UEGCL

Generating for Generations



STRATEGIC PLAN
2018 - 2023





Vision: The Vision of UEGCL is to "Be One of the leading Power Producers in the Great Lakes Region".

Mission: UEGCL's Mission is to "Sustainably Generate Reliable, Quality and Affordable Electricity for Socio- Economic Development".

Quality Policy

UEGCL is committed to the efficient monitoring of operations and supervision of the development of electricity generation facilities in line with the company's strategic planning process so as to ensure reliable, quality and affordable electricity in compliance with the applicable requirements (under The Electricity Act of 1999, Regulations and ISO 9001:2015 Standard). The quality management system shall be reviewed as and when need arises, to ensure sustainability and continual improvement.

List of abbreviations

AAR	Alkali Aggregate Reaction
AfD	Agence Française de Développement
ASR	Alkali-Silica Reaction
BUBU	Buy Uganda Build Uganda
BSC	Balanced Scorecard
CAA	Concession and Assignment Agreement
CBO	Community Based Organization
CEDAT	College of Engineering Design Art and Technology
CFO	Chief Finance Officer
CHRO	Chief Human Resources Manager
CMMS	Computerized Maintenance Management System
CNR	Compagnie Nationale Du Rhone
COO	Chief Operations Officer
CPO	Chief Projects Officer
CPI	Consumer Price Index
CREEC	Centre for Research in Energy and Energy Conservation
CS	Company Secretary
CSBDO	Chief Strategy and Business Development Officer
CSR	Corporate Social Responsibility
CSS	Consultancy Support Services
EDRMS	Electronic Document Record Management System
EOI	Expression of Interest
EPC	Engineering, Procurement and Construction
ERA	Electricity Regulatory Authority
ERT	Electricity for Rural Transformation

ESI	Electricity Supply Industry
ESKOM	Kiira/Nalubaale Complex Concessionaire
EUL	ESKOM Uganda Limited
GDP	Gross Domestic Profit
GOMC	Generation Operation and Maintenance Costs
GOU	Government of Uganda
HBP	Head Business Performance
HCCA	Head of Communication & Corporate Affairs
HPDU	Head Procurement and Disposal Unit
HPS	Hydro Power Station
HPPs	Hydro Power Plants
HR	Human Resources
HRC	Hangzhou Regional Centre for Small Hydropower Plants
HSE	Health Safety and Environment
IA	Internal Audit
ICH	International Centre for Hydropower
ICT	Information Technology
ILF	Consulting Engineers-Austria GmbH
IPAs	Individual Performance Agreements
IPPs	Independent Power Producers
IPS	Industrial Promotion Service
ISO	International Standards Organization
KPS	Kiira Power Station.
KfW	Kreditanstalt fuer Wiederaufbau
KSA	Knowledge Skills and Abilities
MoFPED	Ministry of Finance, Planning and Economic Development.
MIS	Management Information System
MEMD	Ministry of Energy and Mineral Development.

MoU	Memorandum of Understanding
MW	Mega watt
N.S.S.F	National Social Security Fund.
NDP	National Development Plan
NEMA	National Environmental Management Authority.
NORAD	Norwegian Agency for Development Cooperation
NPA	National Planning Authority
NPS	Nalubaale Power Station
OE	Owners Engineer
OHSAS	Occupational Health and Safety Assessment Specification
O&M	Operations and Maintenance
PDCA	Plan Do Check Act
PERD	Public Enterprises Reform and Divesture
PESTEL	Political, Economic, Social, Technological, Environment and Legislative
PMC	Project Management Consultants
PPA	Power Purchase Agreements
PPP	Public Private Partnerships
PSD	Power Station Development.
POE's	Panel of Experts
PSU	Professional Services Unit
QMS	Quality Management System
RAP	Resettlement Action Plan
R&D	Research and Development
REA	Rural Electrification Agency
ROI	Return on Investment

SBD	Strategy and Business Development
SD	Strategic Direction (2015-2017)
SMMM	Strategic Management Maturity Model
SWOT	Strength, Weaknesses, Opportunities and Threats
TC	Training Centre
TRT	Tail Race Tunnel
UEB	Uganda Electricity Board.
UEDCL	Uganda Electricity Distribution Company Limited
UEGCL	Uganda Electricity Generation Company Limited
UETCL	Uganda Electricity Transmission Company Limited
Ugx	Uganda Shillings
UIA	Uganda Investment Authority
UMEME	Umeme Limited
USD	United States Dollar

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Water running through the Spillways at Isimba HPP atfter the second River Diversion.



Eng. Proscovia M. NJUKI
CHAIRPERSON, BOARD OF DIRECTORS

FOREWARD BY THE **BOARD CHAIRPERSON**

It gives me great pleasure to present the Uganda Electricity Generation Company Limited (UEGCL) Strategic Plan for the period 2018-2023. This Plan comes at a critical time when the company is gearing itself for the completion of the flagship hydropower projects of Karuma (600 MW) and Isimba (183 MW) and the subsequent oversight of their operation and maintenance.

This therefore places the company at a different platform that is central to the Government's development objectives, and as with the previous Plan, this Plan is anchored in the National Development Plan - NDP (2015 – 2020), Vision 2040, and National Resistance Movement (NRM) manifesto.

This Strategic Plan was formulated through a rigorous consultative process involving various stakeholders and research work. The ensuing inputs were encapsulated in a manageable number of strategic themes and objectives, which are highlighted in the Plan.

As part of the process, a review of the performance under the previous Strategic Vision and Direction (2015 – 2017) was conducted. The review indicates growth of the company in various aspects and also presents areas for further strengthening and innovation. During the review period, significant progress was made in the construction of the new hydro-power plants of Karuma and Isimba, albeit the challenges that were faced along the way.

Another key milestone was the ISO 9001: 2015 Certification of UEGCL, which ranks the company among the distinct organizations that have undergone a rigorous review process and whose products and processes meet internationally accepted quality standards.

The company was also able to formulate and adopt a number of policies and strategies, cutting across various functional areas, designed to reflect UEGCL's increased mandate and dynamic operating environment.
Of additional note, UEGCL realigned its functional structure to enable effective implementation of its mandate, which includes the operation and maintenance of various hydropower plants.

The company remained financially sound in terms of its net worth throughout the period, although it still faces the challenge of not being able to fully bill for the concession fees owed to it, due to restrictions imposed on it aimed at keeping the tariff low. This is reflected in the impairment of UEGCL's assets under concession, which impacts on the company's performance. However, UEGCL will continue to engage the relevant stakeholders on this matter to ensure that the it is appropriately addressed.
The projects continued to receive funding through the Ministry of Energy and Mineral Development, ensuring that work on the projects progressed under UEGCL's supervision.

The future of the company is bright as it will be dominated by a shift from predominantly concession-monitoring of the Kiira/Nalubaale power stations to the operation and maintenance of the new hydropower stations, once their construction is completed. It is in light of this background that the Strategic Plan for the period 2018 – 2023 is geared towards addressing this expectation.
As a futuristic vision, the Board made a slight adjustment to the previous Vision but maintained the Mission. This is premised on the fact that the vision still drives innovation, while the mission will stretch UEGCL's goals and aspirations.

UEGCL's Vision for 2018 - 2023 is: "TO BE ONE OF THE LEADING POWER PRODUCERS IN THE GREAT LAKES REGION" and symbolizes the fact that UEGCL is cognizant of the ambitious, yet achievable national targets for electricity generation, as well as the ever growing regional electricity demand.

