reported an increase in the operating profit before depreciation from UGX 96 billion in the FY 2018/19 to UGX 103 billion in the current Financial Year despite the negative impact caused by Covid-19.

Dividends

The Directors do not propose any dividend payment for the Financial Year 2019/20. Profits generated will be reinvested to expand the infrastructure and increase access to water and sewerage services.

Total Assets

The total value of the assets of the Corporation grew from UGX 3.1 trillion in the FY 2018/19 to UGX 3.5 trillion in 2020.

Non-Revenue Water (NRW)

The Non-Revenue Water (NRW) increased from 29% in 2019 to 33.5% in the current year. The Board is concerned about the high levels of NRW, especially in Kampala Water (40%). The NRW in other regions was as follows; Central Region (25%), Northern Region (23%) and Western and South Western Region (22%). Measures that the Corporation is undertaking to address the Non-Revenue Water challenge are summarised on page 60.

Land

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

Our Auditors

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

During the Financial Year 2019/20, the Auditor General appointed Seijaaka, Kaawaase and Company Certified Public Accountants to carry out the audit of the Corporation on his behalf and report directly and solely to him.

By order of the Board,



.....
Edith Katete
Corporation Secretary

Date 21st September 2020

Corporate Governance Report

The Board and Management

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

The Board

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

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

Board Constitution

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

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

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

Meetings of the Board

The Board meets at least once every three months. Board Committee meetings take place every quarter or as and when there is business. The Board operates through five committees which have been mentioned under Governance and Leadership. (Pages 28 - 30)



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 2020

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 2020. These financial statements comprise the Statement of Financial Position as at 30th June 2020, 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 110 to 136.

In my opinion, the accompanying financial statements, give a true and fair view of the financial position of the Corporation as at 30th June 2020, 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 on Auditing (ISAs). 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.

Key Audit Matters

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

- **Implementation of IFRS 9, Financial Instruments (Financial Asset Receivable)**

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

Report of the Auditor General on the Financial Statements of National Water and Sewerage Corporation for the Year Ended 30th June 2020 cont'd

The financial statements under note 28 include a Financial Asset in form of Trade Receivables. Management has estimated the fair value of the net financial asset receivable to be UGX 144.5 billion as at 30th June 2020.

Due to the significance of the above in terms of the amounts involved and its subjective assessment/valuation by management, I considered Impairment of Trade Receivables to be a Key Audit Matter.

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

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

Based on the procedures performed, I report as follows;

- i. The Trade Receivable was subjected to the "Expected Credit Loss test" using simple matrix or calculations as required by IFRS 9.
- ii. The necessary disclosures have been made in the financial statements.
- iii. While IFRS 9 requires corporate periodic assessment and documentation of the risk and parameters leading to the expected credit loss, a report to that effect was not provided for my review.

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

Other Information

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

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

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

I have nothing to report in this regard.

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

Report of the Auditor General on the Financial Statements of National Water and Sewerage Corporation for the Year Ended 30th June 2020 cont'd

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 ISAs 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 ISAs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:-

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

Report of the Auditor General on the Financial Statements of National Water and Sewerage Corporation for the Year Ended 30th June 2020 cont'd

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

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

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

The material finding(s) in respect of the compliance criteria for the applicable subject matters are as follows;

- **Composition of the Board**

I noted that the Board is not fully constituted, as the representative of the Ministry of Water and Environment was yet to be appointed as required by the law. The Board is short of the representative of the Ministry yet the ministry is responsible for policy issues regarding the operations of the Corporation. There is a risk of non-compliance with government policy matters by management of the Corporation.

Management explained that the Minister was cognizant of the matter. However, the Act stipulates that the representative must be a Director of Water Development at the Ministry of Water and Environment. Currently, this position was vacant and there was no one

Report of the Auditor General on the Financial Statements of National Water and Sewerage Corporation for the Year Ended 30th June 2020 cont'd

appointed in acting capacity. Therefore, the Board will be fully constituted when a Director of Water Development is appointed.

I advised Management to liaise with the Ministry of Water and Environment to ensure that the ministry representative on the Board is appointed without further delay.

- **Compliance with the Income Tax Act**

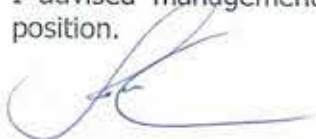
During my previous audit, I noted that the NWSC uses the Lump sum payment schedule 3 (Termination/retirement /resignation /expiry of employment) of PAYE return for computing tax on gratuity for employees whose contracts are still running instead of schedule 4 (Annual/irregular/lump sum payments) of PAYE return.)

Non compliancy with schedule 4 of PAYE Return in accordance with Income Tax Act may attract penalties and interest against Corporation.

In response, management stated that the Corporation computes Income Tax on Annual Terminal Benefits using Schedule 3 for the following reasons;

- NWSC staff reverted from permanent to Contract employment;
- The Corporation opted to reduce the financial burden by adopting payment of annual terminal benefits instead of payment at the contract period ends; and
- The Corporation was going to engage a tax consultant to liaise with URA and get a way forward.

I advised management to liaise with the URA on the matter and reach a harmonized position.



John F.S. Muwanga
AUDITOR GENERAL

15th October 2020



Statement of Profit or Loss and Other Comprehensive Income

		30-Jun 2020	30-Jun 2019
	Note	UGX '000	UGX '000
Income			
Water and sewerage income	5	370,705,256	381,895,802
Other incomes	6	8,547,204	10,315,407
Investment income	7	110,493	225,437
Deferred income	22	83,805,283	49,645,072
		463,168,236	442,081,718
Expenditure			
Employee expenses	8	151,164,016	137,265,190
Administrative expenses	9	51,115,559	50,367,076
Static plant and pipe network	10	99,632,978	97,751,255
Supplies and services	11	32,022,607	33,738,876
Premises maintenance	12	9,703,666	9,609,349
Transport and mobile plant	13	16,205,734	17,124,959
		359,844,559	345,856,705
Operating profit before depreciation		103,323,677	96,225,013
Depreciation and Amortisation			
Depreciation and amortisation	15	(55,656,370)	(40,979,001)
Operating profits before finance costs		47,667,307	55,246,011
Net finance cost			
Net financial cost	14	(1,838,776)	(5,993,271)
Net profit before tax		45,828,530	49,252,740
Tax (charge)/credit	16	(18,385,162)	36,447,535
Profit for the year		27,443,368	85,700,275
Other comprehensive Income			
Revaluation gains		-	970,039,594
Related deferred tax	21	-	(291,011,878)
Related depreciation	15	(26,937,071)	(26,937,071)
Deferred tax on excess depreciation	21	-	8,081,121
Total comprehensive income		506,297	745,872,042

The Accounting policies and notes on pages 114 to 136 form an integral part of these Financial Statements



Statement of Financial Position

	Note	As at 30-Jun 2020 UGX '000	As at 30-Jun 2019 UGX '000
Equity			
Equity and Reserves			
Government funding	17	317,204,458	317,134,727
Revaluation reserves		641,366,709	660,171,766
Retained earnings		332,122,207	322,099,001
Total Equity		1,290,693,374	1,299,405,494
Non-Current Liabilities			
Borrowings	18	36,700,000	-
Terminal benefits	20	5,129,958	5,278,115
Deferred tax liabilities	21	333,143,686	314,794,231
Deferred income	22	1,462,813,556	1,247,943,588
Total non-current liabilities		1,837,787,200	1,568,015,934
Total equity and non-current liabilities		3,128,480,573	2,867,421,428
Represented By			
Non-Current Assets			
Property plant and equipment	23	2,508,233,817	1,922,106,753
Capital work-in-progress	24	554,807,537	745,102,237
Intangible assets	25	99,298	9,649
Operating lease prepayments	26	4,101,177	2,354,721
Total non-current assets		3,067,241,829	2,669,573,360
Current Assets			
Tax recoverable	16	3,585,302	3,506,505
Inventories	27	37,000,742	44,548,512
Trade and other receivables	28	222,607,714	267,107,643
Short term bank deposits	29	1,544,626	1,199,855
Cash and bank balances	30	140,533,864	129,960,005
Total current assets		405,272,248	446,322,521
Total Assets		3,472,514,077	3,115,895,881
Current Liabilities			
Borrowings	18	3,353,814	4,712,798
Annual terminal benefits	19	17,754,819	10,186,491
Deferred income	22	83,805,283	49,645,072
Trade and other payables	31	239,119,589	183,930,092
Total current liabilities		344,033,504	248,474,453
Net Current Assets		61,238,744	197,848,068
		3,128,480,573	2,867,421,428

The Financial Statements and their notes set out on pages 110 to 136 were approved by the Board of Directors on 21st September 2020 and were signed on its behalf by:

The Accounting policies and notes on pages 114 to 136 form an integral part of these Financial Statements

Board Chairman

Managing Director

Director



Statement of Changes in Equity

	Government Funding UGX 000	Revaluation Reserve UGX 000	Retained Earnings UGX 000	Total Equity UGX 000
At 1 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	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
At 1st July 2019	317,134,727	660,171,766	322,099,001	1,299,405,494
Adjustment Kibira rehabilitation		(8,978,702)	-	(8,978,702)
As at 1 st July 2019 (restated)	317,134,727	651,193,064	322,099,001	1,290,426,792
Exchange translation effect	-	-	(309,446)	(309,446)
Profit for the Year	-	-	506,297	506,297
Assets Taken over 17	69,731	-	-	69,731
Transfer of excess depreciation	-	(9,826,355)	9,826,355	-
At 30th June 2020	317,204,458	641,366,709	332,122,207	1,290,693,374

The Accounting policies and notes on pages 114 to 136 form an integral part of these Financial Statements

Statement of Cash Flows

	Note	30-Jun 2020 UGX'000	30-Jun 2019 UGX'000
Operating Activities			
Cash generated from/(used in) operations	33	134,158,828	(88,749,576)
Net cash generated from/(used in) operating activities		134,158,828	(88,749,576)
Investing Activities			
Additions to Capital Work In Progress		190,294,700	(121,311,723)
Purchase of Property, Plant And Equipment		(678,096,936)	(85,530,102)
Purchase lease		(173,399)	-
Prepayment of Operating Lease		(1,679,453)	76,700
Tax Paid		(50,217)	-
Interest Received		110,493	225,437
Net Cash Used In Investing Activities		(489,594,812)	(206,539,689)
Financing Activities			
Loan		36,700,000	-
Payments of borrowings		(1,821,865)	(397,047)
Proceeds from grants		332,835,462	380,254,314
Net Cash Used in Financing Activities		367,713,597	379,857,267
Increase in Cash and Cash Equivalents		12,277,614	84,568,002
Movement in Cash and Cash Equivalents			
At start of the Year		126,447,062	41,879,060
Increase		12,277,614	84,568,002
At Year End		138,724,676	126,447,062

The Accounting policies and notes on pages 114 to 136 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 introduced an "expected credit loss" (ECL) model based on the concept of providing for expected losses at the inception of a contract; this requires judgement in quantifying the impact of forecast economic factors. For financial assets for which there has not been a significant increase in credit risk since initial recognition, the loss allowance should represent ECLs that would result from probable default events within 12 months from the reporting date (12-month ECLs). For financial assets for which there has been a significant increase in credit risk, the loss allowance should represent lifetime ECLs. A simplified approach is allowed for trade receivables and lease receivables, whereby lifetime ECLs can be recognised from inception.

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

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

IFRS 15: Revenue from contracts with customers

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

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

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

b) Critical accounting estimates and judgement

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

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

b) Critical accounting estimates and judgement continued

Measurement of expected credit losses (ECL)

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

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

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

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

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

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

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

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

Assessment of significant increase in credit risk

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

Useful lives of property and equipment

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

Notes to the Financial Statements continued ►

b) Critical accounting estimates and judgement continued

Impairment of receivables

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

c) Revenue recognition

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

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

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

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

(f) **Property, plant and equipment continued**

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:

	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.

Notes to the Financial Statements continued ►

(g) Intangible assets continued

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.

(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.

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

(o) **Financial instruments continued**

Financial assets continued

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.

