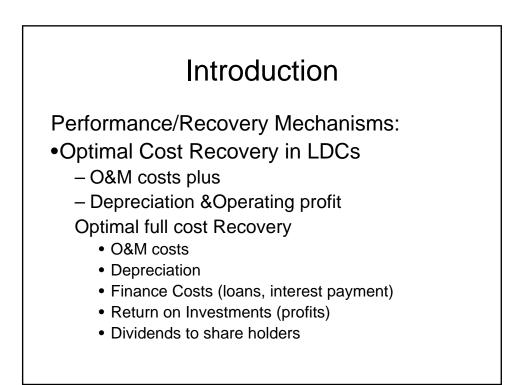
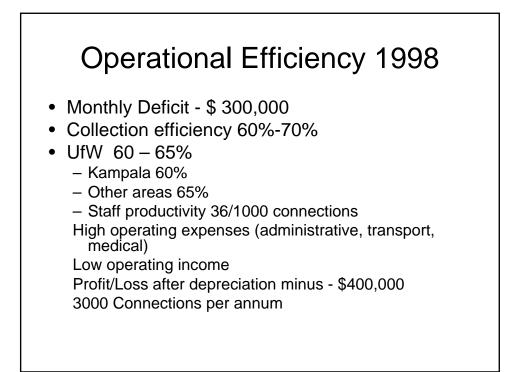
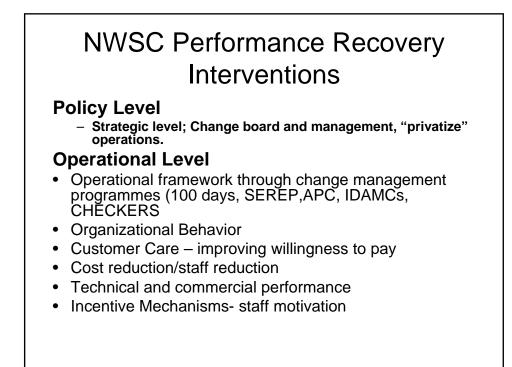
Improving Performance: Case of National Water & Sewerage Corporation By Dr. William T Muhairwe Managing Director, NWSC- Uganda

December 6, 2006







NWSC Performance Recovery Interventions

Tactical Level

- Tariffs: Simplification/rationalization and indexation
- Increasing the market size through increasing rate of connections (Economies of scale)- New connection policy (50m)
- Cost containment and revenue maximization Innovations
- Specific Projects Grant Financing (Even if grant, Depreciation important)
 - Detailed project financial appraisal and analysis on the basis of payback and financial sustainability.
- Government Commitment Versus Operational Commitment
 pegged on structured incentives in the GoU/NWSC Contract
 - Debt Write off
 - Social Mission/Political Projects Govt responsibility

Operating Efficiency Gains 1998-2006

- Increase in operating income and reduction in operating expenditure
- Increase in operating profit after dep. From US \$ -400,000 to + 4,000,000.-
- UfW reduced from 60% to 27%
- Staff productivity increased from 36 to 7 staff per 1000 connections
- Service coverage increase from 48% to 70%
- Connections increased from 3000 per annum to 28,000 per annum.

Operating Efficiency Gains 1998-2006

 Sharing experiences with other African Countries through our External Services Unit ESU – Tanzania, Kenya, Zambia, Malawi, Mozambique and Rwanda