UEGCL's Mission for 2018 – 2023 is: "TO SUSTAINABLY GENERATE RELIABLE, QUALITY AND AFFORDABLE ELECTRICITY FOR SOCIO-ECONOMIC DEVELOPMENT"

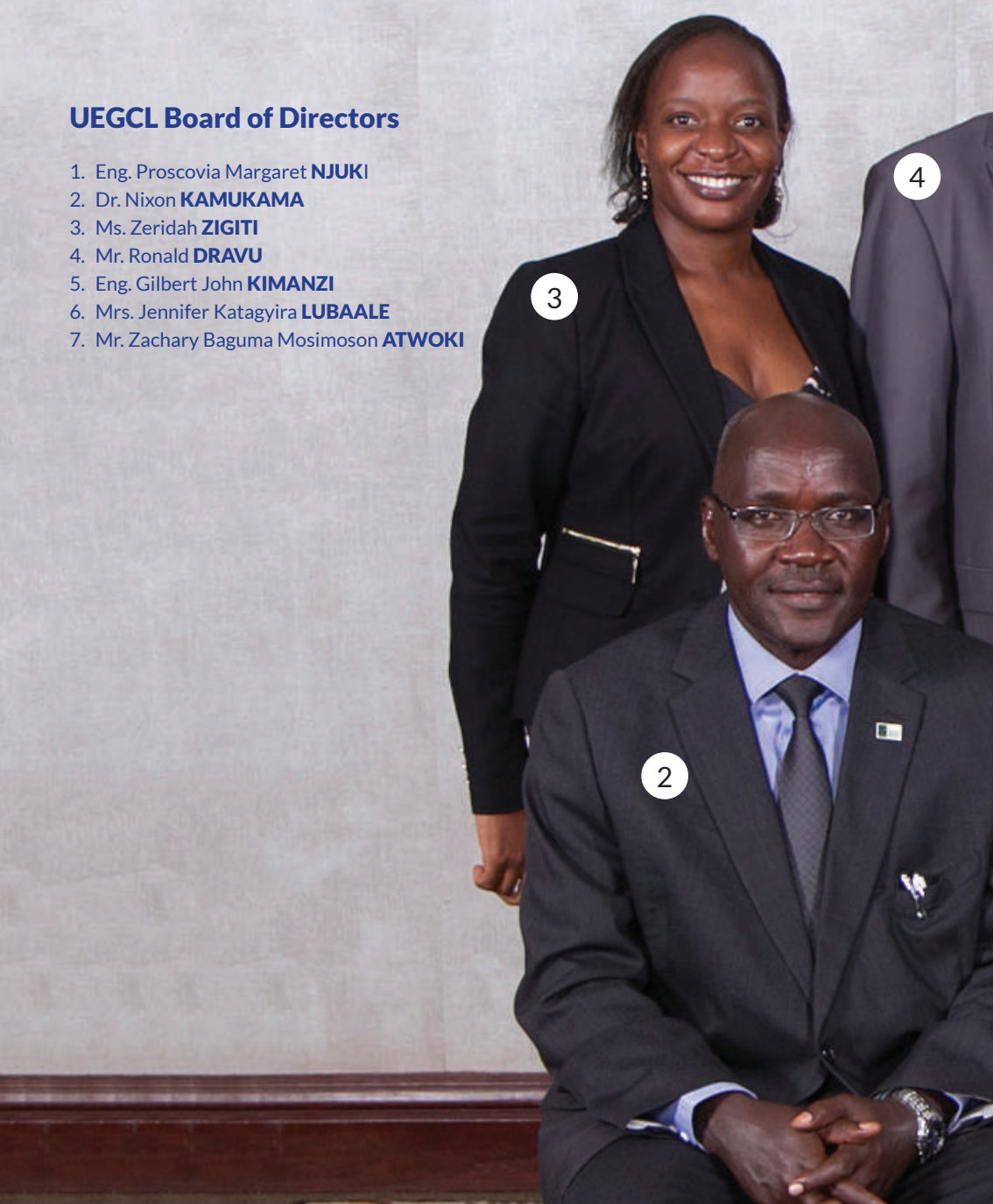
This mission statement seeks to ensure that energy production corresponds to the envisaged dynamism of energy demand, given the Government's goal of social and economic transformation of the population.
Aware of its critical role in the socio-economic development of the country, the Board is convinced that work will be carried out diligently over the next five years while emphasizing value for money.
At this juncture, I would like to thank all stakeholders for their contribution in the development of this Strategic Plan.
We believe that the Strategic Plan strikes the right balance between ensuring that we fulfil our mandate and respond to future requirements and opportunities.
I commend all the staff of UEGCL for their continued efforts, dedication, and commitment to maintaining and advancing UEGCL in its bid to adequately generate for generations.
As we move ahead to the next planned cycle, let me take this opportunity to thank the Ministry of Finance, Planning and Economic Development, and the Ministry of Energy and Mineral Development, our Development Partners, the Electricity Regulatory Authority and the entire Board and Management of UEGCL, for the support and work done in the concluded 3 year period.
We yet again look forward to the successful implementation of the 2018 – 2023 Strategic Plan and its overall alignment to the National Development Plan Goals.
Thank you.



Eng. Proscovia M. NJUKI
CHAIRPERSON, BOARD OF DIRECTORS

UEGCL Board of Directors

1. Eng. Proscovia Margaret **NJUKI**
2. Dr. Nixon **KAMUKAMA**
3. Ms. Zeridah **ZIGITI**
4. Mr. Ronald **DRAVU**
5. Eng. Gilbert John **KIMANZI**
6. Mrs. Jennifer Katagyira **LUBAALE**
7. Mr. Zachary Baguma Mosimoson **ATWOKI**




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Dr. Eng. Harrison E. MUTIKANGA
Chief Executive Officer

MESSAGE FROM **CHIEF EXECUTIVE OFFICER**

It is with great pleasure that the management and staff of UEGCL commemorate the end of one planning cycle and transcend into another. At the beginning of the 2015-2017 planning cycle, the bar was set for UEGCL to commence its turnaround and growth from a predominantly concession-monitoring company to an executor of its mandate as enshrined in the Companies Act (Cap 110).

UEGCL faced unprecedented challenges in the previous planning cycle that included; inadequate budget financing for concession monitoring and conflicting roles and duplication of responsibilities for contract administration for Karuma and Isimba hydropower projects, leading to poor execution of the Projects. Despite the challenges, UEGCL made significant achievements in the past 3 years, including ensuring security of electricity supply through effective concession- monitoring of the Kiira and Nalubaale generation assets, enhanced project supervision of Karuma and Isimba flagship hydropower projects following MEMD's Deed of Assignment, acquisition of a UEGCL home in Kampala, restructuring and alignment of organisation and salary structure, staff recruitment, the achievement of ISO certification in tandem with international best practices, finance mobilization of Muzizi, rehabilitation of Nalubaale and development of other small hydropower projects.

A key milestone during the year was the undertaking of preparatory plans for the eventual Operation and Maintenance (O&M) of the flagship hydropower plants under construction. This culminated in the Board approval of an O&M strategy and business model which is indigenous in nature, and which will result into efficient and cost effective operations capable of ensuring that UEGCL meets its mission and obligations including the servicing of loans.

> This 5 year strategic plan aims at strategically positioning the company to continue fulfilling its mandate and mission of providing reliable, quality and affordable electricity for social economic development of the country.

1292.1MW

Total installed capacity will be realized in the next five years with the strategy effectively executed.

As will be deduced, ours was a continuous quest in finding the right balance of growing the company amidst a constrained budget. Finding the right balance would not have been possible without the support of the Board, the shareholder ministry (MoFPED), the line ministry (MEMD), the regulator (ERA) and our development partners, mainly KFW and AFD. For your support, we are very grateful.

The planning process for this Strategic Plan has been an inclusive one with wide participation. In summary therefore, the three years were fundamental and they laid a strong foundation in leap frogging the company to greater heights. This 5 year Strategic Plan aims at strategically positioning the company to continue fulfilling its mandate and mission of providing reliable, quality and affordable electricity for social and economic development of the country. Our focus for the next five years is based on the following five strategic themes;

- **Operational Excellence**, aimed at ensuring that processes and services are executed in a safe timely, quality, value additive and cost effective manner
- **Stakeholder & Reputation Management**, aimed at ensuring that stakeholder needs are continuously met
- **Sustainable Growth**, aimed at growing our business portfolio and delivering consistently sound financial results.
- **Engaged Workforce**, aimed at ensuring that our employees are empowered and accountable for their results

Safety Excellence, aimed at ensuring that we manage our operations in a safe and environmentally friendly manner.

