



**Ministry of Water and Environment**  
**Joint Sector Review 2018**  
**NWSC Performance Overview**



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**Munyonyo, Uganda**

# NWSC STRATEGIC MANDATE

**VISION:** To be the leading Customer – Service Oriented Utility in the World

**MISSION:** *To Sustainably and Equitably provide Cost Effective, Quality Water and Sewerage Services to the Delight of All Stakeholders, while Conserving the Environment*

**Core Values: (PRIITER)**

**Professionalism, Reliability, Integrity, Innovation, Teamwork, Excellence and Result Oriented**

**BROAD AREAS OF FOCUS:**

- Service Reliability and Expansion
- Financial Growth and Sustainability
- Customer and Stakeholder Delight
- Learning and Growth

**NWSC Performance Drivers:**

- Five Year Strategic Direction
- Corporate Plan
- GoU Performance Contract
- Budget
- Area Business plans
- Annual Action Plans (Business streams, Directorates and Departments)
- Individual Performance Agreements (IPAs)

# Key Achievements during FY 2017/18 Vs FY 2016/17

1. Growth in geographical coverage from 218 to 237 towns
2. Growth in the customer base by 50,341 connections, bringing the total number of subscribers to 587,863.
3. Pro Poor Interventions: The number of new Public Stand Posts (PSPs) installed increased from 1,164 to 2,065 PSPs covering 2,123 villages.
4. Increased the total water network length by 2,021 Km
5. Expanded the Sewer network length by 24 Km
6. Volume of Water Produced increased from 121 million m<sup>3</sup> to 126 million m<sup>3</sup>
7. Annual Turnover increased from Ushs 321 billion to Ushs 388 billion.
8. Operating Profit Before Depreciation grew from Ushs 70 billion to Ushs 94 billion and profit after depreciation was Ushs 61 billion
9. Average Monthly Billings grew from Ushs 29 to Ushs 33 billion
10. Average Monthly Collections grew from Ushs 27 to Ushs 32 billion.

# Performance Trends 2012 to 2018

		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 (Target)	2017/18 (Actual )	%Perf.
1	Number of NWSC towns	28	66	110	170	218	238	237	99.6%
2	Service Coverage (%)	78	77	76	78.2	78.86	78	74.3	95.3%
3	New Connections per year	21,637	28,068	33982	38,821	43,241	50,500	50,341	99.7%
4	New Public Stand Posts	95	921	924	1,129	1,164	6,200	3,304	53.3%
5	Total Connections	317,292	368,313	417,938	472,193	529,402	585,744	587,863	100.4%
6	Meter Coverage (%)	99.9	99.5	99.9	99.5	99.6	100	99.6	99.6%
7	Water Mains Extensions per year(km)	85.8	470.3	1448	888.6	910.566	2546	2021.41	79.4%
8	Sewer Mains Extensions per year	1.7	16.8	38.2	23.7	26.14	30	24.02	80.1%
9	Water Production (m3 millions)	87.3	94	99.6	106	120.59	134.5	126.29	93.9%

**PSPs:** *The low performance is attributed to priority being given to upgrading of the production and supply infrastructure in the 1<sup>st</sup> year of SCAP100. Intensification of PSP installation will be in yr 2 and yr 3.*

**Sewer Extensions:** *The performance excludes 23 kms of mains extensions made under the WMDP Project-Arua.*

# Performance Trends 2012 to 2018 (2)

#	KPI	2012/13	2013/14	2014/15	2015/16	2016/17	2017/2018 (Target)	2017/18 (Actual)	%Perf.
10	Non-Revenue Water (%)	33.6	33.7	31.2	28	31.3	27	30.9	87%
11	Staff per 1,000 Connections	6	5	6	6	6	6	6	100%
12	Monthly Billings (UGX bn)	15.3	16.3	18.8	24.4	28.9	36.5	32.5	89%
13	Monthly Collections (UGX bn)	11.6	12.8	19.7	23.7	26.9	36.6	32.1	88%
14	Collections Efficiency (%)	96	96	105	97.2	93	98	99	101%
15	Annual Turnover UGX (billions)	170.4	183.4	211.8	276.02	320.96	390	387.8	99%
16	Profit before depreciation (ploughed back for extensions)	39.82	31.9	33.5	60.2	70.03	112.06	93.97	84%
17	Profit After depreciation	20.23	10.12	9.67	34.01	38.98	77.27	60.59	78%