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

3 Taxation continued

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 2020 UGX'000	30-Jun 2019 UGX'000
5 Water and sewerage income		
Water and sewerage charges	345,222,833	358,151,814
Service charges	13,004,406	11,854,117
Connection fees	7,933,068	6,246,329
Reconnection fees	659,299	821,626
Other water and sewerage incomes	3,885,650	4,821,916
	370,705,256	381,895,802
6 Other income		
Sale of Scrap	125,274	-
Decrease in provision for obsolete stock	4,982	104,645
Other operating income	8,416,948	10,210,762
Total other income	8,547,204	10,315,407
7 Investment income		
Interest receivable on bank deposits	110,493	225,437
	110,493	225,437
8 Employee expenses		
The following items are included within the employee expenses:-		
Basic pay	67,263,001	61,148,598
Housing expense	15,954,396	14,293,381
Medical expense	7,544,772	7,436,323
National Social Security Fund contributions	10,890,054	9,973,577
Lunch, transport and soap allowance	6,648,863	6,052,875
Car and cycle allowance	7,240,379	6,394,284
Performance/overtime allowance	3,208,222	2,863,795
Work bonus	6,857,375	6,704,145
Leave transport and allowance	2,150,685	1,994,772
Annual terminal benefits	20,408,952	18,592,472
Shift allowance and gross wages	448,126	439,161
Terminal benefits interest	151,490	202,020
Provident Fund	1,863,372	0
Workmen's compensation	254,266	798,457
Funeral expenses	280,062	371,330
Total	151,164,016	137,265,190

Notes to the Financial Statements continued ►

9 Administrative expenses

	30-Jun 2020 UGX'000	30-Jun 2019 UGX'000
Board expenses	917,788	727,600
Meeting expenses	3,148,689	3,790,425
Local travels	10,902,891	10,991,958
Foreign travels	2,657,081	2,990,556
Publicity	8,530,998	7,461,020
Entertainment	141,113	102,871
General insurance	237,956	350,949
Legal and professional expenses	1,530,499	2,104,591
Training expenses and allowances	1,635,000	2,219,072
Donations and subscriptions	1,581,539	1,524,335
Lunch and transport	9,424,046	7,775,349
Contribution to staff sports	185,474	299,790
Process bench marking	804,696	472,586
Security	4,454,578	4,293,626
Bad debts	1,313,689	1,122,841
Stock losses (Stock write down)	155,766	78,396
Staff transfer	304,897	218,254
Other professional charges	2,531,775	2,987,768
Bank charges	413,803	442,415
Research expense	40,546	16,000
Performance review expenses	2,045	218,241
Audit fees	200,181	178,209
Courier	509	224
Total	51,115,559	50,367,076

10 Static plant and pipe network expenses

Electricity	70,120,463	64,604,141
Plant repairs and maintenance	5,413,518	7,473,511
Pipe network repairs and maintenance	16,914,043	17,090,600
Fuel and lubricants	5,936,596	6,609,887
Plant insurance	505,519	1,079,919
Sand for filters	405,896	262,321
Desludging sewerage ponds	28,784	167,943
Water abstraction permits	164,994	337,278
Catchment restoration	143,165	125,654
Total	99,632,978	97,751,255

Notes to the Financial Statements continued ►

	30-Jun 2020 UGX'000	30-Jun 2019 UGX'000
11 Supplies and services expenses		
Water treatment chemicals	21,781,322	24,013,003
Equipment repairs and minor purchase	556,374	584,816
Printing, stationery and publications	722,420	1,044,068
Tools and light plant	714,917	513,305
Uniforms and protective wear	363,003	901,530
Computer license	2,707,910	2,556,420
Office supplies	2,226,133	1,889,886
Lease of data communication links	2,733,404	2,112,774
Laboratory reagents	216,629	123,074
Laboratory equipment	496	-
Total	32,022,607	33,738,876
12 Premises expenses		
Rent, rates and telephone	3,188,130	3,157,105
Repairs and maintenance	4,308,719	4,066,252
Insurance	-	87,794
Cleaning materials	1,012,788	827,888
Electricity	624,380	747,041
Water	272,850	323,613
Fixtures and fittings	296,799	399,656
Total	9,703,666	9,609,349
13 Transport and mobile plant expenses		
Fuel and lubricants	9,039,904	9,301,302
Repairs and maintenance	1,678,827	1,499,767
Hire of transport	5,105,157	5,577,469
Insurance	237,336	562,763
License, road toll and taxes	144,511	183,658
Total	16,205,734	17,124,959
14 Finance expenses		
Exchange loss	153,078	5,453,045
Interest on loans	1,685,698	540,226
Total	1,838,776	5,993,271

Notes to the Financial Statements continued ►

15 Depreciation and amortisation

	30-Jun 2020 UGX'000	30-Jun 2019 UGX'000
Depreciation (Note 23)	82,474,412	67,809,281
Amortisation of intangibles (Note 25)	52,026	45,669
Amortisation of operating lease (Note 26)	67,003	61,123
	82,593,441	67,916,072
Depreciation and Amortisation taken to profit or loss statement	55,656,370	40,979,001
Depreciation taken to other comprehensive income	26,937,071	26,937,071
Depreciation for the year	82,593,441	67,916,072

16 Income tax expense

Current income tax	35,707	34,557
Deferred tax credit to profit or loss (Note 21a)	18,349,455	(36,482,092)
Deferred charge to other comprehensive income (Note 21b)	-	282,930,757
Income tax expense	18,385,162	246,483,222

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 2020 UGX'000	30-Jun 2019 UGX'000
Profit before income tax:	45,828,530	49,252,740
Tax calculated at the statutory income tax Rate of 30% (2020,2019)	13,748,559	14,775,822
Tax effects of:		
Income not subject to tax (Note 23)	(25,141,585)	(14,893,522)
Expenses not deductible for tax purposes	11,393,026	117,699
Rental tax	35,707	34,557
Income tax expense	35,707	34,557

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

	2020 Shs'000	2019 Shs'000
At start of year	3,570,792	3,541,062
Rental tax charge	(35,707)	(34,557)
	3,535,085	3,506,505
Income tax paid	50,217	64,287
At end of year	3,585,302	3,570,792

17 Government funding

As at 1 st July	317,134,727	317,097,695
Assets taken over during the year	69,731	37,032
As at 30th June	317,204,458	317,134,727

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 5 towns.

Notes to the Financial Statements continued ►

18 Borrowings

	30-Jun 2020 UGX'000	30-Jun 2019 UGX'000
Equity Bank	36,700,000	-
Interest charge	1,222,817	-
Interest payments	(1,222,817)	-
	36,700,000	-
Bank of Africa overdraft	3,353,814	4,712,798
Total borrowings	40,053,814	4,712,798
<u>Movement</u>		
At the start	4,712,798	4,569,619
Interest on overdraft	462,881	540,226
Repayments (loan and overdraft)	(1,821,865)	(397,047)
	3,353,814	4,712,798
Due within one year	3,353,814	4,712,798
Due after one year	36,700,000	-
Total Borrowings	40,053,814	4,712,798

19 Annual terminal benefits

At start of year	10,186,491	11,073,552
Charge for the year	20,408,953	18,592,473
Payments during year	(12,840,625)	(19,479,535)
At end of year	17,754,819	10,186,491

20 Terminal benefits (Ring-fenced)

At start of year	5,278,115	5,836,014
Accrued interest	175,985	202,020
Payments during the year	(324,142)	(759,919)
At end of year	5,129,958	5,278,115
Due after one year	5,129,958	5,278,115
Total	5,129,958	5,278,115

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 2020 Shs'000	30-Jun 2019 Shs'000
At start of year	314,794,231	68,345,566
Credit to statement of profit or loss (Note 16)	18,349,455	(36,482,092)
Charge to statement of comprehensive Income (Note 16)	-	282,930,757
At end of year	333,143,686	314,794,231

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 Shs'000	Charged to Profit or Loss Shs'000	Charged to other comprehensive income Shs'000	30 June 2019 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

Year ended 30 June 2020

	01 June 2019 Shs'000	Charged to Profit or Loss Shs'000	Charged to other comprehensive income Shs'000	30 June 2020 Shs'000
Deferred income tax liabilities				
Property, plant and equipment:				
- On historical cost basis	173,080,637	57,110,549	-	230,191,186
- On revaluation surpluses	252,036,329	3,022,850	-	255,059,179
- On excess depreciation	-8,081,121	8,081,121	-	-
Tax losses carried forward	(100,347,100)	(49,764,812)	-	(150,111,912)
Provision for bad debts	(1,869,491)	(62,480)	-	(1,931,971)
Provision for obsolete stock	(25,023)	(37,773)	-	(62,796)
Net deferred income tax liability	314,794,231	18,349,455	-	333,143,686

22 Deferred Income

As at 1st July 2019

GoU Contributions

GoU Contributions to major Projects

Revenue Grant (SCAP 100 and Subvention)

Sub total

Contributions by Development Partners

Kampala Sanitation Project (KFW/AFD)

KW LV-WATSAN Project I (AFD/KFW/EU)

Water Management Development Project – (IDA)

KW LV- WATSAN Project II (AFD)

Integrated Program to Improve Living Conditions - (KFW/IDA)

Integrated Water Management Development Project (IDA/KFW)

Kampala South Water and Sanitation Project - (DANIDA)

South Western Cluster Water and Sanitation Project (AFD)

Water for Virunga – (Danish Embassy)

Sub-total

Total as at 30th June

Capital Grant on completed projects

Revenue Grant (SCAP 100 and Subvention)

Released to Income Statement

Balance

Less due within one year (22a)

Due after more than one year (22b)

	30-Jun 2020 UGX'000	30-Jun 2019 UGX'000
As at 1st July 2019	1,297,588,660	917,334,346
GoU Contributions		
GoU Contributions to major Projects	28,626,008	19,969,934
Revenue Grant (SCAP 100 and Subvention)	58,000,000	37,950,539
Sub total	86,626,008	57,920,473
Contributions by Development Partners		
Kampala Sanitation Project (KFW/AFD)	48,140,248	71,005,618
KW LV-WATSAN Project I (AFD/KFW/EU)	82,951,227	236,889,596
Water Management Development Project – (IDA)	-	(17,292)
KW LV- WATSAN Project II (AFD)	85,221,269	-
Integrated Program to Improve Living Conditions - (KFW/IDA)	13,707,004	1,951,451
Integrated Water Management Development Project (IDA/KFW)	2,009,914	-
Kampala South Water and Sanitation Project - (DANIDA)	-	1,148,364
South Western Cluster Water and Sanitation Project (AFD)	13,158,916	98,951,715
Water for Virunga – (Danish Embassy)	1,020,876	-
Sub-total	246,209,454	409,929,452
Total as at 30th June	1,630,424,122	1,347,233,732
Capital Grant on completed projects	(25,805,283)	(11,694,533)
Revenue Grant (SCAP 100 and Subvention)	(58,000,000)	(37,950,539)
Released to Income Statement	(83,805,283)	(49,645,072)
Balance	1,546,618,839	1,297,588,660
Less due within one year (22a)	(83,805,283)	(49,645,072)
Due after more than one year (22b)	1,462,813,556	1,247,943,588

Notes to the Financial Statements continued ►

23. Property, Plant and Equipment

	Civil Structures	Land Freehold	Pipe Works	Technical Structures	Electromech Equipment	Office Furniture and Equipment	IT and Office Equipment	Transport Heavy	Transport Light	Total
	UGX '000	UGX '000	UGX '000	UGX '000	UGX '000	UGX '000	UGX '000	UGX '000	UGX '000	UGX '000
COST OR REVALUATION										
As at 1 st July 2018	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
Accumulated depreciation	(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)
Closing net book value 30/06/2019	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
As at 1st July 2019										
Additions	-	132,705	-	12,794,749	3,542,185	1,880,606	908,246	-	974,955	20,233,445
Reclassification from W/IP	136,342,987	-	327,664,632	71,696,894	108,683,985	818,491	515,755	-	2,645,288	648,368,031
As at 30 th June 2020	478,752,780	174,260,718	1,544,971,900	235,296,212	194,359,706	14,072,846	6,237,022	4,831,499	5,188,485	2,658,517,510
DEPRECIATION										
As at 1 st July 2019										
Accumulated depreciation	(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)
Charge for the year	(11,304,641)	-	(49,265,137)	(6,660,931)	(9,093,230)	(3,032,193)	(1,275,291)	(1,567,942)	(275,047)	(82,474,412)
At 30 th June 2020	(20,901,432)	-	(90,423,130)	(11,449,583)	(14,943,264)	(5,599,042)	(2,373,785)	(2,943,176)	(1,659,281)	(150,283,693)
NET BOOK VALUE										
As at 30 th June 2020	457,851,347	174,260,718	1,454,548,770	223,846,629	179,416,442	8,473,804	3,863,237	1,888,324	3,538,204	2,508,233,817

During the financial year 2018/19, the Corporation revalued all its assets. The revaluation was carried out by a private consultant, Deloitte Uganda.