For each of these themes, a number of strategic objectives have been developed together with company measures and targets, which will help to monitor progress of strategy execution. The company strategic objectives, measures and targets will be cascaded down to departmental and individual levels for clarity of roles and to enhance accountability towards the achievement of company goals.

With the strategy effectively executed and the objectives attained, the following key milestones will be realized in the next five years.

- Total installed capacity of 1292.1 MW[1]
- Plant availability of 97%
- Plant reliability of 99%
- Least cost of unit generation within the sector[2]
- Last but not least, resources will be aligned to ensure optimal usage and productivity.

It is therefore with pleasure that we look forward to the implementation of this Strategic Plan over the next five years.
We look to all our stakeholders for continued support during the execution of this Strategic Plan, and we pledge our commitment towards further contributing to the Governments development objectives by ensuring reliable and affordable electricity as we generate for generations.



Dr. Eng. Harrison E. MUTIKANGA
Chief Executive Officer

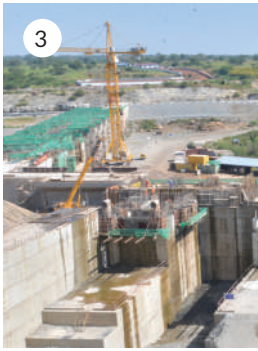
[1] This capacity is for UEGCL alone including Hydro, Solar and Geothermal
[2] Least cost within the sector in comparison with other IPP's

UEGCL Management Team






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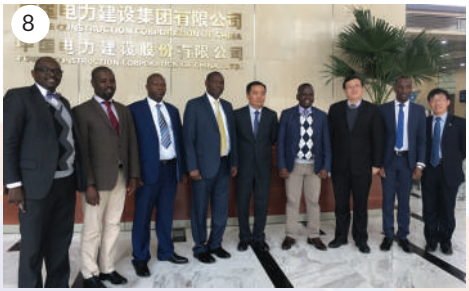




1. Dr. Eng. Harrison .E.MUTIKANGA flags off staff to Kafue Gorge Regional Traning Centre in Zambia for specialised training in Operation and Maintainence of Hydro Power facility.
2. Minister of Finance for Investment and Privatization, Hon. Evelyn Anite(2nd right) tours Karuma Hydro Power Project.
3. Karuma Hydro Power project.
4. Board chairperson Eng. Proscovia Margaret NJUKI (center) together with the Board and Management at one of their routine visits to Karuma HPP studying design and drawings.
5. Picture of a welder at Karuma Hydro Power project.
6. UEGCL's CEO Dr.Eng. MUTIKANGA exchanges an MoU with the CEO of Gierstesen Energy Solutions Norway to partner in solar-hydro hybrid solutions.
7. UEGCL's CEO Dr.Eng. MUTIKANGA exchanges an MoU with the Vice Chancellor of Makarere University Prof. Ddumba SSENTAMU on behalf of Makerere College of Engineering, Design, Arts and Technology (CEDAT) to develop joint programs aimed at creating knowledge and skills in several education and training programs.
8. Members of Parliament on the Natural Resources Committee at Power China Headquarters in Beijing in March 2017.







Chapter 1:

Introduction

1.1 Background

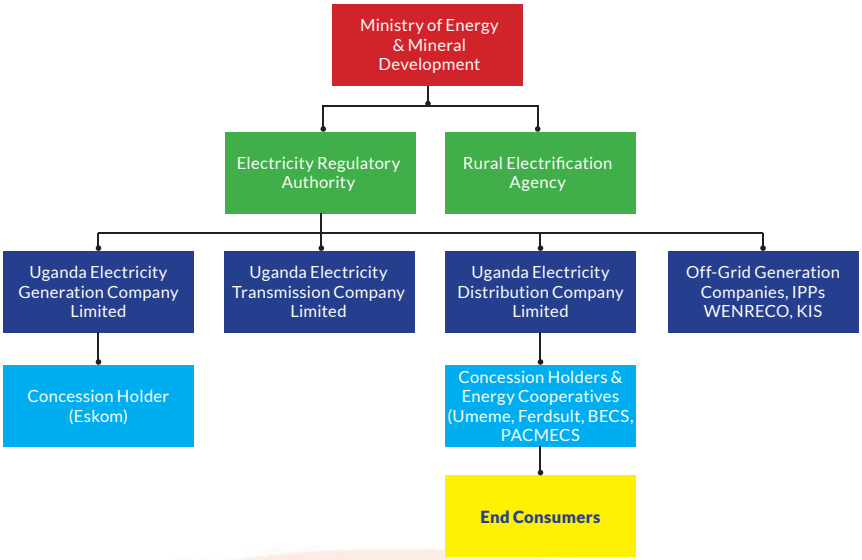
As part of the Board Charter, and in tandem with prudent corporate governance, the Board is required to develop strategic directions/plans which are aimed at articulating the company's values, vision, mission and strategies so as to enhance shareholder value. The Plan follows the successful implementation of the UEGCL Strategic Direction for the period 2015-2017. The major objective is to ensure continued growth of the company, and shareholder value. The UEGCL Strategic Plan for the period 2018 – 2023 is prepared in fulfilment of this obligation.

1.2 Energy Sector Institutional Framework

The energy and mineral development sector is mandated to: "Establish, promote the development, strategically manage and safeguard the rational and sustainable exploitation and utilization of energy and mineral resources for social and economic development". Over the medium term, the sector has focused on increasing electricity generation capacity and transmission network; increasing access to modern and affordable forms of energy.

The institutions which contribute to achieving sector objectives and mandate are; Electricity Regulatory Authority (ERA), Uganda Electricity Generation Company Limited (UEGCL) which in part oversees the generation concession (Eskom Limited), Uganda Electricity Transmission Company (UETCL), Uganda Electricity Distribution Company Limited (UEDCL) which in part oversees the distribution concession (UMEME) and Rural Electrification Agency (REA) which is responsible for rolling out electricity supply to the rural areas.

Figure 1: Institutional Framework



1.3 UEGCL Company Profile

UEGCL was incorporated as a limited liability company on 26th March 2001 under the Companies Act and in conformity with the Public Enterprises Reform and Divestiture Act and the Electricity Act, 1999 and started operation on 1st April 2001.
The company is wholly owned by the Government of Uganda. The shares in the company are held by the Minister of Finance Planning and Economic Development and the Minister of State for Finance (Privatisation and Investment) on behalf of the Government.

1.3.1 UEGCL Mandate, Vision and Mission

The mandate of UEGCL is to establish, acquire, maintain and operate electricity generation facilities and to promote research and development in the electricity generation sector while running the company on sound business principles.

Vision: The Vision of UEGCL is to **"Be One of the Leading Power Producers in the Great Lakes Region".**

Mission: UEGCL's Mission is to **"Sustainably Generate Reliable, Quality and Affordable Electricity for Socio-Economic Development".**

1.3.2 Corporate Information

UEGCL has acquired its own premise at;
BLOCK C, VICTORIA OFFICE PARK
PLOT 6-9 OKOT CLOSE BUKOTO,
P.O. BOX 75831, KAMPALA, UGANDA
TEL. +256 312 372165
Fax: +256 414251057
Email: info@uegcl.co.ug
Website: www.uegcl.com

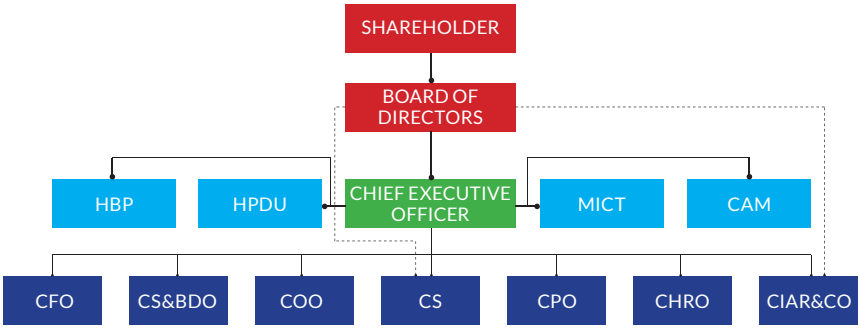
1.3.3 Governance Structure

The principal shareholder of the company is the government of Uganda represented by;

- The Minister of Finance, Planning and Economic Development
- The Minister of State for Finance (Privatization and Investment)

The Board is comprised of representation from the diverse stakeholders and individuals who are capable of contributing to the growth and management of the company and are appointed by the shareholders. Currently, UEGCL has a total staff compliment of 149[3] . Below is the governance set up of the company.