# Performance Against PC5 Targets

	INDICATOR	2017/18 PERFORMANCE	TARGET	%PERF.
1	Non-Revenue Water-Kampala Water	36.20%	31.00%	86%
2	Non-Revenue Water-Central Region	21.70%	32.00%	147%
3	Non-Revenue Water- Northern & Eastern Region	19.30%	21.00%	109%
4	Non-Revenue Water-Western & South Western Region	23.90%	20.00%	84%
5	System Input Meter Coverage	70%	70%	100%
6	New Water Connections	50,341	28,000	180%
7	New Sewerage Connections	272	250	109%
8	Capital Works implemented	132%	80.00%	165%
9	Water Sales (Million m <sup>3</sup> )	82.98	68.1	122%

- ✓ **New Water Connections and Capital works Implemented:** High performance attributed to aggressive implementation of SCAP 100.
- ✓ **Water Sales:** High performance attributed to rapid growth in mains extensions and upgrade of water production and supply infrastructure especially in the newly taken over towns.
- ✓ **Sewer Connections:** These exclude the 170 Sewer connections made under WMDP project-Arua

# Performance Against PC5 Targets (2)

INDICATOR	2017/18 PERFORMANCE	TARGET	%PERF.
10 Collection/Billing Ratio	99%	95%	104%
11 Receivable Collection Days (Average Days Receivables)	87	75	86%
12 Return on Capital Employed	6%	1%	600%
13 Working Ratio (Operating Cost/Revenue)	83%	85%	102%
14 Water Quality	98%	98%	100%
15 Effluent/Sewerage Discharge Compliance	49%	50%	98%
16 Pro- Poor Connections	3,304	500	661%
17 Audit Recommendations Implemented	86%	80%	108%
18 Customer Satisfaction Index	85%	70%	121%

- ✓ **High Customer Satisfaction Index:** *Increased Outreach to Customers through water supply stabilization and reliability, as well as increased customer care.*
- ✓ **Return on Capital Employed:** *Cost Optimization measures that have led to the increase in profits.*

# Summary of Financial Performance (Ushs m.)

Source	Actual	Budget	% Performance
Revenue	387,792	401,471	97%
Operating Expenditure	293,805	289,413	98.5%
Operating Profit Before Depreciation	93,967	112,058	83.9%
Profit Before Finance costs and Tax	60,59	77,273	78.9%
<b>CAPITAL PROJECTS:</b>			
<b>NWSC Contribution to Projects:</b>			
- SCAP100	43,134	41,000	105.2%
- Contribution to Donor Funded Projects	6,299	26,100	24.1%***
<b>Government of Uganda (GOU) Funding</b>	67,771	45,436	149.2%***
<b>Donor Contribution</b>	177,298	396,458	44.7%
<b>TOTAL PROJECT BUDGET PERFORMANCE</b>	<b>294,502</b>	<b>508,994</b>	<b>57.9%</b>

Note:\*\*\*\*\*

- ✓ *The Performance in GoU funding of 149% is attributed to a supplementary budget of Ushs 50 billion towards KSP which was released to clear part of the outstanding invoices.*
- ✓ *An additional supplementary loan financing from AfDB of Euros 22.7 million towards KSP was approved by Cabinet and Parliament.*
- ✓ *The Low Performance in contribution to Donor Funded Projects is attributed to delayed takeoff.*



# Project Implementation Highlights-SCAP 100

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- ❑ **SCAP 100 project aims at ensuring universal and equitable access to safe water under NWSC jurisdiction by the year 2020**
- ❑ **Entails extension of at least 8,000 km of water mains, installation of 20,000 Public Taps (PSPs) and 140,000 new connections to cover 12,000 villages, with at least 2 PSPs per village within 3-years.**
- ❑ **Scope of activities include;**
  - ❖ **Construction of water reservoirs, booster stations and other mini projects to augment water production and supply**
  - ❖ **Construction of distribution mains**
  - ❖ **Development of alternative water sources especially production wells**
  - ❖ **Intensification of the existing secondary and tertiary water networks**
  - ❖ **Land acquisition for new infrastructure.**