Notes to the Financial Statements continued ►

24 Capital work in progress

	30-Jun 2020 UGX'000	30-Jun 2019 UGX'000
Work in Progress- general	59,277,086	32,367,427
Work In Progress - Gulu	6,165,022	47,026,438
Albertine Graben Hoima	2,373,430	2,373,430
Uganda Water Development	2,039,859	16,078,736
Kampala NW Rehabilitation Dev't	11,769,985	3,544,696
Kapchorwa Treatment Plant	-	1,275,004
Fort Portal Water	669,855	235,675
Kampala Water Sanitation and SP	1,108,657	1,108,657
Kampala Sanitation Project	3,488,154	476,066,080
KW-LV WATSAN Project	467,915,490	165,026,094
	554,807,537	745,102,237

25 Intangible assets

Intangible Assets 1 July 2019	838,761	838,761
Opening balance adjustment	(31,724)	-
Restated balance statement	807,037	-
Additions	173,399	-
Total	980,436	838,761
Amortisation		
Amortisation 1 July 2019	(829,112)	(783,443)
Charge for the year	(52,026)	(45,669)
At 30th June 20	(881,138)	(829,112)
NBV as at 30th June 20	99,298	9,649

26 Operating land lease prepayments

Cost

At 1 July 2019

Additions

At 30 June

Amortisation

At 1 July 2019

Charge for the year

At year end

30-Jun 2020 UGX'000	30-Jun 2019 UGX'000
2,531,447	2,454,747
1,679,453	76,700
4,210,900	2,531,447
(176,726)	(115,603)
67,003	(61,123)
(109,723)	(176,726)
4,101,177	2,354,721

27 Inventories

Stationery

Chemicals

Pipes and fittings

Pump Spares

Fuel and lubricants

Stock in transit

Provision for slow moving stock

633,128	510,674
5,162,271	4,289,285
27,685,395	30,218,929
3,602,961	5,576,342
126,308	39,487
-	3,997,206
(209,321)	(83,411)
37,000,742	44,548,512

28 Trade and other receivables

Water and sewerage debtors

Less: provision for impairment losses

Water and sewerage debtors - net

Prepayments

Other receivables

Value Added Tax

144,493,951	93,623,193
(6,455,907)	(6,231,637)
138,038,044	87,391,556
382,934	1,496,154
81,286,442	166,835,846
2,900,296	11,384,087
222,607,714	267,107,643

Movements on the provision for impairment of trade receivables are as follows:

At start of year

Provision in the year

Reduction during the year

Provision no longer required

At end of Year

6,231,637	6,081,184
1,313,689	1,120,496
(1,020,812)	-
267,318	(970,043)
6,791,832	6,231,637

Notes to the Financial Statements continued ►

29 Short term bank deposits

	30-Jun 2020 UGX'000	30-Jun 2019 UGX'000
DFCU Call Account	368,698	1,078,939
DFCU fixed deposit	-	110,214
NWSC Reserve Account	1,175,929	10,702
Total Short Term Deposits	1,544,627	1,199,855

30 Cash at bank and in hand

Cash in Hand	2,693	1,118
Cash Collection Accounts	7,744,851	4,029,932
Equity Loan Service Account	218,926	-
KW – Lake Victoria Water	56,946,044	22,842,022
South Western Cluster Water	15,527,102	12,627,465
BOU KW - WATSAN	21,449,642	83,644,823
WMDP KW-WATSAN	30,555,579	-
Operations accounts	8,089,027	6,814,645
	140,533,864	129,960,005

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

	30-Jun 2020 UGX'000	30-Jun 2019 UGX'000
Cash and bank balances as above	140,533,864	129,960,005
Short term bank deposits (Note 30)	1,544,627	1,199,855
Bank overdraft facility	(3,353,814)	(4,712,798)
	138,724,676	126,447,062

31 Trade and other payables

Trade payables	68,070,717	78,138,287
Rechargeable works	2,686,005	1,903,805
Accruals and Provisions	40,554,457	26,715,482
Project accruals	54,512,726	37,436,163
Retention money	50,335,836	32,655,590
Letters of credit	4,217,155	6,731,281
Customer deposits	18,742,694	349,485
	239,119,589	183,930,092

Customer deposits increased from UGX 350 million in the FY 2018/19 to UGX 19 billion in the current financial year. This is because the Corporation has completed the project of installing prepaid water meters and most Government accounts have prepaid bills.

32 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. Reconciliation of outstanding balances with Nairobi Iron Mongers

In 2013, the Corporation entered into a contract with a Kenyan Firm, Nairobi Iron Mongers for the firm to supply and install prepaid water meters. The contract was fully executed but the meters failed to function properly soon after implementation and the vendor has not been able to correct the defects. The Corporation has withheld all payments due to the vendor until the matter is resolved. NWSC is still demanding approximately USD 385,228 from the vendor to fully recover the value the prepaid meters which have failed to function. Negotiations are still ongoing between the Corporation and the vendor to amicably resolve the matter. No provision has so far been made for the expected income. When the matter is concluded and the amount demanded settled by the vendor, the Corporation will treat it as other income in the year of receipt. The non-functional prepaid meters supplied by the vendor have been removed from the field and are not part of the non-current assets of the Corporation.

III. Merger of CBA Bank with NC Bank

The Corporation maintained bank accounts with both CBA and NC banks for the collection of water bills. The two banks have merged into one (NCBA Bank) after the balance sheet date. Following the merger, the Corporation merged the two accounts into one.

IV. COVID -19 disclosure

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

There were no other events after the reporting period which require adjustment to or disclosure in the financial statements.

33 Cash generated from operations

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

		30-Jun 2020	30-Jun 2019
	Note	UGX'000	UGX'000
Profit before income tax		45,828,530	49,252,740
Adjustments for:			
Investment income	7	(110,493)	(225,437)
Stock losses	9	155,766	78,396
Bad debts written off	9	1,313,689	1,122,841
Interest expense	14	462,881	540,226
Deferred income	22	(83,805,283)	(49,645,072)
Depreciation	15	55,537,341	40,979,001
Amortisation of intangibles	25	52,026	45,669
Amortisation of leased land	27	67,003	61,123
Other adjustments		-	(74,023,789)
Changes in Working Capital:			
Inventories	27	7,547,769	(10,982,090)
Trade and other receivables	28	44,499,930	(44,990,109)
Trade and other payables	31	55,189,497	481,885
Annual terminal benefits	19	7,568,328	(887,061)
Terminal benefits	20	(148,157)	(557,899)
Cash (utilised in)/generated from operations		134,158,828	(88,749,576)

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 2020	30-Jun 2019
	UGX'000	UGX'000
i) Deputy Managing Directors and other Directors		
Salaries and other employment benefits	2,581,944	1,703,263
Termination Benefits	632,845	560,275
Bonus	482,873	225,178
Total key management compensation	3,697,662	2,488,716
 ii) Board of Directors' remuneration		
Salaries and benefits to the Managing Director	635,650	614,528
Retainer fees and benefits to Non - Executive Directors	300,785	381,400
	936,435	995,928

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.

A photograph of two workers in a tunnel. The worker on the right is wearing a grey hard hat, an orange high-visibility vest over a red shirt, and blue trousers. He is holding a green tool. The worker on the left is wearing a red hard hat and a red shirt. They are both looking down at something in the worker's hands. The background is a rough, brownish-orange tunnel wall.

Annexes and key contacts

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

Area	Practical capacity m ³ /day	Total Water Produced m ³	Average Production m ³ /day	Capacity Utilisation (%)
Kampala	240,000	85,134,735	232,609	97%
Central Region				
Jinja	30,600	7,483,183	20,446	67%
Entebbe/Kajansi	24,500	8,094,156	22,115	90%
Masaka	9,140	2,162,805	5,909	65%
Mubende	2,280	598,116	1,634	72%
Lugazi	1,500	477,878	1,306	87%
Luweero	6,792	1,305,006	3,566	52%
Mityana	4,800	708,741	1,936	40%
Kigumba	533	156,448	427	80%
Bweyale/Kiryandongo	480	194,410	531	111%
Kyotera	2,528	562,905	1,538	61%
Iganga	2,000	171,211	468	23%
Bugiri	1,188	86,549	236	20%
Kamuli/Mbulamuti	733	223,790	611	83%
Mpigi	3,200	371,543	1,015	32%
Sembabule	1,017	233,065	637	63%
Sub Total	91,292	22,829,806	62,377	68%
Eastern & Northern Region				
Tororo	12,983	1,682,653	4,597	35%
Mbale	10,000	2,912,078	7,956	80%
Soroti	4,752	1,787,353	4,883	103%
Lira	8,800	2,300,565	6,286	71%
Gulu	5,986	1,620,125	4,427	74%
Arua	10,000	1,708,441	4,668	47%
Pader	3,481	280,040	765	22%
Nebbi/Paidha	3,289	904,267	2,471	75%
Kitgum	1,948	365,500	999	51%
Apac/Aduku	733	204,296	558	76%
Moroto	1,033	249,649	682	66%
Adjumani	1,368	326,745	893	65%
Kapchorwa	5,500	154,410	422	8%
Kumi	1,567	336,426	919	59%
Kotido	464	124,082	339	73%
Moyo	1,044	203,598	556	53%
Koboko	1,000	279,074	762	76%
Sub Total	73,948	15,439,302	42,184	57%
Western & South Western				
Mbarara	16,000	5,674,716	15,505	97%
Bushenyi/ Ishaka	6,189	1,466,335	4,006	65%
Fort Portal	5,450	1,335,755	3,650	67%
Kasese	3,720	1,303,030	3,560	96%
Hoima	3,300	770,395	2,105	64%
Kyankwanzi	91	23,319	64	70%
Masindi	3,000	997,291	2,725	91%
Kabale	2,880	676,428	1,848	64%
Kisoro	3,400	479,773	1,311	39%
Rukungiri	965	274,149	749	78%
Ibanda	1,770	428,041	1,170	66%
Kamwenge	1,440	384,794	1,051	73%
Kanungu	1,900	357,298	976	51%
Lyantonde	2,200	670,817	1,833	83%
Rushere	1,503	177,473	485	32%
Ntungamo	2,120	456,992	1,249	59%
Mpondwe	1,680	462,840	1,265	75%
Ruhama	1,307	150,092	410	31%
Lwengo	936	252,289	689	74%
Subtotal	59,851	16,341,827	44,650	75%
Grand Total	465,091	139,745,671	381,819	82%

ANNEX 2: Volume of Water Supplied (m³) and Sold (m³) for the FY 2019/20

Area	Water Supplied (m ³)	Water Sold (m ³)	Billing Efficiency	NRW (%)
Kampala	81,287,296	49,160,464	60.5%	39.5%
Central Region				
Jinja	6,147,719	4,831,230	79%	21%
Entebbe/Kajansi	7,666,774	4,932,125	64%	36%
Masaka	1,987,697	1,627,669	82%	18%
Mubende	574,560	511,063	89%	11%
Lugazi	477,878	366,279	77%	23%
Luweero	1,196,972	1,038,009	87%	13%
Mityana	681,979	413,618	61%	39%
Kigumba	146,612	130,921	89%	11%
Bweyale/Kiryandongo	194,410	164,281	85%	15%
Kyotera	499,011	436,247	87%	13%
Iganga	838,424	681,395	81%	19%
Bugiri	86,549	75,385	87%	13%
Kamuli/Mbulamuti	192,837	170,442	88%	12%
Mpigi	328,616	272,585	83%	17%
Sembabule	208,744	165,098	79%	21%
Sub Total	21,228,783	15,816,347	75%	25%
Eastern & Northern Region				
Tororo	1,682,653	1,388,270	83%	17%
Mbale	2,707,866	2,151,859	79%	21%
Soroti	1,624,385	1,162,969	72%	28%
Lira	2,086,329	1,495,996	72%	28%
Gulu	1,469,760	1,172,733	80%	20%
Arua	1,478,805	1,141,412	77%	23%
Pader	264,463	152,391	58%	42%
Nebbi/Paidha	683,016	529,488	78%	22%
Kitgum	319,856	282,653	88%	12%
Apac/Aduku	204,181	176,399	86%	14%
Moroto	239,470	196,359	82%	18%
Adjumani	326,675	227,472	70%	30%
Kapchorwa	154,410	105,938	69%	31%
Kumi	312,750	213,329	68%	32%
Kotido	124,082	107,256	86%	14%
Moyo	203,598	93,983	46%	54%
Koboko	270,689	238,419	88%	12%
Sub Total	14,152,988	10,836,926	77%	23%
Western & South Western				
Mbarara	5,223,264	3,960,636	76%	24%
Bushenyi/ Ishaka	1,360,074	1,117,622	82%	18%
Fort Portal	1,248,225	1,057,633	85%	15%
Kasese	1,245,617	1,004,773	81%	19%
Hoima	593,973	420,169	71%	29%
Kyankwanzi	21,591	20,319	94%	6%
Masindi	914,937	654,423	72%	28%
Kabale	651,376	541,255	83%	17%
Kisoro	477,980	352,282	74%	26%
Rukungiri	269,459	201,394	75%	25%
Ibanda	401,002	321,863	80.3%	19.7%
Kamwenge	381,459	293,704	77%	23%
Kanungu	357,298	289,528	81%	19%
Lyantonde	384,749	308,752	80%	20%
Rushere	258,062	227,885	88%	12%
Ntungamo	360,419	269,305	75%	25%
Mpondwe	447,295	377,730	84%	16%
Ruhama	150,092	113,061	75%	25%
Lwengo	217,562	139,181	64%	36%
Subtotal	14,964,434	11,671,515	78%	22%
Total NWSC	131,633,501	87,485,252	66%	34%
Total Other Areas	50,346,205	38,324,788	76.1%	23.9%