Figure 2: UEGCL Governance Structure



CFO	Chief Finance Officer
CS&BDO	Chief Strategy and Business Development Officer
CFO	Chief Operations Officer
CS	Company Secretary
CPO	Chief Projects Officer
HDPU	Head Procurement & Disposal Unit
CAM	Corporate Affairs Manager
CHRO	Chief Human Resource and Administration Officer
CIAR&CO	Chief Internal Audit Risk & Compliance Officer
HBP	Head Business Performance
MICT	Manager ICT
MOFPED	Ministry of Finance, Planning & Economic Development

[3]As at November 2017

1.4 Overarching Policy Context of the Plan

Uganda is at crossroads in as far as energy status is concerned. Issues that need to be addressed are the ambitious NDP II and Vision 2040 targets coupled with the current low access rate to electricity, envisaged increase in generation capacity, the need to reticulate power to the end users, challenge of high power tariffs and the need for a holistic energy planning platform. It should be noted that electricity access is currently 22%, implying that 28 million Ugandans are not connected to the electricity grid. Substantial efforts are therefore still required to enhance generation of electricity to achieve the desired development targets as shown in Table 1 below. The NDP II per capita target is 578 kWh, which translates into an installed capacity gap of 1,638 MW to meet the 2020 target.

Table 1: Government Energy Production Targets

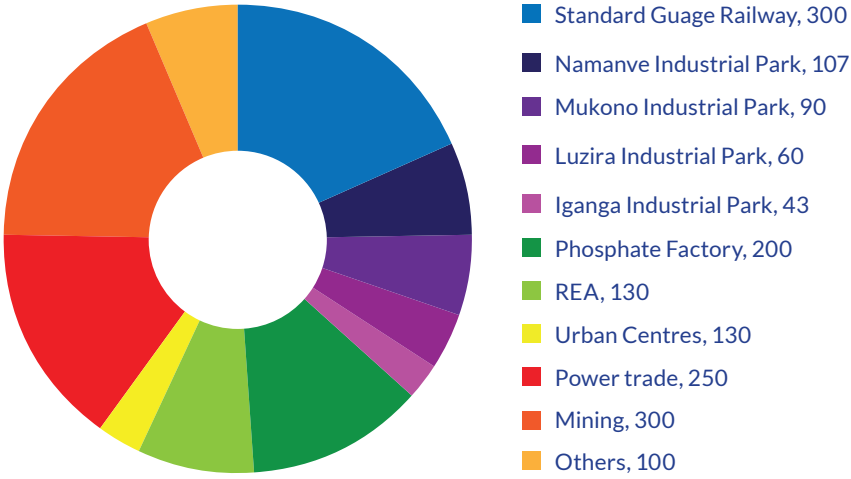
Development indicator	Baseline Performance as at 2017	NDPII Target 2020	Vision 2040
Per capita electricity consumption (Kwh)	150	578	3,668
% of population with access to electricity	22%	30	80
Installed capacity (MW)	921	2,500	41,738

(Source: NDPII, 2015-2020)

Key policy considerations in this context include[4]; the need to support the drive for industrialization within the country, and to cater for the envisaged growth in demand from various sectors including the agro-processing industries, the minerals sector including oil and gas, the proposed standard gauge railway and the polymetallic phosphate industry. The graph below summarises the demand prospects within Uganda.

[4] Source MEMD High Level Strategic Issues provided in February 2016

Figure 3: Potential Areas of Demand (1630 MW)



Another key policy consideration is to ensure that supply is always ahead of demand, and given the fact that generation projects have a long gestation period (7-10 years), there is need for proactive long term planning, and finally the need for a competitive tariff that will spiral industrial growth within the country.

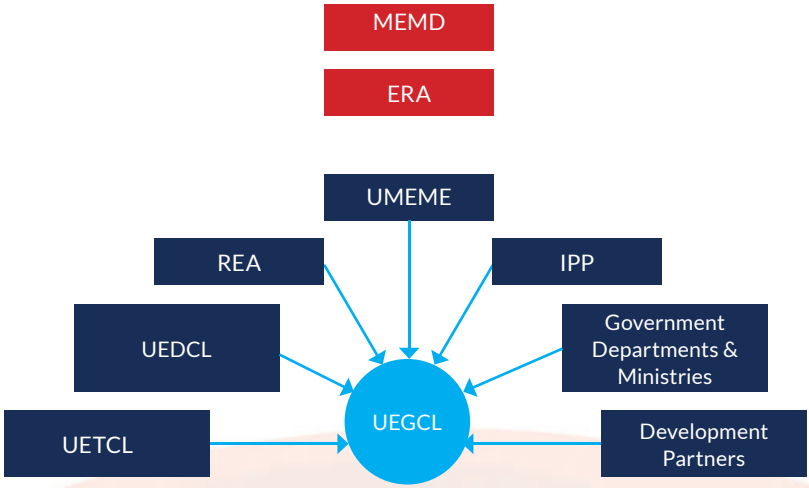
1.4.1 UEGCL Policy Context: Strategic Plan 2018-2023

The UEGCL Strategic Plan for the period 2018-2023 comes at a time when the Company's mandate is evolving and therefore needs to adopt a new face of innovation, and pragmatism in order to fulfill the aspirations of Government and the different stakeholders. Key among the aspirations is the commissioning of and commencement of the operation and maintenance of the flagship projects of Karuma and Isimba. This places UEGCL at a different platform, which is central to the achievement of the Government development objectives.

It is with this background that UEGCL is positioning itself to fulfil the four pillars for sustainable energy generation, namely: availability, reliability, affordability and quality services.

Availability will focus on the need to avoid the pitfalls of the past outages and ensure the timely completion of on-going projects and continuous undertaking of new projects so as to ensure that electricity supply is always ahead of demand. Generation planning should be driven in sync with Government policy (MEMD), within the regulatory environment (ERA), in tandem with envisaged demand (UMEME & UETCL) and with support of partnership with development partners. This will entail a formalized generation planning system with participation of all stakeholders as depicted in Figure 4 below.

Figure 4: Proposed Generation Planning Framework



Reliability: Will focus on operational efficiency with the advent of operating the power plants under development and the takeover of existing plants under different management.

Affordability: Given that globally within Uganda, generation costs account for about 60% of the tariff, UEGCL will focus on ensuring least cost generation so as to ensure an affordable and competitive tariff both locally and within the region.

Quality: Will ensure that electricity services meet the expectations of customers.

1.5 Structure of the Document

The Strategic Plan 2018 – 2023 is organized as follows:

Chapter 1;	is the introductory chapter, which covers the Institutional set up and the policy context of the Plan.
Chapter 2;	presents the situation analysis – review of past performance, the major challenges faced during implementation of the Strategic Direction 2015-2017.
Chapter 3;	highlights the strategic focus for the Strategic Plan 2018-2023 including the Vision, Mission, and Strategic Themes, Objectives, Theme results, Measures and Targets.
Chapter 4;	covers the key initiatives and target milestones which the Company will adopt to achieve the goals for the period 2018 – 2023.
Chapter 5;	summarises the implementation framework covering the implementation arrangement, financing plan and M&E framework.