# Project Implementation Highlights-SCAP 100 (2)

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- ❑ In the FY 2017/18, Corporation set out to extend **2,500 Km** of water mains, install **6,200 Public Stand Pipes**, connect **55,370 new consumers** and reach out to **3,032 villages** by **June 2018**.
- ❑ The total financing commitment for the period 2017-2020 is **UGX 213 billion** ( **UGX 71 billion pa**), of which **58% (UGX 41 billion)** is by **NWSC** and **42% (UGX 30 billion)** is by **GOU**.
- ❑ During the FY 2017/18, GOU released **UGX 22.5 Bn** out of **UGX 30 bn** commitment and NWSC allocated **UGX 43.9 bn** against a target of **UGX 41 BN**

# Project Implementation Highlights-SCAP 100 (3)

REGIONS	LENGTH/PIPES		VILLAGES		PSPs		No. of New Connections
	Annual Target (km)	Implemented (km)	Annual Target (No.)	Villages covered (No.)	Constructed	Connected	
West & South West	779	358.06	1,383	706	1,064	883	9,096
Northern & Eastern	702	429.78	799	707	1,173	632	6,215
Central Region	720	417.93	758	517	975	460	9,883
Kampala Water	338	815.64	92	193	92	90	25,147
TOTAL	<b>2,539</b>	<b>2021.41</b>	<b>3,032</b>	<b>2,123</b>	<b>3,304</b>	<b>2,065</b>	<b>50,341</b>

# Project Implementation Highlights-Other Capital Projects

	Project	Remarks
1	<b>Lake Victoria Protection Project Stage 2</b>	
	<ul style="list-style-type: none"> <li>Nakivubo Waste Water Treatment Plant</li> </ul>	<ul style="list-style-type: none"> <li><b>98%</b> Complete</li> </ul>
	<ul style="list-style-type: none"> <li>Nakivubo and Kinawataka sewer project</li> </ul>	<ul style="list-style-type: none"> <li><b>30.1 Km</b> of Sewer mains laid</li> <li><b>91%</b> Complete</li> </ul>
	<ul style="list-style-type: none"> <li>Kinawataka pretreatment and pumping station</li> </ul>	<ul style="list-style-type: none"> <li>Overall project progress is <b>70%</b></li> </ul>
2	<b>Kampala Lake Victoria WatSan Project</b>	
	<ul style="list-style-type: none"> <li>Rehabilitation of Gaba1&amp;II treatment plants and transmission main to Namasuba</li> </ul>	<ul style="list-style-type: none"> <li>Completed</li> </ul>
	<ul style="list-style-type: none"> <li>New Water treatment plant in Kampala East</li> </ul>	<ul style="list-style-type: none"> <li>Contracts were signed and the works have commenced.</li> </ul>
	<ul style="list-style-type: none"> <li>Water and sanitation in informal settlements ( Nalukolongo faecal sludge treatment plant and 320 toilet stances</li> </ul>	<ul style="list-style-type: none"> <li>The works will commence in June 2019</li> </ul>
	<ul style="list-style-type: none"> <li>Katosi – Kampala Drinking Water Transmission main (Package 4B)</li> </ul>	<ul style="list-style-type: none"> <li>Namugongo booster is at <b>50%</b> completion.</li> <li>The delivery of 1<sup>st</sup> batch of pipes is expected in October 2018</li> <li>Compensation of PAPs is ongoing.</li> </ul>

# Project Implementation Highlights-Other Capital Projects(2)

	Project	Remarks
4	<b>Water Management Development Project</b>	
	Arua	<ul style="list-style-type: none"> <li>Major works are completed and operational</li> <li><b>170</b> sewer connections have been connected and <b>105</b> more applications received.</li> <li><b>23 Km</b> of sewer mains have been laid.</li> </ul>
	Bushenyi	<ul style="list-style-type: none"> <li>Project was completed and is performing well</li> </ul>
	Gulu	<ul style="list-style-type: none"> <li>Overall work progress is 30%.</li> </ul>
5	<b>Integrated WMDP</b>	
	Mbale,	<ul style="list-style-type: none"> <li>Request for expression of interest will be published next quarter</li> </ul>
	Adjumani	<ul style="list-style-type: none"> <li>Evaluation was done, and contract negotiations held</li> <li>Contract signature not yet achieved</li> </ul>
6	<b>Package Sewage Treatment Plants for Fort Portal &amp; Kisoro Towns</b>	<ul style="list-style-type: none"> <li>Kisoro plant was completed and is currently under operations</li> <li>Items for Fort Portal Plant delivered to site</li> <li>Assembly, installation and operationalization of Fort Portal Plant for next quarter</li> </ul>