ANNEX 3: Status of NWSC Pipe Network (km) as at 30th June 2020

Area	Water		Sewer	
	New Mains	Total Pipe Network	New Mains	Total Pipe Network
Kampala	28,720	3,648	7	287
Central Region				
Jinja	2,106	801	4	88
Entebbe/Kajansi	2,748	478	2	63
Masaka	1,183	501	5	26
Mubende	383	257	-	-
Lugazi	343	197	-	-
Luweero	1,435	773	-	-
Mityana	462	251	-	-
Kigumba	118	201	-	-
Bweyale/Kiryandongo	208	183	-	-
Kyotera	655	218	-	-
Iganga	644	342	-	6
Bugiri	87	87	-	-
Kamuli/Mbulamuti	269	146	-	-
Mpigi	459	217	-	-
Sembabule	289	321	-	-
Sub Total	11,389	4,973	11	183
Eastern & Northern Region				
Tororo	1,168	650	2	18
Mbale	1,155	658	0	36
Soroti	724	424	2	25
Lira	1,162	305	3	23
Gulu	706	266	0	18
Arua	762	475	1	28
Pader	123	244	-	-
Nebbi/Paidha	365	280	-	-
Kitgum	369	127	-	-
Apac/Aduku	301	139	-	-
Moroto	139	93	-	-
Adjumani	378	138	-	-
Kapchorwa	143	129	-	-
Kumi	581	268	-	-
Kotido	71	71	-	-
Moyo	345	80	-	-
Koboko	486	111	-	-
Sub Total	8,978	4,460	8	149
Western & South Western				
Mbarara	2,484	783	1	34
Bushenyi/ Ishaka	1,839	875	-	-
FortPortal	1,369	548	-	2
Kasese	695	324	-	-
Hoima	283	246	-	5
Kyankwanzi	74	21	-	-
Masindi	398	317	1	10
Kabale	561	332	1	18
Kisoro	358	249	1	5
Rukungiri	438	341	-	-
Ibanda	420	258	-	-
Kamwenge	773	434	-	-
Kanungu	509	486	-	-
Lyantonde	355	336	-	-
Rushere	367	389	-	-
Ntungamo	713	350	-	-
Mpondwe	293	139	-	-
Ruhama	196	255	-	-
Lwengo	309	210	-	-
Subtotal	12,434	6,894	4	73
Total NWSC	61,521	19,974	30	693

ANNEX 4: Status of Water Connections as at 30th June 2020

Area	New Connections	Total Accounts	Active Accounts	Inactive Accounts	Metered Accounts
Kampala	28,720	341,618	297,647	43,971	341,520
Central Region					
Jinja	2,106	31,164	25,458	5,706	31,161
Entebbe/Kajansi	2,748	38,423	32,012	6,411	38,409
Masaka	1,183	18,772	16,759	2,013	18,772
Mubende	383	5,741	4,968	773	5,740
Lugazi	343	4,453	3,953	500	4,453
Luweero	1,435	12,209	11,231	978	12,209
Mityana	462	5,858	5,276	582	5,857
Kigumba	118	1,895	1,558	337	1,894
Bweyale/Kiryandongo	208	1,932	1,717	215	1,931
Kyotera	655	5,532	4,907	625	5,532
Iganga	644	9,427	7,354	2,073	9,427
Bugiri	87	1,531	1,128	403	1,531
Kamuli/Mbulamuti	269	3,079	2,642	437	3,079
Mpigi	459	4,601	4,117	484	4,601
Sembabule	289	1,794	1,737	57	1,794
Sub Total	11,389	146,411	124,817	21,594	146,390
Eastern & Northern Region					
Tororo	1,168	17,091	13,144	3,947	17,091
Mbale	1,155	19,460	13,857	5,603	19,460
Soroti	724	9,719	6,816	2,903	9,719
Lira	1,162	14,195	11,912	2,283	14,195
Gulu	706	9,282	8,102	1,180	9,282
Arua	762	9,481	7,031	2,450	9,481
Pader	123	3,279	2,657	622	3,279
Nebbi/Paidha	365	6,811	5,661	1,150	6,811
Kitgum	369	4,178	3,761	417	4,178
Apac/Aduku	301	2,496	2,191	305	2,496
Moroto	139	1,252	984	268	1,252
Adjumani	378	2,878	2,415	463	2,878
Kapchorwa	143	2,070	1,820	250	2,070
Kumi	581	2,802	2,600	202	2,802
Kotido	71	977	869	108	977
Moyo	345	1,499	1,253	246	1,499
Koboko	486	2,049	1,863	186	2,049
Sub Total	8,978	109,519	86,936	22,583	109,519
Western & South Western					
Mbarara	2,484	27,074	25,233	1,841	27,074
Bushenyi/ Ishaka	1,839	15,576	14,967	609	15,576
FortPortal	1,369	13,516	12,327	1,189	13,516
Kasese	695	10,206	8,695	1,511	10,206
Hoima	283	6,035	5,669	366	6,035
Kyankwanzi	74	84	84	-	84
Masindi	398	6,390	5,594	796	6,390
Kabale	561	7,836	6,592	1,244	7,836
Kisoro	358	4,235	3,737	498	4,235
Rukungiri	438	4,000	3,648	352	4,000
Ibanda	420	5,114	4,443	671	5,114
Kamwenge	773	3,725	3,593	132	3,725
Kanungu	509	4,868	4,323	545	4,868
Lyantonde	355	2,971	2,691	280	2,971
Rushere	367	2,273	2,234	39	2,273
Ntungamo	713	4,332	3,846	486	4,332
Mpondwe	293	3,935	3,414	521	3,935
Ruhama	196	1,899	1,590	309	1,899
Lwengo	309	2,389	2,032	357	2,389
Subtotal	12,434	126,458	114,712	11,746	126,458
Total NWSC	61,521	724,006	624,112	99,894	723,887

ANNEX 5: Status of Pro-poor Connections as at 30th June 2020

Area	New PSPs	Total PSPs	Active PSPs	Inactive PSPs
Kampala	1,355	5,376	4,032	1,344
Central Region				
Jinja	80	1,041	975	66
Entebbe/Kajansi	43	398	377	21
Masaka	77	392	377	15
Mubende	57	207	198	9
Lugazi	34	189	180	9
Luweero	65	340	330	10
Mityana	38	279	279	-
Kigumba	11	79	78	1
Bweyale/Kiryandongo	26	214	202	12
Kyotera	37	206	199	7
Iganga	58	479	457	22
Bugiri	10	61	53	8
Kamuli/Mbulamuti	30	175	165	10
Mpigi	31	160	155	5
Sembabule	22	89	89	-
Sub Total	619	4,309	4,114	195
Eastern & Northern Region				
Tororo	286	1,248	1,057	191
Mbale	67	748	628	120
Soroti	64	429	334	95
Lira	189	768	676	92
Gulu	27	236	202	34
Arua	71	296	260	36
Pader	27	126	112	14
Nebbi/Paidha	65	439	431	8
Kitgum	17	97	95	2
Apac/Aduku	38	227	220	7
Moroto	23	93	69	24
Adjumani	16	73	65	8
Kapchorwa	22	64	59	5
Kumi	28	80	73	7
Kotido	5	56	51	5
Moyo	23	69	59	10
Koboko	50	125	124	1
Sub Total	1,018	5,174	4,515	659
Western & South Western				
Mbarara	91	603	564	39
Bushenyi/ Ishaka	252	1,205	1,173	32
FortPortal	108	651	592	59
Kasese	52	336	312	24
Hoima	19	144	140	4
Kyankwanzi	7	16	16	-
Masindi	55	273	259	14
Kabale	87	358	307	51
Kisoro	20	164	151	13
Rukungiri	52	363	339	24
Ibanda	33	153	143	10
Kamwenge	194	433	427	6
Kanungu	189	777	717	60
Lyantonde	47	265	260	5
Rushere	36	151	150	1
Ntungamo	56	277	249	28
Mpondwe	53	259	251	8
Ruhama	53	179	165	14
Lwengo	33	134	131	3
Subtotal	1,437	6,741	6,346	395
Total NWSC	4,429	21,600	19,007	2,593

ANNEX 6: Status of Sewer Connections as at 30th June 2020

Area	New Connections	Total Accounts	Active Accounts	Inactive Accounts
Kampala	161	11,246	10,348	898
Central Region				
Jinja	80	4,370	3,812	558
Entebbe/Kajansi	1	428	405	23
Masaka	2	463	351	112
Mubende	-	-	-	-
Lugazi	-	-	-	-
Luweero	-	-	-	-
Mityana	-	-	-	-
Kigumba	1	-	-	-
Bweyale/Kiryandongo	-	-	-	-
Kyotera	-	-	-	-
Iganga	1	180	141	39
Bugiri	-	-	-	-
Kamuli/Mbulamuti	-	-	-	-
Mpigi	-	-	-	-
Sembabule	-	-	-	-
Sub Total	85	5,441	4,709	732
Eastern & Northern Region				
Tororo	2	532	417	115
Mbale	3	2,415	2,063	352
Soroti	2	500	379	121
Lira	1	465	400	65
Gulu	6	788	720	68
Arua	7	181	169	12
Pader	-	-	-	-
Nebbi/Paidha	-	-	-	-
Kitgum	-	-	-	-
Apac/Aduku	-	-	-	-
Moroto	-	-	-	-
Adjumani	-	-	-	-
Kapchorwa	-	-	-	-
Kumi	-	-	-	-
Kotido	-	-	-	-
Moyo	-	-	-	-
Koboko	-	-	-	-
Sub Total	21	4,881	4,148	733
Western & South Western				
Mbarara	3	802	675	127
Bushenyi/ Ishaka	-	-	-	-
FortPortal	3	224	204	20
Kasese	-	-	-	-
Hoima	-	105	94	11
Kyankwanzi	-	-	-	-
Masindi	1	245	215	30
Kabale	3	804	654	150
Kisoro	-	166	151	15
Rukungiri	-	-	-	-
Ibanda	-	-	-	-
Kamwenge	-	-	-	-
Kanungu	-	-	-	-
Lyantonde	-	-	-	-
Rushere	-	-	-	-
Ntungamo	-	-	-	-
Mpondwe	-	-	-	-
Ruhama	-	-	-	-
Lwengo	-	-	-	-
Subtotal	10	2,346	1,993	353
Total NWSC	277	23,914	21,198	2,716

