



**Ministry of Water and Environment
Joint Sector Review 2017**

NWSC Performance Overview



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Kampala, Uganda

NWSC STRATEGIC MANDATE

VISION: To be the leading Customer - Centered Water 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, Excellency and Result Oriented

BROAD FOCUS:

- SMART Systems, Business Continuity and Infrastructure Growth
- Financial Growth and Sustainability
- Customer and Stakeholder Delight
- Productivity and Capacity Development

NWSC Performance Drivers:

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



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STRATEGIC OBJECTIVES: 5-YEAR STRATEGIC DIRECTION 2016-2021

1. Service Coverage of 100% by 2021
2. Geographical coverage of at least 200 towns by 2021
3. Capital Investment Efficiency: Least unit cost investment
4. Environment Protection
5. Asset Management Efficiency: attain NRW OF 25% by 2021
6. Working Capital Management: Debt age of less than 2 months
7. Business Growth: Customer base of over 600, 000 and Turn over of UGX 480bn by 2021
8. Water Production Capacity and Supply Reliability: 400 millions ltrs/day by 2021
9. Customer Satisfaction
10. Business Process re-engineering
11. Governance and Compliance
12. Branding and CSR



Highlights of Key Achievements

| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|--|---------|---------|---------|---------|---------|----------------|
| Number of NWSC towns | 24 | 28 | 66 | 110 | 170 | 218 |
| Service Coverage (%) | 76 | 78 | 77 | 76 | 78.2 | 78.86 |
| New Connections per year | 23,313 | 21,637 | 28,068 | 33,982 | 38,821 | 43,241 |
| Total Connections | 296,206 | 317,292 | 368,313 | 417,938 | 472,193 | 529,402 |
| Meter Coverage (%) | 99.7 | 99.9 | 99.5 | 99.9 | 99.5 | 99.6 |
| Water Mains Extensions per year(km) | 102.2 | 85.8 | 470.3 | 1448 | 888.6 | 910.566 |
| Sewer Mains Extensions per year | 4.5 | 1.7 | 16.8 | 38.2 | 23.7 | 26.14 |
| Water Production (m3 millions) | 81.6 | 87.3 | 94 | 99.6 | 106 | 120.59 |



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Highlights of Key Achievements

| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|--|---------|---------|---------|---------|---------|---------------|
| Non-Revenue Water (%) | 32.8 | 33.6 | 33.7 | 31.2 | 28 | 31.3 |
| Staff per 1,000 Connections | 6 | 6 | 5 | 6 | 6 | 6 |
| Monthly Billings (UGX bn) | 14.1 | 15.3 | 16.3 | 18.8 | 24.4 | 28.9 |
| Monthly Collections (UGX bn) | 11.5 | 11.6 | 12.8 | 19.7 | 23.7 | 26.9 |
| Collections Efficiency | 95 | 96 | 96 | 105 | 97.20 | 93 |
| Annual Turnover UGX (billions) | 154.7 | 170.4 | 183.4 | 211.8 | 276.02 | 320.96 |
| Profit before depreciation (ploughed back for extensions) | 36 | 39.82 | 31.9 | 33.5 | 60.2 | 70.03 |

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FY 2016/17 Performance against PC 5 targets

| | Indicator | Performance | Target | %PERF. |
|---|---|--------------------|---------------|---------------|
| 1 | Non-Revenue Water-Kampala Water | 37.50% | 32.00% | 85% |
| 2 | Non-Revenue Water-Central Region | 19.70% | 32.50% | 165% |
| 3 | Non-Revenue Water- Northern & Eastern Region | 17.80% | 22.00% | 124% |
| 4 | Non-Revenue Water-Western & South Western Region | 21.20% | 21.00% | 99% |
| 5 | System Input Meter Coverage | 74% | 67.00% | 110% |
| 6 | New Water Connections | 43,241 | 28,000 | 154% |
| 7 | New Sewerage Connections | 318 | 250 | 127% |
| 8 | Capital Works implemented | 160% | 80.00% | 200% |
| 9 | Water Sales (Million m³) | 80.15 | 66.8 | 120% |