The Plan is supplemented with an appendix of the approved UEGCL organization Structure.

Chapter 2:

SITUATIONAL ANALYSIS:
REVIEW OF THE UEGCL 2015-2017
STRATEGIC DIRECTION (SD)

2.0 Introduction

A review of the company performance for the period 2015 – 2017 shows that significant strides were achieved on various fronts when compared to the baseline (2014). These strides were in line with the objectives of the UEGCL Strategic Direction 2015-2017. In summary, the period was characterized by a shift and turnaround in profile and performance of the company. Suffice it to say that the company was also confronted with a number of challenges.

In the first year 2015, activities were focused on laying the foundation for the implementation of the Strategic Direction, and this was followed by a full blown implementation of the Strategic Direction in 2016. Indeed, 2016 was pivotal to the implementation of the 3 year Strategic Direction (2015 – 2017). The year 2017 was characterized by consolidation and taking on the reigns of the company from a futuristic perspective.

Suffice it to say that the performance achievements included; strengthening our human resources, unrelenting contract administration of the flagship projects of Karuma (600MW) and Isimba (183 MW), enhanced monitoring of our concession assets at Nalubaale (180 MW) and Kiira (200 MW), strategic partnerships with key stakeholders in financing and academia, the achievement of ISO certification (ISO 9001: 2015) in tandem with international best practices, and a rebranding of UEGCL. As will be deduced, ours was a continuous quest in finding the right balance between internal and external processes, underpinned by performance management in all our processes, and cordial partnerships with all our stakeholders both internal and external.

The following key highlights summarize the performance of the company over the last 3 years.

16BN

revenue as of June 2017 from UGX 7.5 billion in 2014 representing a 13% growth.

52BN

total in project grants, was reported as deferred income in the balance sheet, over the 3 years.

2.1 Financial Performance

From a financial perspective, revenues grew from Ugx 7.5 billion in 2014 to Ugx 16 billion as at June 2017, a growth of 13%. In addition, project grants, which are reported as deferred income in the balance sheet, totalled Ugx 52 billion over the 3 years. Company assets also grew from Ugx 510 billion to Ugx 3.3 trillion in 2017, attesting to a significant progress in the implementation of the flagship projects of Karuma and Isimba. It should however be noted that the company was still constrained by failure to bill all components of the concession fees, thus resulting into an increase of bottom line loss of Ugx 9.1 billion in 2014 to a loss of Ugx 13.1 billion in 2017 on the Profit and Loss Account.

2.2 Project Implementation

In summary, significant overall physical progress was made in the construction of the Karuma (70%) and Isimba (74%)[7] hydro-power plant projects, albeit the challenges that were faced. The progress was in part as a result of the re-invigorated monitoring and supervision by the UEGCL team with support from the Project Steering Committee (PSC) set up by H.E. the President, to streamline project implementation. It is envisaged that both projects will be commissioned in the course of the next financial year (2018/19).

In tandem with the project activities, Community Development Action Plans (CDAP) for Karuma and Isimba were approved and these have commenced with the procurement of various interventions aimed at ensuring that communities benefit from the implementation of the projects.

During the reporting period, the Muzizi (48 MW) project advanced with the completion of the detailed designs, and prequalification of potential contractors. The project is at advanced stages of tendering for construction works. On the other hand, the Nyagak III (6.6 MW) project attained financial closure, and the project is set to move on to the next phase of construction despite various challenges faced by the strategic partner. It is envisaged that construction works for both projects will commence in 2018.

2.3 Operational Performance

UEGCL operations were dominated by monitoring of the concession with ESKOM UGANDA LIMITED (EUL) at the Kiira/Nalubaale complex, and preparation for the operation and maintenance of the Karuma and Isimba generation plants. Key activities undertaken include; the recruitment, deployment and training of O&M staff, carrying out of studies to address the concrete structural problems at Nalubaale, and the quarterly inspection of the complex at Jinja. A key milestone achieved was the mobilisation of funds and the commencement of the procurement process for the rehabilitation of the Kiira/Nalubaale complex to ensure sustainable long-term electricity generation, increased plant capacity, improved plant efficiency and to mitigate the effects of concrete expansion and cracks due to Alkali Aggregate Reaction (AAR). The rehabilitation has been occasioned by incidences of power blackouts at the complex, signalling challenges of asset management, and inadequate investment in the plant by the concessionaire.

[6] As at October 2017
[7] As at October 2017

2.4 Business Growth and Development

From the business development perspective, key achievements included the acquisition of new hydropower sites, including, Okulacere 6.5MW (Arua District), Agbnika 2MW (Yumbe District) and Maziba 1MW (Kabale District). These projects are significant as they help in the fulfilment of UEGCL's mandate of ensuring reliable energy to all, including those in the rural areas. In addition, collaborative engagements (MoUs) were signed with different partners as a means of fostering capacity building, financial mobilisation for various company activities, and enhanced research and development. MoUs were signed with the Centre for Research in Energy and Energy Conservation (CREEC) based at Makerere University, College of Engineering Design Art and Technology (CEDAT), Hangzhou Regional Centre for Hydropower Development (HRC) of China, Compagnie Nationale Du Rhone (CNR) of France, and the International Hydropower Institute of Norway (ICH). The MoUs were aimed at addressing the perspective of learning and growth, coupled with the need to enhance knowledge and skills of our employees, while the research and development activities address various operational and project implementation challenges.



Maziba Hydro Power Plant

2.5 Human Resource Development

Human resource is the vanguard and pillar of any company's successful performance. During the period (2015-2017), UEGCL set out to realign its organisational structure to its strategic objectives. Furthermore, a key consideration was the preparation activities for the planned operation and maintenance of the Karuma and Isimba Hydropower Plants. During the reporting period the staff compliment increased from 42 staff as at December 2014 to 149 staff as at November 2017; an increase of about 107 staff. The staff recruitments were carried out to bolster the project supervision works, and majorly in preparation for operation and maintenance activities for the flagship projects. The O&M staff are already undergoing training, both onsite and overseas.

UEGCL is proud to have effectively contributed towards the Government's **Vision 2040 and to the National Development Plan (2015 – 2020)** goal of "Strengthening Uganda's Competitiveness for Sustainable Wealth Creation, Employment and Inclusive Growth", which focuses on implementing key development priorities, narrowing the infrastructure gap, while promoting economic productivity and diversification for better job creation to satisfy Ugandans. Within the on-going projects, a total of 7,040 Ugandans have been directly employed (5,271 at Karuma and 1,769 at Isimba). The projects have indirectly benefited the surrounding communities who have provided services to the workers. UEGCL has also engaged the contractors to support the "Buy Uganda Build Uganda" (BUBU) cause by sourcing their materials, such as cement and steel, from the local market.



CERTIFIED: Energy Minister Eng. Irene MULONI (C) celebrates with UEGCL during their attainment of ISO 9001:2015 Certification in June 2017. With this certification, UEGCL joins the ranks of organizations whose products and processes meet internationally accepted standard.s

2.6 Quality Management System Development

During the reporting period, UEGCL attained ISO 9001: 2015 Certification and therefore joins the ranks of organisations whose products and processes meet internationally accepted standards. With the attainment of this milestone, emphasis is being placed on customer focus, process approach and continual improvement. Activities that are benefiting from the certification include; project implementation, operations and maintenance, human resource activities and information technology.

2.7 Operation and Maintenance Strategic Direction

During the reporting period, the Board approved the O&M business model, which entails UEGCL working as the asset holder, managing the various hydropower plants as independent business units under internal performance contracts. This will allow for operational independence, operational efficiency gains, lower tariffs through efficiency gains and it will enable UEGCL to generate adequate revenues to cover O&M costs and loan repayment. However, the longer term and ultimate objective will be the transformation of the generation plants into subsidiary companies wholly owned by UEGCL with clear performance targets and deliverables based on private sector business principles.