ANNEX 7: Commercial Performance for the FY 2019/20

Area	Billings (UGX)	Collections (UGX)	C/B Ratio	Arrears (UGX)	Debt Age
Kampala	245,247,870,272	238,705,506,892	97%	44,723,135,599	2.2
Central Region					
Jinja	25,552,587,266	24,089,215,284	94%	9,297,658,993	4.4
Entebbe/Kajansi	24,033,461,815	21,532,726,821	90%	9,238,410,355	4.6
Masaka	8,286,058,514	6,668,998,966	80%	5,130,037,642	7.4
Mubende	2,170,619,934	1,941,736,849	89%	1,231,969,134	6.8
Lugazi	1,552,574,024	1,355,062,949	87%	480,546,387	3.7
Luweero	4,162,891,340	3,538,804,994	85%	1,506,796,800	4.3
Mityana	1,562,179,459	1,455,838,541	93%	411,269,959	3.2
Kigumba	553,171,840	503,044,006	91%	197,396,241	4.3
Bweyale/Kiryandongo	640,965,317	570,868,495	89%	163,421,080	3.1
Kyotera	1,837,148,388	1,695,745,332	92%	424,418,203	2.8
Iganga	2,590,053,777	2,347,516,771	91%	885,036,360	4.1
Bugiri	315,265,028	279,528,264	89%	133,853,416	5.1
Kamuli/Mbulamuti	708,845,554	637,217,256	90%	239,575,788	4.1
Mpigi	1,132,523,467	1,033,745,560	91%	264,239,628	2.8
Sembabule	581,319,859	496,632,372	85%	170,490,271	3.5
Sub Total	75,679,665,582	68,146,682,458	90%	29,775,120,257	4.7
Eastern & Northern Region					
Tororo	6,242,257,299	4,813,520,678	77%	3,702,499,497	7.1
Mbale	12,266,153,427	8,830,648,880	72%	9,860,583,138	9.6
Soroti	5,144,790,441	4,482,647,029	87%	2,128,119,736	5.0
Lira	6,361,796,494	5,668,522,202	89%	2,662,383,164	5.0
Gulu	6,733,095,841	4,860,157,424	72%	3,791,385,269	6.8
Arua	5,312,474,971	4,442,373,105	84%	2,056,123,353	4.6
Pader	613,371,860	502,530,199	82%	335,026,178	6.6
Nebbi/Paidha	1,873,209,185	1,498,532,469	80%	1,193,035,329	7.6
Kitgum	1,216,511,975	1,054,039,494	87%	499,137,149	4.9
Apac/Aduku	641,946,758	578,619,104	90%	180,494,576	3.4
Moroto	722,489,074	524,733,870	73%	427,226,537	7.1
Adjumani	935,122,125	809,075,213	87%	300,406,593	3.9
Kapchorwa	461,945,832	348,832,033	76%	219,990,934	5.7
Kumi	881,671,929	789,682,021	90%	214,121,960	2.9
Kotido	380,109,394	305,602,571	80%	156,923,573	5.0
Moyo	365,461,918	341,051,745	93%	92,324,590	3.0
Koboko	914,579,849	677,094,401	74%	436,285,925	5.7
Sub Total	51,066,988,372	40,527,662,436	79%	28,256,067,501	6.6
Western & South Western					
Mbarara	18,565,972,015	14,856,660,266	80%	11,634,885,026	7.5
Bushenyi	4,348,048,990	3,749,695,290	86%	1,261,191,225	3.5
Fort Portal	4,981,130,101	4,320,708,272	87%	1,677,227,456	4.0
Kasese	3,980,479,297	3,502,556,766	88%	1,289,653,934	3.9
Hoima	1,967,866,112	1,849,005,526	94%	842,381,656	5.1
Kyankwanzi	60,765,812	36,312,182	60%	28,677,166	5.7
Masindi	3,443,966,217	2,362,230,827	69%	2,285,465,912	8.0
Kabale	2,818,892,264	2,742,760,394	97%	952,141,602	4.1
Kisoro	1,591,500,410	1,426,191,836	90%	538,921,567	4.1
Rukungiri	852,740,155	760,057,424	89%	221,393,301	3.1
Ibanda	1,388,548,823	1,220,155,330	88%	463,644,700	4.0
Kamwenge	1,098,440,435	971,090,746	88%	248,335,609	2.7
Kanungu	1,050,242,845	917,483,852	87%	341,904,836	3.9
Lyantonde	1,169,361,840	1,089,344,222	93%	246,207,738	2.5
Rushere	967,417,408	852,530,068	88%	220,171,856	2.7
Ntungamo	1,112,351,662	1,011,538,751	91%	469,752,617	5.1
Mpondwe	1,223,624,868	1,125,083,595	92%	450,327,799	4.4
Ruhama	432,567,811	376,988,894	87%	148,886,048	4.1
Lwengo	495,051,279	447,830,520	90%	111,473,769	2.7
Subtotal	51,548,968,344	43,618,224,758	85%	23,432,643,815	5.5
Total NWSC	423,543,492,570	390,998,076,544	92%	126,186,967,172	3.6

ANNEX 8: Unit Cost of Production (UGX.) for the FY 2019/20

Area	Volume of Water Produced m ³		Total Costs (UGX. '000') 2019/20			Cost Per m ³ (UGX.)		
	2018/19	2019/20	Operating	Depreciation	Total	2018/19	2019/20	Growth
Head Office	-	-	90,537,028	2,578,286	93,115,314	-	-	-
Kampala	82,762,031	85,134,735	156,646,137	24,889,432	181,535,569	1,621	2,132	32%
Central Region								
Jinja	7,422,527	7,483,183	30,388,301	20,090,328	50,478,628	1,531	6,746	340%
Entebbe/Kajansi	6,970,952	8,094,156	13,010,997	3,361,151	16,372,148	1,410	2,023	43%
Masaka	2,397,720	2,162,805	7,750,084	1,767,720	9,517,804	2,395	4,401	84%
Mubende	634,141	598,116	3,558,758	1,457,101	5,015,859	3,458	8,386	143%
Lugazi	492,237	477,878	2,704,646	784,094	3,488,740	3,620	7,300	102%
Luwero	1,410,597	1,305,006	4,639,826	628,015	5,267,840	3,837	4,037	5%
Mityana	620,701	708,741	2,897,760	701,060	3,598,821	3,849	5,078	32%
Kigumba	151,890	156,448	979,994	83,313	1,063,306	5,872	6,797	16%
Bweyale/Kiryandongo	173,317	194,410	931,425	76,127	1,007,551	6,160	5,183	-16%
Kyotera	555,961	562,905	2,279,455	352,412	2,631,867	3,578	4,676	31%
Iganga	422,020	171,211	2,895,664	680,419	3,576,083	8,522	20,887	145%
Kamuli/Mbulimuti	245,967	223,790	1,049,799	151,944	1,201,743	4,539	5,370	18%
Mpigi	392,414	371,543	3,270,813	1,073,208	4,344,021	4,056	11,692	188%
Sembabule	188,388	233,065	1,207,551	56,099	1,263,650	3,899	5,422	39%
Bugiri	-	86,549	583,104	5,682	588,786	-	6,803	-
Kapeeka	-	-	335,000	0	335,000	-	-	-
Sub Total	22,078,832	22,829,806	77,565,072	31,262,990	108,828,062	2,179	4,767	119%
Eastern & Northern Region								
Tororo	1,910,406	1,682,653	6,075,041	742,413	6,817,453	2,542	4,052	59%
Mbale	2,660,839	2,912,078	9,387,332	1,533,765	10,921,097	2,656	3,750	41%
Soroti	1,269,753	1,787,353	6,164,070	2,272,195	8,436,266	3,334	4,720	42%
Lira	2,334,258	2,300,565	6,180,577	1,193,560	7,374,137	2,280	3,205	41%
Gulu	1,447,237	1,620,125	7,440,711	2,811,483	10,252,194	3,546	6,328	78%
Arua	1,473,350	1,708,441	6,170,992	2,962,433	9,133,426	1,886	5,346	183%
Pader	264,505	280,040	1,809,482	450,537	2,260,019	5,572	8,070	45%
Nebbi/Paidha	846,173	904,267	2,522,638	455,667	2,978,305	3,118	3,294	6%
Kitgum	377,447	365,500	1,635,050	247,173	1,882,222	4,918	5,150	5%
Apac/Aduku	200,492	204,296	1,360,775	210,021	1,570,797	7,187	7,689	7%
Moroto	230,881	249,649	1,240,506	183,972	1,424,477	5,569	5,706	2%
Adjumani	257,631	326,745	994,213	97,464	1,091,678	3,249	3,341	3%
Kapchorwa	130,449	154,410	1,381,532	458,058	1,839,590	6,088	11,914	96%
Kumi	222,427	336,426	1,590,068	184,040	1,774,108	5,726	5,273	-8%
Kotido	121,078	124,082	1,211,425	181,810	1,393,235	7,603	11,228	48%
Moyo	103,566	203,598	827,630	35,767	863,397	-	4,241	-
Koboko	180,716	279,074	949,162	6,386	955,549	-	3,424	-
Sub Total	14,031,209	15,439,302	56,941,205	14,026,745	70,967,949	2,944	4,597	56%
Western & Southwestern								
Mbarara	5,532,002	5,674,716	13,907,425	2,041,094	15,948,518	2,000	2,810	40%
Bushenyi/ Ishaka	1,440,151	1,466,335	6,475,212	2,521,564	8,996,776	2,897	6,136	112%
FortPortal	1,497,767	1,335,755	4,434,975	465,003	4,899,978	2,670	3,668	37%
Kasese	1,264,849	1,303,030	2,074,157	163,301	2,237,458	1,512	1,717	14%
Hoima	808,814	770,395	2,388,113	377,027	2,765,140	2,363	3,589	52%
Masindi	869,135	997,291	3,030,061	782,530	3,812,592	2,795	3,823	37%
Kabale	787,197	676,428	3,210,330	350,230	3,560,560	3,603	5,264	46%
Kisero	501,396	479,773	2,165,408	284,625	2,450,033	3,292	5,107	55%
Rukungiri	285,104	274,149	1,554,879	220,512	1,775,390	5,194	6,476	25%
Ibanda	414,352	428,041	1,040,172	176,004	1,216,176	1,788	2,841	59%
Kamwenge	307,227	384,794	1,958,604	321,071	2,279,675	5,227	5,924	13%
Kanungu	343,330	357,298	1,428,219	194,775	1,622,993	3,656	4,542	24%
Lyantonde	535,671	670,817	2,923,086	201,740	3,124,826	3,938	4,658	18%
Rushere	202,014	177,473	1,756,239	247,025	2,003,264	5,814	11,288	94%
Ntungamo	432,896	456,992	2,044,186	539,680	2,583,867	3,066	5,654	84%
Mpondwe	471,639	462,840	1,176,867	151,310	1,328,176	1,796	2,870	60%
Ruhama	139,496	150,092	1,205,857	220,002	1,425,859	5,998	9,500	58%
Lwengo	214,890	252,289	1,611,322	569,937	2,181,260	4,516	8,646	91%
Rubirizi	-	-	109,250	0	109,250	-	-	-
Kyankwanzi	-	23,319	413,857	2,878	416,735	-	17,871	-
Subtotal	16,047,930	16,341,827	54,908,220	9,830,306	64,738,526	2,621	3,962	51%
Total	134,920,002	139,745,671	436,597,662	82,587,759	519,185,421	2,599	3,715	43%