# Project Implementation Highlights-Other Capital Projects (3)

	Project	Remarks
7	<b>Kapeeka Water Supply Project</b>	<ul style="list-style-type: none"> <li>▪ Project was completed and awaiting political commissioning.</li> </ul>
8	<b>Integrated Program to improve Living conditions in Gulu – Phase II Nile option</b>	<ul style="list-style-type: none"> <li>▪ Detailed design of all water supply infrastructure is being carried out.</li> <li>▪ Geotechnical investigations have been completed.</li> </ul>
9	<b>Development of Water and Sanitation Infrastructure for the Isingiro, Mbarara-Masaka Areas-South Western Cluster</b>	<ul style="list-style-type: none"> <li>▪ Detailed design for the River Nile intake, Water Treatment Plant, transmission mains and Reservoirs is in advanced stages</li> </ul>
10	<b>Masindi Water Production Improvement – Phase 1</b>	<ul style="list-style-type: none"> <li>▪ Project completed and working well.</li> </ul>
11	<b>Technical Implementation Consultant (TIC) under Water and Sanitation in Informal Settlements (Package 5B)</b>	<ul style="list-style-type: none"> <li>▪ Detailed designs approved, review of tender documents is being finalized</li> <li>▪ Environmental and Social Impact Assessment (ESIA) report submitted to NEMA, clearance is still awaited.</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Water and sanitation in informal settlements Nalukolongo fecal sludge treatment plant and 320 toilet stances</li> </ul>	<ul style="list-style-type: none"> <li>▪ Consultancy contract signed and works to be completed in June 2019</li> </ul>

# Key Challenges

- ✓ **Non-Revenue Water (NRW);** Currently at **30.9** due to illegal use, damages due to road works and old infrastructure.
- ✓ **Government budget for utilities does not match with the actual GoU bills leading to a accumulation of arrears.**
- ✓ **Climate change and variability affecting reliability of water sources.**
- ✓ **Inadequate infrastructure that cannot cope with the population growth/urbanization growth rate.**
- ✓ **Inadequate Investment/Infrastructure Financing especially GoU counterparts funds for projects**
- ✓ **Inadequate physical planning leading to high costs for securing project sites and wayleaves.**
- ✓ **Prolonged approvals by 3<sup>rd</sup> party authorities and agencies.**
- ✓ **Un-regulated human activities in water catchment areas.**

# Way Forward

## ➤ **Non – Revenue Water (NRW):**

- ✓ Put in place systems, programs and Implement priority investments.

## ➤ **Accumulation of Government Arrears:**

- ✓ Continuously engage Government to ensure adequate budgeting and timely release of funds.

## ➤ **Climate Change and Variability**

- ✓ Partnership with other stakeholders in implementation of mitigation measures.

## ➤ **Inadequate Infrastructure:**

- ✓ Prioritizing Infrastructure growth through the various development programs of NWSC
- ✓ Fast tracking the implementation of the ongoing projects
- ✓ Improve on investment efficiency

## ➤ **Inadequate Investment / Infrastructure Financing**

- ✓ Pursue alternative financing options and advocate for more allocation for G.o.U counterpart funding.



# Way Forward (2)

- **Physical Planning;**
  - ✓ Maintaining close collaboration with planning authorities right from project inception.
- **Approvals by 3<sup>rd</sup> Party authorities and agencies;**
  - ✓ Continuous pro-active engagement .
- **Source protection;**
  - ✓ Implementation of source protection plans.
  - ✓ Collaboration with key stakeholders.



## Conclusion

- ✓ **NWSC has made significant achievements in the fulfilment of its mandate.**
- ✓ **The Corporation has put in measures to address challenges faced during implementation.**
- ✓ **NWSC remains committed to fulfilling its mandate in collaboration with all stakeholders.**

Thank  
you!