2.8 Challenges Faced during the Plan Period 2015 –2017.

Challenges faced by UEGCL during the planning period 2015 – 2017 were identified by the Board and Management, notable of which were the following;

- Financial resource constraints arising from limited budgets, which curtail UEGCL's ability to effectively carry out all its planned activities.
- Inadequate investments by EUL plus delayed implementation of projects at the Jinja complex.
- Project implementation challenges related to construction supervision at Karuma and Isimba that are likely to result into time and cost overruns. There is also a risk that the long-term performance of the plants could be compromised due to inadequate quality assurance and compliance to technical specifications and employer's requirements.
- Policy conflicts related to the licencing regime for the Karuma, Isimba and Muzizi hydropower plants. The conflict is based on the deemed/energy position.
- Impaired asset position due to failure to bill for cost of depreciation and return on equity.
- Information asymmetries as a result of inadequate information from the computerised maintenance management system of the concessionaire which hampered asset condition monitoring.
- Delays of Nyagak III implementation resulting from the delay in the private partner to attain financial closure.
- Inadequate asset management by the concessionaire which has exposed the concession assets at Jinja to high risk of structural failure and equipment damage due to concrete expansion and cracking as a result of the Alkali-Silica Reaction **(ASR)**

2.9 SWOT Analysis

The SWOT analysis tool was used to get a quick overview of UEGCL's strategic position. The analysis consisted of an evaluation of UEGCL's internal strengths and weaknesses and its external opportunities and threats. The analysis underscored the basic point that in order to perform effectively, UEGCL's strategy must produce a good fit between the company's internal capability (strengths and weaknesses)

Strengths (Internal)

1. Qualified human resource
2. Highly engaged staff
3. Approved organizational and salary structures
4. Good quality management systems (ISO 9001: 2015 complaint)
5. Improved project supervision

Weaknesses (Internal)

1. Inability to bill for full concession fees.
2. Low market share in electricity generation
3. Unregistered engineers in key positions
4. Inadequate involvement in some of the generation projects.
5. Inadequate procurement planning and lengthy procurement process
6. Inability to fully implement the recommended salary structures due to budgetary constraints.
7. Inadequate /underperformance of concession.

and its external environment (reflected partly by its opportunities and threats). A SWOT analysis that involved UEGCL internal and external environments as of 2017 was undertaken so as to secure employee ownership and broaden stakeholder involvement. The table below summarizes the outcome of the company level SWOT analyses.

Table 2: UEGCL SWOT ANALYSIS 2017

Opportunities (External)

1. Government and stakeholder support in projects development.
2. Improved Governance structures. This refers to governance framework from the shareholders, Board and Management (Revised organogram).
3. Low unit cost of hydropower generation at the Kiira/Nalubaale hydropower complex.
4. Flexible system during peak demand of the Nalubaale power plant which automatically adjusts to the energy demand forestalling any outage.
5. Available sources of finance from development partners, and private sector developers.
6. Professional technical Support from Project Management consultants and experts
7. Support from development partners and key stakeholders
8. Regional power pool network
9. Training centre development by MEMD

Threats (External)

1. Ageing infrastructure (Nalubaale power station)
2. Delays in acquisition of licenses
3. Policy conflicts in regard to the Licenses and PPA's.
4. Inadequate funding to drive UEGCL strategic Plan
5. Over-reliance on hydropower
6. Climate change
7. Competition from the regional power pool
8. High cost of capital
9. Training centre development by MEMD jeopardising UEGCL fast track plan for O&M capacity building.
10. Negative media publicity
11. Delays in project implementation and low/poor quality issues at project sites.
12. Loss of skilled staff

UEGCL has taken note of the external threats and internal weaknesses and plans to minimize their impact while;

- Capitalizing on its strengths by carrying out more innovative activities and effectively utilizing both the infrastructural and human resources at hand.
- Taking advantage of the opportunities to consolidate its generation programme and enhance its efficiency gains.

2.10 Assessment of UEGCL's Situational Analysis using the Strategic Management Maturity Model (SMMM)

In addition to the commonly used SWOT, and PESTEL analysis, a situational analysis was carried out based on the Balanced Scorecard Strategic Management Maturity Model (SMMM). The key
value addition of the SMMM model is that it highlights salient software and process-related issues that will need to be addressed as part of the strategies for the 2018-2023 plan.

The SMMM includes 8 dimensions and it is used to assess organizational strategic management performance. It is also a tool for evaluating how well strategy is translated into action. The eight dimensions are Leadership, Culture and Values, Strategic Thinking and Planning, Alignment, Performance measurement, Performance Management, Process Improvement, Sustainability of Strategic Management.

In summary, UEGCL was assessed as strong in sustainability (function of strategy well defined), fairly strong in leadership, strategic planning and thinking, performance management, and below average in values, alignment, performance measurement, and process improvement. These findings tell us about our strategic position and provide a basis for future improvements in our strategic planning and performance management processes. Management therefore plans to strengthen alignment, both in terms of decisions and budget allocation to the vision and mission of the company, improve performance and process management as is detailed in the next chapter.

2.11 Overall Assessment of UEGCL Performance in Light of Vision (2015-2017).

The vision of UEGCL for the period 2015-2017 was to be the "Leading Power Producer in the Great Lakes Region". From the three year review, significant progress has been made towards increasing generation capacity within UEGCL. This notwithstanding, UEGCL does not operate within a vacuum. Issues at play, including the macro-economic status of the country, the regulatory regime, and the regional power generation initiatives, have all impacted on UEGCL's dream. This has called for a review of the company's vision to realistically place UEGCL's aspirations in perspective.



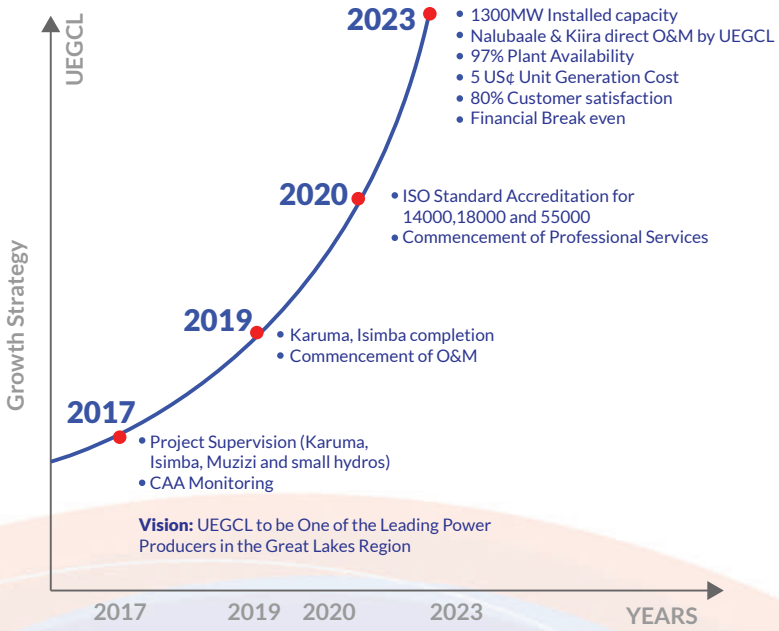
Ariel View of Nalubaale and Kiira Hydro Power Stations



PART 2

STRATEGIC FOCUS
THE 2018-2023 STRATEGIC PLAN

Figure 5: UEGCL GROWTH STRATEGY 2018 -2023



Chapter 3:

STRATEGIC OUTLOOK:

3.1 Introduction

This chapter outlines the strategic focus for the Strategic Plan 2018-2023, taking into account the situational analysis presented in Chapter 2. The Strategic Plan for the period 2018-2023, will draw lessons and build on the past successes, and espouse the elements of operational excellence, stakeholder and reputation management, sustainable growth and health, safety and environment.