ANNEX 9: Break-Even Analysis (UGX) as at June 2020

Area	Income ("'000")		Operational Expenses ("'000")		Working Ratio	
	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20
Headoffice	59,058,572	92,055,128	190,229,206	95,230,530	1.6	1.1
Kampala	225,985,737	214,604,059	101,531,369	156,697,643	0.4	0.7
Central Region						
Jinja	22,196,410	22,097,581	9,888,298	30,388,301	0.4	1.4
Entebbe	20,799,692	20,868,944	9,153,233	13,010,997	0.4	0.6
Masaka	8,118,659	7,184,628	5,799,879	7,750,084	0.7	1.1
Mubende	2,113,517	1,942,984	2,070,677	3,558,758	1.0	1.8
Lugazi	1,408,319	1,376,865	1,854,648	2,704,646	1.3	2.0
Luweero	3,719,313	3,426,989	4,210,842	4,639,826	1.1	1.4
Mityana	1,421,395	1,432,947	2,230,558	2,897,760	1.6	2.0
Kigumba	513,625	489,637	840,667	979,994	1.6	2.0
Bweyale	505,655	588,444	787,140	931,425	1.6	1.6
Kyotera	1,673,728	1,688,407	2,160,313	2,279,455	1.3	1.4
Iganga	2,670,703	2,322,099	2,596,892	2,895,664	1.0	1.2
Kamuli	687,863	654,423	888,941	1,049,799	1.3	1.6
Mpigi	986,414	1,043,010	1,848,372	3,270,813	1.9	3.1
Sembabule	463,500	542,106	919,705	1,207,551	2.0	2.2
Bugiri	-	282,800	-	583,104	-	2.1
Kapeeka	-	347,041	-	335,000	-	1.0
Subtotal	67,278,793	66,288,906	45,250,165	78,483,176	0.7	1.2
Eastern & Northern Region						
Tororo	5,712,990	4,528,224	5,806,253	6,075,041	1.0	1.3
Mbale	10,652,286	10,611,380	7,500,731	9,387,332	0.7	0.9
Soroti	4,307,121	4,565,240	3,724,095	6,164,070	0.9	1.4
Lira	5,709,180	5,657,301	4,369,309	6,180,577	0.8	1.1
Gulu	5,577,265	5,909,216	4,342,232	7,440,711	0.8	1.3
Arua	4,174,675	4,691,206	3,432,254	6,170,992	0.8	1.3
Pader	615,540	535,705	1,395,743	1,809,482	2.3	3.4
Nebbi/Paidha	2,128,606	1,660,958	2,205,891	2,522,638	1.0	1.5
Kitgum	1,221,465	1,098,630	1,575,148	1,635,050	1.3	1.5
Apac/Aduku	572,055	593,609	1,176,903	1,360,775	2.1	2.3
Moroto	643,730	632,710	1,126,642	1,240,506	1.8	2.0
Adjumani	719,096	858,534	806,361	994,213	1.1	1.2
Kapchorwa	407,967	409,612	849,235	1,381,532	2.1	3.4
Kumi	493,226	842,923	1,198,077	1,590,068	2.4	1.9
Kotido	332,819	336,507	915,727	1,211,425	2.8	3.6
Moyo	302,235	378,037	565,389	827,630	1.9	2.2
Koboko	533,556	807,950	888,077	949,162	1.7	1.2
Subtotal	44,103,812	44,117,742	41,878,067	56,941,205	0.9	1.3
Western & Southwestern Region						
Mbarara	16,671,502	16,079,633	11,256,907	13,907,425	0.7	0.9
Bushenyi	3,908,997	3,964,115	3,720,567	6,475,212	1.0	1.6
Fortportal	4,386,711	4,581,337	3,557,333	4,434,975	0.8	1.0
Kasese	3,474,157	3,552,259	1,841,762	2,074,157	0.5	0.6
Hoima	2,098,612	1,730,315	2,109,606	2,388,113	1.0	1.4
Masindi	2,692,226	3,031,467	1,945,619	3,030,061	0.7	1.0
Kabale	2,825,728	2,503,635	2,655,672	3,210,330	0.9	1.3
Kisoro	1,433,497	1,427,514	1,629,275	2,165,408	1.1	1.5
Rukungiri	839,970	788,944	1,267,498	1,554,879	1.5	2.0
Ibanda	1,204,346	1,265,090	739,236	1,040,172	0.6	0.8
Kamwenge	837,098	1,032,445	1,274,976	1,958,604	1.5	1.9
Kanungu	927,072	954,490	1,116,865	1,428,219	1.2	1.5
Lyantonde	913,147	1,051,919	2,236,234	2,923,086	2.4	2.8
Rushere	729,970	906,804	1,296,352	1,756,239	1.8	1.9
Ntugamo	870,910	1,080,684	1,368,311	2,044,186	1.6	1.9
Mpodwe	1,052,798	1,089,538	900,621	1,176,867	0.9	1.1
Ruhama	370,723	387,325	872,039	1,205,857	2.4	3.1
Lwengo	417,339	471,258	1,088,367	1,611,322	2.6	3.4
Rubirizi	-	148,796	-	109,250	-	0.7
Kyankwanzi	-	54,835	-	413,857	-	7.5
Subtotal	45,654,803	46,102,401	40,877,240	54,908,220	0.9	1.2
Total	442,081,717	463,168,236	419,766,047	442,260,773	0.7	1.0

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

Area	Male	Female	Total	% of Female	Water Connections	Staff Productivity
Head Office	330	211	541	39%	-	
Kampala	1,023	476	1,499	32%	341,618	4
Central Region						
Jinja	88	43	131	33%	31,164	4
Entebbe/Kajansi	77	53	130	41%	38,423	3
Masaka	62	21	83	25%	18,772	4
Mubende	20	9	29	31%	5,741	5
Lugazi	14	9	23	39%	4,453	5
Luweero	43	22	65	34%	12,209	5
Mityana	19	9	28	32%	5,858	5
Kigumba	12	5	17	29%	1,895	9
Bweyale/Kiryandongo	14	1	15	7%	1,932	8
Kyotera	26	16	42	38%	5,532	8
Iganga	31	14	45	31%	9,427	5
Bugiri	6	4	10	40%	1,531	7
Kamuli/Mbulamuti	12	5	17	29%	3,079	6
Mpigi	16	13	29	45%	4,601	6
Sembabule	11	3	14	21%	1,794	8
Sub Total	451	227	678	33%	146,411	5
Eastern & Northern Region						
Tororo	61	22	83	27%	17,091	5
Mbale	88	36	124	29%	19,460	6
Soroti	39	14	53	26%	9,719	5
Lira	56	12	68	18%	14,195	5
Gulu	52	13	65	20%	9,282	7
Arua	42	9	51	18%	9,481	5
Pader	24	7	31	23%	3,279	9
Nebbi/Paidha	33	9	42	21%	6,811	6
Kitgum	16	4	20	20%	4,178	5
Apac/Aduku	19	3	22	14%	2,496	9
Moroto	14	5	19	26%	1,252	15
Adjumani	9	3	12	25%	2,878	4
Kapchorwa	16	4	20	20%	2,070	10
Kumi	14	2	16	13%	2,802	6
Kotido	15	-	15	0%	977	15
Moyo	9	3	12	25%	1,499	8
Koboko	9	6	15	40%	2,049	7
Sub Total	516	152	668	23%	109,519	6
Western & Southwestern Region						
Mbarara	101	46	147	31%	27,074	5
Bushenyi/ Ishaka	47	19	66	29%	15,576	4
Fort Portal	44	13	57	23%	13,516	4
Kasese	38	13	51	25%	10,206	5
Hoima	15	9	24	38%	6,035	4
Kyakwanzi	4	1	5	20%	84	60
Masindi	22	5	27	19%	6,390	4
Kabale	34	8	42	19%	7,836	5
Kisoro	20	3	23	13%	4,235	5
Rukungiri	19	8	27	30%	4,000	7
Ibanda	11	7	18	39%	5,114	4
Kamwenge	19	5	24	21%	3,725	6
Kanungu	20	7	27	26%	4,868	6
Lyantonde	21	7	28	25%	2,971	9
Rushere	17	12	29	41%	2,273	13
Ntungamo	23	9	32	28%	4,332	7
Mpondwe	19	8	27	30%	3,935	7
Ruhama	17	4	21	19%	1,899	11
Lwengo	15	6	21	29%	2,389	9
Sub-total	506	190	696	27%	126,458	6
Total	2,826	1,256	4,082	31%	724,006	6

ANNEX 11: Compliance to Internal Audit Recommendations for the FY 2019/20

Area	Total recommendations made (No)	Recommendations acted upon (No)	Percentage (%)	Target (%)
Kampala Water	272	265	97%	100
Central				
Entebbe	37	35	95%	100
Iganga	30	29	97%	100
Kamuli	28	28	100%	100
Masaka	42	40	95%	100
Jinja	25	23	92%	100
Lugazi	27	26	96%	100
Sub Total	189	181	96%	100
Northern and Eastern				
Arua	22	20	95%	100
Gulu	37	35	97%	100
Lira	53	51	100%	100
Pader	41	39	95%	100
Soroti	31	30	92%	100
Moyo	32	28	96%	100
Kitgum	29	25	96%	100
Tororo	28	23	82%	100
Sub Total	273	251	91%	100
Western and South Western				
Mbarara	39	38	97%	100
FortPortal	31	29	94%	100
Masindi	30	28	93%	100
Bushenyi	32	31	97%	100
Kamwenge	30	29	97%	100
Kanungu	20	20	100%	100
Ntungamo	32	31	97%	100
Ibanda	18	17	94%	100
Rukungiri	18	16	89%	100
Sub Total	250	239	96%	100
Total	1,174	1,103	94%	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 26
G4-2.	Description of key impacts, risks and opportunities	YES	Pages 56-1023 (Operational performance Report)
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 (Back page-inside).
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.4
G4-6.	Markets served by the organization (including geographic breakdown, sectors (Our Customers/Subscribers).	YES	Table 2; Page 16, (Service Coverage) 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, Page 43
G4-9.	Percentage of total employees covered by collective bargaining agreements. (Staff under Union)	YES	All staff below Scale 2 (about 85%)
G4-10.	Description of the organization's supply chain	YES	Water Treatment Process. Page 70-72
G4-11.	Significant changes during the reporting period regarding the organization's size, structure, ownership or it supply chain	YES	Operational Performance Report Page: 56-68
G4-12.	Precautionary approach or principle is addressed by the organization.	YES	Climate change precautions e.g. Tree Planting, green energy & Our Strategy where we have a Risk List.
G4-13.	Precautionary Approach	YES	Risk Department
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		Pages :91-104
G4-2.	Explanation of the process of defining report content and the Aspect boundaries	YES	Page :22
G4-3.	List of all Material Aspects identified in the process for Defining Report		Page 38-39
STAKEHOLDER ENGAGEMENT			
G4-24.	List of stakeholder groups engaged by the organization		Pages 54-55
G4-25.	Basis for identification and selection of stakeholder with whom to engage		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		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.

		COVERED IN THIS REPORT	PAGE REFERENCE OR COMMENT
G4-31.	Contact point for questions regarding the report or its contents.	YES	Annexed to this report addresses for all Areas of our Operations.
G4-32.	Report an "in accordance" option that the organization has chosen.	YES	Page No.22
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.30 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.30-37
G4-35.	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	YES	Pages No. 30 under Our Governance and Leadership.
G4-35.	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	YES	Pages No. 30 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. 30 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. 30 under Our Governance and Leadership.
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. 31, 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.27
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. 30-33 (Appointment of the Board is done by the Minister-2 nd Paragraph).
G4-41.	Processes in place for the highest governance body to ensure conflicts of interest are avoided and managed.	YES	Page 32, Table 5 . (Board Committees meetings)
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 30-Through the CP Process. Page 15 Our Strategy.
G4-43.	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	YES	Training of the Board members ; Not reported here.
G4-44.	Processes in place for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment.	YES	Page No.32- Consultant was engaged to evaluate the Board.
G4-45.	The highest governance body's role in identification and management of economic, environmental and social impacts, risks and opportunities.	YES	Through our Corporate Planning Process
INCLUDE THE HIGHEST GOVERNANCE BODY'S ROLE IN THE IMPLEMENTATION OF DUE DILIGENCE PROCESSES.			
G4-46.	The highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics and social topics.	YES	Risk Management Committee Page 30.
G4-47.	The frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities.	YES	Page No. 32 (Board Meetings) Table 5
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.32(Finance Committee)
G4-49.	Report the process for communicating critical concerns to the highest governance body.	YES	Page 30-under conformance (Committee meetings)
G4-50.	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	YES	Page 32-Through Board meetings where Board Papers are presented.

		COVERED IN THIS REPORT	PAGE REFERENCE OR COMMENT
G4-51.	Remuneration policies for the highest governance body and senior executives.	YES	Page 32-Directors Remuneration (Table 4)
G4-52.	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	YES	Available in other Policy documents and guidelines
G4-53.	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	YES	Available in other Policy documents and guidelines
G4-54.	Report the ratio of the annual total compensation of the organization's highest-paid individual in each country of significant operations to the medial annual total compensation for all employees (excluding the highest-paid individual) in the same country.	NO	-
G4-55.	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the medial annual total compensation for all employees (excluding the highest-paid individual) in the same country.	NO	-
ETHICS AND INTEGRITY			
G4-56.	Description of the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	YES	Page No.4-7 (Mission, Quality Policy)
G4-57.	Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	YES	Page 7; Customer Charter, water committees etc.
G4-58.	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	YES	Page 7; and also existence also the Whistle Blowing
DISCLOSURES ON MANAGEMENT APPROACH			
G4-DMA	Report the evaluation of the management approach, including the mechanisms for evaluating the effectiveness of the management approach; results of the evaluation of the management approach and any related adjustments to the management approach.	YES	Sustainability Report Page 40
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	Page 41-Economic Sustainability .
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	YES	Statement of Financial Position,
G4-EC3	Coverage of the organization's defined benefit t plan obligations.	YES	But not reported here
G4-EC4	Financial assistance received from government.	YES	Note 17 Page 115 (Ushs.317bn)
G4-EC5	Ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	YES	Graduate Trainees paid Ushs.260,000 (which is double of the minimum wage of Ushs.130,000)
G4-EC6	Proportion of senior management hired from the local community at locations of significant operation.	YES	EMM Members on Page 36-37).
G4-EC7	Development and impact of infrastructure investments and services supported.	YES	Pages 77-103-Implementation of Capital Devp't Project
G4-EC8	Significant indirect economic impacts, including the extent of impacts.	YES	Table g Page. 53.
G4-EC9	Proportion of spending on local suppliers at significant locations of operation.	YES	Being implemented under the BUBU Policy.
ENVIRONMENTAL INDICATORS			
ENVIRONMENTAL PERFORMANCE, INCLUDING MATERIALS, ENERGY, WATER, BIODIVERSITY, EMISSIONS, EFFLUENT & WASTE, COMPLIANCE AND TRANSPORT.			
G4-EN1	Materials used by weight or volume.	YES	Chemicals, Fuel etc.