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Performance against PC 5 targets

| | Indicator | 2016/17 Performance | Target | %PERF. |
|---|--|--------------------------------|---------------|----------------|
| 1 | Collection/Billing Ratio | 93% | 95.00% | 98% |
| 2 | Receivable Collection Days (Average Days Receivables) | 90 | 80 | 89% |
| 3 | Return on Capital Employed | 6.00% | 1.00% | 600% |
| 4 | Working Ratio (Operating Cost/Revenue) | 78% | 85% | 109% |
| 5 | Water Quality | 98.20% | 98.00% | 100.2% |
| 6 | Effluent/Sewerage Discharge Compliance | 48.30% | 50.00% | 97% |
| 7 | Pro- Poor Connections | 1087 | 500 | 217% |
| 8 | Audit Recommendations Implemented | 89.20% | 80.00% | 111.50% |
| 9 | Customer Satisfaction Index | 84% | 70.00% | 120% |

Project Implementation Highlights

| | Project | Remarks |
|----------|---|---|
| 1 | Lake Victoria Protection Project | |
| | • Nakivubo Waste Water Treatment Plant | In progress (90%) |
| | • Nakivubo and Kinawataka sewer project | In progress (76%) |
| | • Kinawataka pretreatment and pumping station | In progress (30%) |
| 2 | Kampala Lake Victoria WatSan Project | |
| | • Rehabilitation of Gaba1&II treatment plants and transmission main to Namasuba | Works completed and commissioned |
| | • New Water treatment plant in Kampala East and Transmission main to Sonde-Naguru | Works contract for Transmission main signed and works contract for Water Works is at technical evaluation stage |
| | • Water and sanitation in informal settlements | Detailed design is progress |
| 3 | Water Management Development Project | |
| | Arua | In progress (80%) |
| | Bushenyi | In progress (85%) |
| | Gulu | Contract signed and site handed over |
| | Mbale | Detailed design completed & works earmarked |

Project Implementation Highlights..(cts)

| | Project | Remarks |
|----|--|---|
| 4 | New Soroti Intake Project | Completed |
| 5 | Package Sewage Treatment Plants for Fort Portal & Kisoro Towns | Kisoro Plant works completed Fort Portal plant is yet to be delivered |
| 6 | Kapeeka Water Supply Project | Completed and under defects liability period |
| 7 | Masindi Water Production Improvement – Phase 1 | Completed and commissioned |
| 8 | Integrated Program to improve Living conditions in Gulu | Detailed engineering designs are in progress |
| 9 | Development of Water and Sanitation Infrastructure for the Mbarara-Masaka Areas | Procurement of detailed design consultants is in progress |
| 10 | Development of Water and Sanitation Infrastructure for The Hoima - Masindi Areas (Albertine Graben Cluster North) | Feasibility study report completed and downstream development is subject to availability of funds |
| 11 | Kampala South WatSan Project (KSWSP). | Feasibility studies and pre-design is in progress |

KEY PERFORMANCE CHALLENGES

- ✓ **Non-Revenue Water (NRW) in Kampala;**
 - Attributed to illegal use, damages due to road works and old network infrastructure.
- ✓ **Accumulation of arrears in accounts receivable amounting to UGX 87.8b**
 - Mainly attributed to GOV'T arrears (UGX43.1bn) arising from under budgeting/releases.
- ✓ **Rapid urbanization**
 - Unprecedented pressure on existing infrastructure
- ✓ **Inadequate Investment/Infrastructure Financing**
 - Counterpart funding does not meet financing needs.
 - The traditional sources of funds are not sufficient to cover the infrastructure development needs.

INTERVENTIONS TO ADDRESS CHALLENGES

► **Non – Revenue Water (NRW):**

- ✓ Implement targeted programs to combat illegal use in partnership with key stakeholders.
- ✓ Network rehabilitation, upgrading and restructuring.
- ✓ Employ ICT solutions to enhance efficiency in O&M

► **Accumulation of Government Arrears:**

- ✓ Pursue adequate budgetary provisions and payment agreements for GOV'T institutions.

► **Rapid urbanization**

- ✓ Implementation of the Infrastructure Service Delivery Program (ISDP) and Water Supply Stabilization Programs (WSSP) - using internally generated resources.
- ✓ Implementation of the 100% Service Coverage Acceleration Project (SCAP100).
- ✓ Planning and implementation of major water and sewerage infrastructure

► **Inadequate Investment / Infrastructure Financing**

- ✓ Pursue provision of sufficient counterpart funding for projects where necessary.
- ✓ Prepare bankable project proposals and secure alternative sources of funding.
- ✓ Effective and efficient utilization of available resources.



Conclusion

- ✓ **NWSC has made significant achievements in its 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!