3.2 Vision

In reviewing the vision, cognizance and due consideration was given to the past performance and the need to keep the company aspirations ambitious, yet realistic, in light of the regional developments. The vision for the planning period 2018-2023 was recast to read: **"TO BE ONE OF THE LEADING POWER PRODUCERS IN THE GREAT LAKES REGION"**

3.3 Mission

The UEGCL mission was maintained to support the realization of the vision and is:
"TO SUSTAINABLY GENERATE RELIABLE, QUALITY, AND AFFORDABLE ELECTRICITY FOR SOCIO-ECONOMIC TRANSFORMATION"

UEGCL's mission is anchored on the following pillars aimed at achieving the vision.

- **Firstly,** UEGCL aspires for sustainable power generation as a means of boosting the Government National Goals of economic transformation.
- **Secondly,** UEGCL recognizes the fact that reliability and quality services are cardinal to the posterity of the company. Therefore emphasis will be placed on ensuring reliable and quality service.
- **Thirdly,** within the wider context of stakeholder management, UEGCL recognizes that affordability is key to the transformation of the Ugandan economy from a competitive and access point of view. Therefore, all efforts will be taken to ensure that the company plays its role in contributing towards an affordable end user tariff.

3.4 Core Values

The system of shared values and norms in an organization shapes the culture of that organization. UEGCL recognizes that having the right values will result in increased efficiency, enhanced productivity and performance focus. The overriding drivers on how management and staff work and act as teams and employees of the company are centred on the following shared values.

Integrity:	We embrace honesty in everything we do and we are determined to adhere to ethical business principles and good corporate governance at all times.
Innovation:	Continuously develop and apply creative solutions towards improved service delivery.
Accountability:	A commitment to a performance-based culture and teamwork where all of us are accountable for our actions and results.
Safety:	A collective commitment to embrace a safety culture in all our projects and operations.
Sustainability:	A commitment to generating electricity that meets the needs of the present without compromising the future. This also caters for the concerns of the environment.

3.5 Motto

The phrase reflects the sustainable interface between UEGCL and its customers as follows. **"GENERATING FOR GENERATIONS"**

3.6 Quality statement

In line with the ISO certification process, a quality statement was adopted as follows: "UEGCL is committed to the efficient monitoring of operations and supervision of development of electricity generation facilities in line with the company's strategic planning process so as to ensure reliable, quality and affordable electricity in compliance with the applicable requirements (under The Electricity Act of 1999, Regulations and ISO 9001:2015 Standard). The quality management system shall be reviewed as and when need arises to ensure sustainability and continual improvement".

3.7 Strategic Themes and Results

The following themes and theme results reflect the breakdown of the Mission and Vision into actionable focus areas were adopted for the period 2018-2023.

Table 3: Themes and Theme Results (2018-2023)

Theme	Theme Result
1. Operational Excellence	Processes &services are executed in a safe timely, quality, value added and cost effective manner.
2. Stakeholder & Reputation Management	Stakeholder needs are continuously met.
3. Sustainable Growth	We grow our business portfolio and deliver consistently sound financial results.
4. Engaged Workforce	Our employees are empowered and accountable for results.

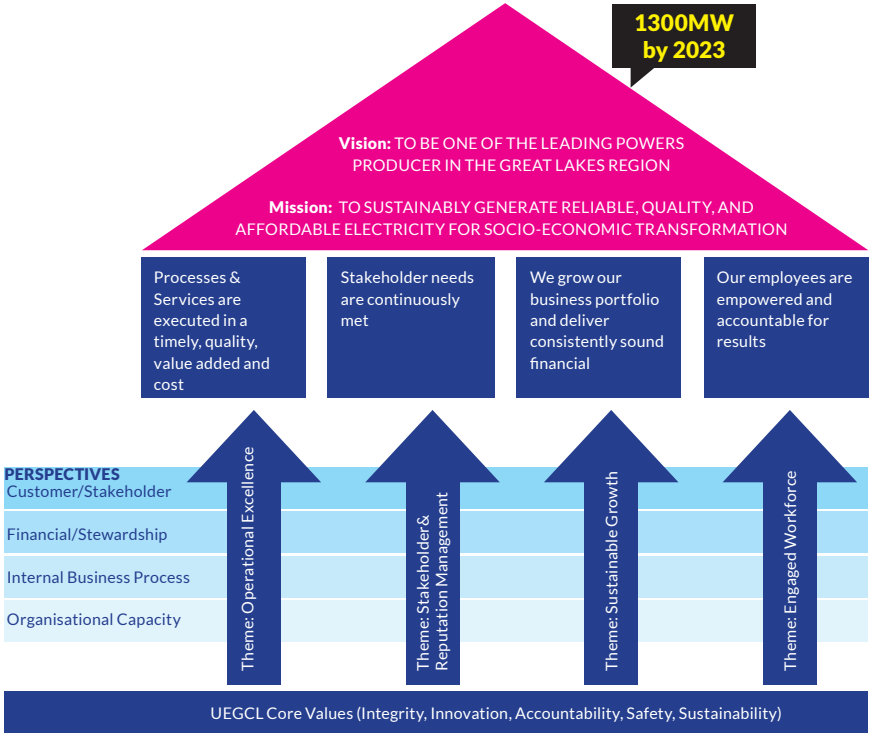
3.8 Balanced Scorecard Perspectives (BSC)

The Balanced scorecard perspectives are the performance dimensions, or lenses that put strategy in context. The perspectives are four, and generically make reference to the same principles, but may be termed differently.

Table 4: BSC Perspectives (2018-2023)

#	Perspective	Description
1	Customer/ Stakeholder	Through the eyes of our customers and stakeholders, how well do our products and services meet their needs.
2	Financial Stewardship	How do we maximise value and effectiveness of our mission.
3	Internal Business Processes	Process efficiency, Product or service quality, Delivery speed.
4	Organisational Capacity	How we build internal processes through improved technology, knowledge, skills, and abilities, work culture, innovation, and leadership & governance.

Figure 6: Schematic Presentation of UEGCL Strategic Plan (2018-2023)



As will be noted, the customer and stakeholder perspective was deemed the ultimate aspiration for UEGCL.

3.9 UEGCL Objectives (2018-2023)

Following the formulation of themes, theme results, and agreeing on the BSC perspectives, objectives were then formulated. Objectives may be defined as continuous improvement actions that are necessary for the successful accomplishment of the Vision, and the achievement of the Mission.
The strategic objectives adopted are outlined in Table 5 below and they contribute to the achievement of the THEMES outlined in Table 3. The descriptions and intended results are shown in Annex 1.

Table 5: Strategic Objectives (2018-2023)

PERSPECTIVE	STRATEGIC OBJECTIVES (2018-2023)
Customer/Stakeholder	• Improve stakeholder satisfaction • Increase energy capacity
Financial Stewardship	• Improve resource management • Enhance business portfolio • Increase financial resources
Internal Business Processes	• Improve process efficiency • Improve project management • Improve asset management • Improve compliance • Improve communication and collaboration
Organisational Capacity	• Enhance organisational culture • Improve infrastructure & technology • Improve knowledge, skills & abilities(KSA)

3.3 Strategic Goals for the Plan Period 2018 -2023

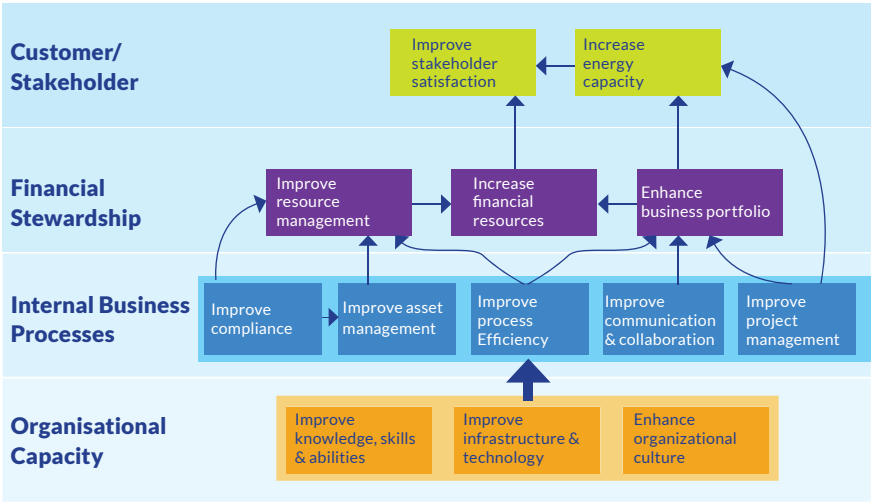
In line with the Strategic Themes, the following strategic goals were developed to give the global picture of what the Company intends to achieve over the next five years.