		COVERED IN THIS REPORT	PAGE REFERENCE OR COMMENT
G4-EN2	Percentage of materials used that are recycled input materials.	NO	-
G4-EN3	Energy consumption within the organization.	YES	Note 10, Page 128 (Ushs.70.1 Bn. & Ushs.624m, Note 12 Page 129.
G4-EN6	Reduction of energy consumption.	YES	Page 53; Table 9
G4-EN7	Reductions in energy requirements of products and services.	NO	Not reported here
G4-EN8	Total water withdrawal by source.	YES	Annexed 1; page 142
G4-EN8	Water sources significantly affected by withdrawal of water.	YES.	Information Not reported here.
G4-EN10	Percentage and total volume of water recycled and reused.	YES	Page 53; Table 9.
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 70-73 (Water Quality).
G4-PR5	Results of surveys measuring customer satisfaction.	YES	Customer Satisfaction survey report (77%)
END			

Office Addresses and Contacts

HEAD OFFICE

Plot 39, Jinja Road, P.O Box 7053
Kampala, Uganda
Tel: +256313315101/102
Email: info@nwsc.co.ug,
Website: <http://www.nwsc.co.ug>,
Twitter: @nwsc
Facebook: www.facebook.com/waterug
Toll Free: 0800200977, 0800300977

KAMPALA METROPOLITAN

Plot 18/20, 6th Street Industrial Area
P.O Box 70255, Kampala
Tel: +256-313-315-500/501
Email: gm@kampalawater.co.ug

KAMPALA WATER BRANCHES

CITY CENTER BRANCH

Plot 18/20, 6th Street Industrial Area
P.O Box 70255, Kampala
Tel: 0752-919001/0313-315601/2/5

MUKONO BRANCH

Jinja Road
Tel: 0313-315696/611

NATEETE BRANCH

Plot 615 Gamba Plaza, Nalukolongo
Tel: 0313-315680/682

BUNGA BRANCH

Plot 947 GABA Road-Bunga
Tel: 0313-315538/509

KYALIWAJJALA BRANCH

Along Kira Road
Tel: 0313-315594

NAKAWA BRANCH

Tel: 0313-315656

NAKULABYE BRANCH

2nd floor Mamu Supermarket
Tel: 0313-315670/1

NDEJJE BRANCH

Opposite Rainbow Junior school
Tel: 0752-919248/0717-315434

MASANAFU BRANCH

Opposite Cleanex Petrol Station.
Tel: 0752-919354/0717-316635

SEETA BRANCH

KALAHARI BUILDING
Next to Kalahari Bar and Restaurant.
Tel: 0313-315559

SALAAMA BRANCH

Salaama Road
Tel: 0313-315567

WAKISO BRANCH

Kirumira Road
Tel: 0752-919301/0715114465

URBAN PRO-POOR BRANCH

Kisenyi: 0313-315693

NANSANA BRANCH

Hoima Road
Tel: 0313-315690/2

KANSANGA (NSAMBYA) BRANCH

GABA road- Kabalagala
Tel: 0313-315610/1/2

KIREKA BRANCH

Wabyona Plaza ground floor.
Tel: 0313-315669/518

KASANGATI BRANCH

Gayaza road Kasangati trading center
Tel: 0313-315635

NTINDA BRANCH

Kigobe Rd-Bangkok Road Junction.
Tel: 0414-315650/2

MATUGGA BRANCH

Bombo - Gulu highway
Tel: 0313-315652

KYENGERA BRANCH

Kyengera Masaka highway
Tel: 0313-315583

KANYANYA BRANCH

Block 207, Plot 2549
Tel: 0313-315651/657

NAJJANANKUMBI

Entebbe road Plot No 668
Tel: 0313-315630/1

BULENGA BRANCH

Bulenga Trading Centre
Tel: 0752-919802/0772403662

BWAISE BRANCH

Bombo road,
Tel: 0313-315640/2/6

LUZIRA BRANCH

Near UMEME Office
Tel: 0313-315660/2

KAKIRI BRANCH

Tel: 0752-919218/0717-314144

CENTRAL REGION

JINJA AREA

Plot 7 Bell Avenue Jinja
Tel: 043-121150/122052

JINJA TOWN CENTER

Plot 7 bell avenue Jinja
P.O Box: 301, Jinja
0751-127013

NJERU BRANCH

Mbiko town
Tel: 0751-124958

BUGEMBE/KAGOMA BRANCH

Opposite Bugembe stadium
Tel: 0751-122590

BUWENGU BRANCH

Tel: 0751-122673

NAMULESA BRANCH

Tel: 0772-540906

KAGOMA BRANCH

Tel: 0751-117898

ENTEBBE AREA

Plot 19/20 Kampala road
P.O Box 79, Entebbe
Tel: 0414-321692/320706

KAWUKU BRANCH

Tel: 0751-121346/0717-315065

KAJJANSI BRANCH

Tel: 0414-200351/07511122036

ABAITA BRANCH

Tel: 0751-114927/0717-315744

MASAKA AREA

Plot 29/31 Victoria Road
P.O Box 56, Masaka
Tel: 0481 420561

BUKAKATA BRANCH

Tel: 0752919671

KALUNGU BRANCH

Kalungu Road
P.O Box:56, Masaka
Tel: 0751-119156

Office Addresses and Contacts continued ►

LUKAYA BRANCH
P. O Box 56, Masaka
0752-919436

MPUGWE BRANCH
P.O Box 56, Masaka
Tel: 0751129831

SUNGA BRANCH
Tel: 0751-120409

IGANGA AREA
P. O Box 94, Iganga Town
Tel: 0434-120531/120285

BUSEMBATYA BRANCH
P.O Box 94, Iganga Town
Tel: 0751-117424

LUKKA BRANCH
P.O Box 94, Iganga Town
Tel: 0752-916560

MAYUGE BRANCH
Kaguta Road
P.O Box 94 Iganga Town
Tel: 0751-115654/0717-316856

KALIRO BRANCH
Plot 1 Kadama Road
P.O Box 94 Iganga
Tel: 0751-111550

BUGIRI BRANCH
P.O Box 94, Iganga
Tel: 0751-125137/0717-316956

BUWUNI BRANCH
Tel: 0751117127

BWEYALE / KIRYADONGO AREA
P.O Box 92, Bweyale
Tel: 0392-002364

KIRYANDONGO BRANCH
Tel: 0392-002364

LUWERO AREA
Plot 2 Kiwoko road
P.O Box 06, Luwero
Tel: 0717-315332/0751-117970

BOMBO OFFICE
Tel: 0751-130217/0717-316886

WOBULENZI BRANCH
Plot 4 street. Sikanusu road
Tel: 0717-315275/0751-130208

ZIROBWE BRANCH
Tel: 0751-128045/0717-315404

SEMUTO BRANCH
Tel: 0751-114446

NAKASEKE BRANCH
Tel: 0751-120392/0717-315866

KAPEEKA BRANCH
Tel: 0751-117970

NAKASONGOLA BRANCH
Tel: 0751-117970

MUBENDE AREA
Kiwalabye road
P. O Box 348, Mubende
Tel: 0464-44986, 0751-128839

KIGANDA BRANCH
Tel: 0752-919219/0717-316598

LUGAZI AREA
Plot 44 Mubarak Saidi Road,
P.O. Box: 296, Lugazi
Tel: 0751-113798/0717-315403

NKOKONJERU BRANCH
P.O. Box: 296, Lugazi
Tel: 0751-113892

BUIKWE BRANCH
Tel: 0751-113819

MITYANA AREA
P.O Box 458, Mityana
Tel: 0751-128518/0877717148

KYOTERA AREA
P. O Box: 56, Masaka
Tel: 0751110421

SSANJE BRANCH
P. O Box 56, Masaka
Tel: 0751-110421

MUTUKULA BRANCH
P. O Box 56, Masaka
Tel: 0751-110421

KAKUUTO BRANCH
P. O Box 56, Masaka
Tel: 0751-110421

KALISIZO BRANCH
Opposite Kalisizo Town Council
P. O Box 56, Masaka
Tel: 0752-916902/0717-314160

RAKAI BRANCH
P. O Box 56, Masaka
Tel: 0751-110421

KIGUMBA AREA
Mpumwe Road
P. O Box 132 Kigumba
Tel: 0751-114837/0717-315954

MPIGI AREA
P. O Box 273 Mpigi
Tel: 0751-111563

BUWAMA/KAYABWE
Tel: 0751 110746

GOMBE BRANCH
Tel: 0751-111563

KAMULI BRANCH
P. O Box: 215, Kamuli
Tel: 0751-117132/0714-019303
Tel: 0752-919435

MBULAMUTI BRANCH
P.O Box 215 Kamuli
Tel: 0751117139

SEMBABULE AREA
P.O Box 56, Masaka
Tel: 0751-111791

MATEETE BRANCH
Tel: 0752-919385

NTUSI BRANCH
Tel: 0751-111791

NORTHERN & EASTERN REGION

ARUA AREA
Plot 14 Avenue Road, Arua Town
P. O Box 980, Arua
Tel: 0392-672979/0751123925

WANDI / OMUGO BRANCH
Tel: 0751-119567

TORORO AREA
Plot 44/48 Uhuru Drive
P. O Box 889, Tororo
Tel: 0454-661-180,
0454-445/0751121354/0717315747

TORORO GRAVITY SCHEME
Tel: 0717-316319/0751-120658

MALABA BRANCH
Chegereni Road
Tel: 0751123849

Office Addresses and Contacts continued ►

MANAFWA - BUBUTO BRANCH

Tel: 0787-171102

MANAFWA - LWAKHAKHA BRANCH

Tel: 0779-201610

NAGONGERA BRANCH

Busolwe Road
Tel: 0751-119656

KWAPA BRANCH

Tel: 0787-877938

BUSIA BRANCH

P. O Box 264, Busia
Tel: 0717-316951/0752-916522

LIRA AREA

Plot 10-12 Maruzi road,
P.O Box: 243, Lira
Tel: 0392-176082/0751-115861

DOKOLO BRANCH

P. O Box: 243, Lira
Tel: 0752-919704

AMACH BRANCH

Tel: 0751-129847 / 0783-200706

NEBBI AREA

Plot 3 Omaki Road
P.O Box 282, Nebbi
Tel: 0751-128229/0717-315681

PAIDHA BRANCH

Nebbi Road, Paidha Town
P.O Box: 80, Paidha
Tel: 0751-120959

PACHWACH BRANCH

Tel: 0751-128454

NYAPEA BRANCH

Tel: 0751-113798

SOROTI AREA

Plot 4 Engwau Rd
P.O Box 377, Soroti
Tel: 0454-461968/61306

SERERE BRANCH

P.O Box 377, Soroti
Tel: 0751115808

OTUBOI BRANCH

Tel: 0751-115798

AMURIA BRANCH

Tel: 0751-115795/0717-317133

KALAKI BRANCH

Tel: 0751-115798

ATIRIRI BRANCH

Tel: 0751-115798

KABERAMAIDO BRANCH

Tel: 0751-115795

MBALE AREA

Plot 1 Works Road
P.O Box 2548, Mbale
Tel: 0454 433742/0751122591

SIRONKO BRANCH

P.O Box 2548, Mbale
Tel: 0751-114259

BUDADIRI BRANCH

P.O Box 2548, Mbale
Tel: 0751-121010/0717-315143

KACHUMBALA BRANCH

P.O Box:2548, Mbale
Tel: 0752-919182

BUKEDEA BRANCH

P.O Box 2548, Mbale
Tel: 0751-114635

NKOMA BRANCH

Tel: 0751-111550/0717-315508

BUGEMA BRANCH

Tel: 0751-111665

BUTEBO BRANCH

Tel: 0751-111789

GULU AREA

Plot 25, Gulu Avenue
P.O Box 167, Gulu
Tel: 0471-432381/0751119522

UNYAMA BRANCH

Tel: 0751128445

ANAKA BRANCH

P.O Box 167, Gulu
Tel: 0751-118990

APAC / ADUKU AREA

P.O Box 112, Apac
Tel: 0751-115745

ADUKU BRANCH

Tel: 0392-000876

IBUJE BRANCH

Tel: 0392-001050/ 0751-118856

KITGUM AREA

P.O Box 212, Kitgum
Tel: 0751-113812

MOROTO AREA

Plot 33, Circular Road
P.O Box 49, Moroto
Tel: 0751-111856/0717-315842

KANGOLE/MATANY BRANCH

Tel: 0751-115710/0717-314068

ADJUMANI AREA

P.O Box 3, Adjumani
Tel: 0751-114851

KAPCHORWA AREA

Tel: 0752-916543/0715-989252

SIPI BRANCH

Tel: 0775-044999

PADER AREA

P.O Box 8 Pader
Tel: 0773-228271

PAJULE BRANCH

P.O Box 8
Tel: 0751-117866

PATONGO BRANCH

Moroto road
Tel: 0751-117828

KALONGO BRANCH

Tel: 0783-452107

KUMI AREA

Kumi Municipality,
Wiggins Rd
Tel: 0752919746/0701077318

PALLISA BRANCH

Katukei Street, Kumi
Tel: 0717-317116

NGORA BRANCH

Tel: 0752919746 / 0701077318

KOTIDO AREA

Losillang Road
P.O Box 81 Kotido
Tel: 0752-916590

KABONG BRANCH

Tel: 0752-916937

Office Addresses and Contacts continued ►

MOYO AREA

Plot 18 Kerelu Crescent
P.O Box 27 Moyo
Tel: 0751-123660

KOBOKO AREA

Koboko Highway
P.O Box 102 Koboko
Tel: 0779-393121

YUMBE BRANCH

Moyo Road
P.O Box 59 Yumbe
Tel: 0776500858

WESTERN & SOUTHWESTERN REGION

MBARARA AREA

Plot 3 Galt road
P.O Box 1371, Mbarara
Tel: 0485-421547/0751121172

MBARARA TOWN CENTRE

Tel: 0751-124758/0717-315425

BIHARWE BRANCH

Tel: 0751-122758/0717-316490

KABEREBERE BRANCH

Tel: 0752-916538/0717-316688

RUBINDI BRANCH

Tel: 0751-117473

KINONI BRANCH

Tel: 0751-117473

NYEIHANGA BRANCH

Tel: 0751-122591

KASHAKA BRANCH

Tel: 0751-110472

BUSHENYI AREA

Plot 3 Tank Hill, Bushenyi Municipality
P.O Box 339, Bushenyi
Tel: 0485-42339

KATERERA BRANCH

P.O Box 339, Bushenyi
Tel: 0751-120826

KITAGATA BRANCH

P.O Box 339, Bushenyi
Tel: 0751-120372

KYABUGIMBI BRANCH

P.O Box 339, Bushenyi
Tel: 0751-127227

MITOOMA BRANCH

P.O Box 339, Bushenyi
Tel: 0751-126961

RUTOOKYE BRANCH

P.O Box 339, Bushenyi
Tel: 0703-014642

KASHENSHERO BRANCH

P.O Box 339, Bushenyi
Tel: 0751-126863

RUBIRIZI BRANCH

P.O Box 339, Bushenyi
Tel: 0751-113979/0717-315474

KABIRA BRANCH

P.O Box 339, Bushenyi
Tel: 0751-126929

BUGONGI BRANCH

P.O Box 339, Bushenyi
Tel: 0751-127121/0717-315474

KABWOHE BRANCH

P.O Box 15, Kabwohe/ Itendero
Tel: 0752-919266/0717-316551

ISHAKA BRANCH

P.O.BOX 339 BUSHENYI
Tel: 0751127049

RYERU BRANCH

Tel: 0751-127049

MAGAMBO BRANCH

Tel: 0751-127049

BUHWEJU-NSIIKA BRANCH

Tel: 0752-917085

KASESE AREA

Plot 1 Rukidi Street
P.O Box 356, Kasese
Tel: 0392-548282/0751114643

HIMA BRANCH

Tel: 0751-114807

BUGOYE BRANCH

Tel: 0751-114643

NYAKIGUMBA BRANCH

Tel: 0751-110665

BWERA/MPONDWE

Tel: 0752-919472

KATWE-KABATOORO BRANCH

Tel: 0703-904450

FORT PORTAL AREA

P.O Box 805, Fort Portal
Tel: 0483-427793,
0392-548331/0751110665

KIBITO/RUBONA

Tel: 0751-127282

KICHWAMBA BRANCH

Tel: 0751-127049

KICUCU BRANCH

Tel: 0751-110665

KASUNGANYANJA BRANCH

Tel: 0751-110665

RUGENDABARA BRANCH

Tel: 0751-114643

KATEBWA BRANCH

Tel: 0751-110665

KABALE BRANCH-KABALORE

Tel: 0751110665

RUBOONA BRANCH

Tel: 0751-110665

KYENJOJO BRANCH

Tel: 0752929340 / 0751119525

MASINDI AREA

Plot 29/31, Masindi Port Road.
P.O Box 545, Tel: 0465-20607/0751127787

HOIMA AREA

Plot 12, Kampala Road.
P.O Box 275, Hoima
Tel: 0465-40686

KYAMUKUBI BRANCH

Tel: 0751110665

KABALE AREA

P.O Box 627, Kabale
Tel: 0486-3153380/381/0751118541

MUHANGA BRANCH

Tel 0751-120762

KISORO AREA

P.O Box 273, Kisoro
Tel: 0717-315445

Office Addresses and Contacts continued ►

RUKUNGIRI AREA

P.O Box 29, Rukungiri
Tel: 0751-117079/0705380700

KEBISONI BRANCH

Ntungamo road
Tel: 0751-115474

BUYANJA BRANCH

Ntungamo road
Tel: 0751-111838

RWERERE BRANCH

Kanungu road
Tel: 0774-020163

NYAKAGYEME BRANCH

Ntungamo road
Tel: 0751111177

KYANGYENYI BRANCH

Tel: 0751122784

KANUNGU AREA

P.O Box 26, Kanungu
Tel: 0751-120660/0717-314113

KIHIHI BRANCH

Amama road
P.O Box 26 Kanungu
0751-110717

KAMBUGA BRANCH

Rukungiri road opp Kambuga Hospital
Tel: 0751-110637

KANYAMPANGA BRANCH

Tel: 0751-120660

KANYANTOROGO BRANCH

Butogota road
Tel: 0751-110567

KATEETE BRANCH

Rugando road
Tel: 0751-110640

NYAMIRAMA BRANCH

Kihihi road
Tel: 0751-110580

BUTOGOTA BRANCH

Tel: 0751-110760

IBANDA AREA

P.O Box 307, Ibanda
Tel: 0752-916543

RWENKOBWA BRANCH

Tel: 0752-916543

LYANTONDE AREA

Plot 47 Block 78 Kabula
P.O Box 33, Lyantonde
Tel: 0752-919140

KALIRO BRANCH

Tel: 0773-007584

KAMWENGE AREA

P.O Box 1546, Kamwenge
Tel: 0751-123844

ISHONGORO BRANCH

Tel: 0751-117740

KABUNGA BRANCH

Tel: 0785-010058

KAHUNYE BRANCH

Tel: 0751-117606

NTUNGAMO AREA

P.O Box 384 Ntungamo
Tel: 0751-120027/0717-315616

RUBAARE BRANCH

Tel: 0751-116676 / 0717-315398

RWASHAMAIRE-KAGARAMA

Tel: 0751-115989

RWENTOBO BRANCH

Kabale road
Tel: 0751-115989

KAGARAMA BRANCH

Rukungiri Road
P O BOX 384 Ntungamo
Tel: 0200907595

KYAMPENE –RUGARAMA

Tel: 0751-116676

RUHAAMA AREA

P.O Box 70, Ruhaama - Ntungamo
Tel: 0752-919301

KITWE BRANCH

Tel: 0751-118978/0717-316607

KIKAGATE BRANCH

Tel: 0751-118978

MIRAMA HILLS BRANCH

Tel: 0751-118978

RUSHERE AREA

P.O Box 03 Rushere
Tel: 0751-123311

KIRUHURA BRANCH

Tel: 0704-333724

KAZO BRANCH

Tel: 0703-904483

SANGA BRANCH

Tel: 0772-963328

LWENGO AREA

Tel: 0752-916859

KINONI-MASAKA BRANCH

Tel: 0752-916859

KYAZANGA BRANCH

Tel: 0752-9168

NWSC Bankers

Centenary Bank

Plot 44 Mapeera House Kampala Road
P.O Box 1892
Kampala

Stanbic Bank

Umoja House Nakasero
P.O Box 7131
Kampala

Standard Chartered Bank

Plot 5 Speak Road
P.O Box 7111
Kampala

Equity Bank

Plot 390 Muteesa 1 Road Katwe
P.O Box 10184
Kampala

Bank of Africa

Plot 45 Jinja Road
P.O Box 2750
Kampala

DFCU Bank

Plot 26 Kyadondo Road
P.O Box 70
Kampala

Citi Bank

Centre Court 4 Ternan Avenue
P.O Box 7505
Kampala

Bank of Baroda

Plot 18 Kampala Road
P.O Box 7197
Kampala

Barclays Bank

Plot 2 Hannington Road
P.O Box 7101
Kampala

Post Bank

Plot 4/6 Nkrumah Road
P.O Box 7189
Kampala

Finance Trust Bank

Plot 4 Katwe Road
P.O Box 3290
Kampala

KCB Bank

Plot 7 Commercial Plaza
P.O Box 7399 Kampala

Cairo International Bank

Plot 30 Kampala Road
P.O Box 7052
Kampala

United Bank of Africa

Spear House Plot 22 Jinja Road
P.O Box 7396 Kampala

Guaranty Trust Bank

Plot 56 Kira Road
P.O Box 7323
Kampala

Diamond Trust Bank

Plot 17/19 Diamond Trust Building
Kampala Road
P.O Box 7155
Kampala

Tropical Bank

Amis Kintu Plot 27 Kampala Road
P.O Box 9485/7292
Kampala

Eco Bank

Plot 4 Parliament Avenue
P.O Box 7368
Kampala

Orient Bank

Plot 16/18 Nyonyi Gardens Kololo
P.O Box 3072
Kampala

NC Bank

Plot 4/6 Rwenzori Towers Nakasero
P.O Box 28707
Kampala

Bank of Uganda

Plot 37/45 Kampala Road
P.O Box 7120
Kampala

Housing Finance Bank

Plot 25 Kampala Road
P.O Box 1539
Kampala

NWSC Lawyers

K & K Advocates

Plot 67, Lugogo By Pass
P.O. Box 6061
Kampala

Katende, Ssempebwa & Co. Advocates

Plot 20, Kampala Road
P.O. Box 2344
Kampala

MMAKS Advocates

Plot 17/19, Jinja Road
P.O. Box 7166
Kampala

Birungyi Barata & Associates

Plot 14, Acher Road, Kololo
P.O. Box 12141
Kampala

Kampala Associated Advocates

Plot 41, Nakasero Road
P.O. Box 9566
Kampala

Kaddu & Partners Advocates

Plot 90/92, Kanjokya Street, Kamwokya
P.O. Box 11034
Kampala

Karuhanga Tabaro & Associates

Esami House Plot 52, Bombo Road
P.O. Box 37366
Kampala

Turyakira & Company Advocates

Plot 13-15, Kimathi Ave
P.O. Box 23811
Kampala

Arcadia Advocates

Plot 6, Acacia Avenue
P.O. Box 28987
Kampala

Tamale & Co. Advocates

Plot 23-27, Prime Plaza
P.O. Box 34585
Kampala

Shonubi Musoke & Co.

Plot 14, Hannington Road
P.O. Box 3213
Kampala

J.S Mayanja Nkangi & Co. Advocates

Plot 32, Jinja Road
P.O. Box 1604
Kampala

REM Advocates

Plot 43, Nkrumah Road
P.O. Box 35949
Kampala

Ensafrica Advocates

Plot 6, Nakasero Road
P.O. Box 24665
Kampala

Kibeedi & Co. Advocates

Plot 2, Bombo Road
P.O. Box 5780
Kampala

Ligomarc Advocates

Social Security House, Jinja Road
P.O. Box 8230
Kampala

Osinde Sentomero, Himbaza Advocates

Plot 30, Kampala Road
P.O. Box 27289
Kampala

BNB Advocates

Plot 6/8, Nakasero Lane
P.O. Box 12386
Kampala

Impala Legal Advocates & Consultants

Plot 6, Kanjokya Street
P.O. Box 34651
Kampala

Kentaro Mugerwa & Advocates

Plot 13, Buganda Road
P.O. Box 1176
Kampala

Madaba & Associates Advocates

Plot 47 Nkokonjeru, Mbale
P.O. Box 172
Mbale





National Water & Sewerage Corporation
3 Nakasero, P. O. Box 7053 Kampala - UGANDA
Tel: +256 313 315 101/102
Email: info@nwsc.co.ug
www.nwsc.co.ug

Doc Ref. No.: [HQ/DMD-F&CS/CS&IF/GR/00X](#)