1. **Generation capacity:** Increase generation capacity from 380 MW to 1300 MW through a generation mix of hydro, solar and geothermal,
2. **Project completion:** Complete the construction of the on-going projects of Karuma, Isimba, Muzizi, and Nyagak by 2022, taking into consideration quality, cost and time, and ensure new priority projects are initiated during the planning period.
3. **Operations:** Commence operations of the completed hydropower projects using the approved O&M business model, ensure 97% plant availability and 99% plant reliability and attain ISO 55000 certification for asset management.
4. **Financial growth:** Attain break-even by 2023 through increased resource inflows, optimization of budget and resource allocation, and diversification of income.
5. **Business growth:** Through the completion of the existing projects, diversification of energy sources, and addition of new business ventures.
6. **Stakeholder satisfaction:** Ensure stakeholder satisfaction of at least 80% per annum.
7. **Health, safety and environment:** Ensure compliance to the HSE regulations and attain ISO 14000 and 18000 accreditation.
8. **Business process re–engineering:** Enhance business processes through automation of functions, compliance to regulatory requirements, development of Standard Operating Procedures, rolling out of a QMS sustainability plan and review business processes, structures and procedures focusing on cost structure, technologies, staff welfare, research, training and development and risk.

3.9.1 UEGCL Corporate Strategy Map

The UEGCL corporate strategy map shows how value is created for customers and stakeholders. It links objectives in cause-effect relationships to show how strategic results are achieved. The UEGCL strategy map is shown in Figure 7 below.

Fig 7: UEGCL Corporate Strategy Map



3.10 UEGCL Measures and Targets (2018-2023)

Performance measures and Targets are the indicators of progress toward achieving the UEGCL objectives for the next five years. The Corporate Measures and Targets developed are as shown below.

Table 6: Corporate Measures and Targets (2018-2023)

Strategic Objectives	Measures	Target/Threshold	
Improve Stakeholder Satisfaction	Satisfaction score/index	At least 80% stakeholder satisfaction index by 2023	
Increase Energy Capacity	Installed Capacity	1292.1MW	
		Power Plant	**Capacity (MW)**
		Kiira/Nalubaale (Existing)	380
		Karuma HPP	600
		Isimba HPP	183
		Muzizi HPP	48
		Nyagak III SHPP	6.6
		Solar	5
		Geothermal well head	10
		Maziba SHPP	1
		Okulacere SHPP	6.5
		Agbinika SHPP	2
		Namanve TPP	50
		TOTAL	**1292.1**

Strategic Objectives	Measures	Target/Threshold
Increase Financial Resources	Percentage of funding secured for CAPEX	Secure 100% funding for all identified Capital projects
	Debt Equity Ratio	Achieve a ratio of 4:1 by 2023
	Return On Investment	Achieve Break Even by 2023
Improve Resource Management	O & M cost as percentage of EPC Costs	O&M Costs not to exceed Generation License (1.5%).
	Unit cost of generation within the set PPA	Unit cost less than PPA price
	Value for money rating	Achieve 80% by 2023
	Percentage of budget utilised on strategic plan	Budget should be 100% aligned to strategic plan
	Budget Efficiency (Absorption)	>80%
	Percentage of budget re-allocation	Minimise Re-allocation to utmost 15%
	Percentage compliance to Debt Service Schedule	100% compliance to Repayment schedule
Improve process efficiency	Corporate Risk Maturity Index/rating (based on COSO or ISO 31000 framework)	Achieve a Maturity level of 4 out of 5
	%age of corporate targets achieved	80% Achievement.
	No of new Business work methods implemented	At least one new work method introduced annually
	No of ISO Certifications acquired	At least 3 certifications by 2023

Strategic Objectives	Measures	Target/Threshold
Improve Project Management	Project Percentage completion	100% completion of Karuma by December 2018.
		100% completion of Isimba by August 2018
		100% completion of Muzizi by Dec 2022
		100% completion of Nyagak III by 2021
		Maziba rehabilitation complete 2020
		Okulacere and Agbinika complete by 2023
	Cost Performance Index	CPI=1 for all projects
	Percentage rate of closure of major contractual deviations	80% closure of contractual deviations for all projects
	Percentage of PoE/ PMC recommendations implemented	80% implementation of PoE/ PMC recommendations for all projects
Enhance Business Portfolio	# of new business ventures established	Training centre (TC) operational by 2020, Professional Services Unit(PSU) operational by 2019
	# of new project sites acquired	At least 4 new sites acquired by 2023
Improve communication and collaboration	Stakeholder awareness rating	90% Brand awareness by 2023
	Company Recognitions	At least 3 Recognitions by 2023

Strategic Objectives	Measures	Target/Threshold
Improve Asset Management	Plant availability	Not less than the PPA Set availability of 97%
	Plant reliability	Achieve and Maintain 99%
	Percentage Compliance to CAA Obligations	100% Compliance to CAA
	Asset Management Maturity level (ISO 55000)	Achieve a Maturity level of 3 out of 5
Improve Compliance	Rate of closure of audit queries	100% closure of audit queries with zero re-occurrence
	Procurement compliance rating	100% achievement
Improve infrastructure & technology	Number of functions automated(Functions to be defined)	At least1 function automated annually
	Percentage utilisation of ICT systems(EDRMS, Accounting, Fleet Management , HR)	80% utilisation annually(for automated systems)
Improve Knowledge, Skills & Abilities(KSA)	Retention rate	98% Retention Rate
	Competence Assessment Rate	90% Rating by 2023
	Percentage of staff trained	At least 80% as per schedule
	percentage Man power plan implemented	100% implementation by 2023
Enhance organisational culture	Employee satisfaction score	Achieve 80% score

3.11 Assumptions

In order to achieve the following targets, the following key assumptions are made

- Government support in the initiatives that have been formulated including possible listing on the securities exchange, and Energy Diversification Policy, and O&M strategy for existing and new plants.
- Geothermal exploration activities implemented on time.
- Regulatory support to the billing regime for the new hydropower plants under construction.
- Regulatory support to the New Business initiatives
- Timely completion of the power plants under construction
- Favourable climatic conditions supporting the hydrology of the various power plants
- Continued prioritisation of generation within the power supply chain
- No major policies and legislative changes that would adversely impact on the operations of UEGCL
- Political stability



Artistic impression of the proposed Karuma Employers Camp

Chapter 4:

STRATEGIC INITIATIVES

4.1 Introduction

This chapter outlines the key initiatives and deliverables that the company intends to implement in the next five years, taking into account the SWOT analysis, the vision and mission as well as the goals and targets presented in Chapter 3. The key initiatives and targets are broadly grouped under the strategic objectives presented in Chapter 3. The implementation of the respective initiatives will be carried out by functional units through the annual action plans.

4.2 Initiatives 2018-2023

The detailed strategic initiatives are laid out in Table 7 below, showing the target, strategic initiative, by when, and by who.

Table 7: UEGCL Initiatives (2018-2023)

Strategic Objective	Measures (KPI)	Targets	
Improve Stakeholder Satisfaction	Satisfaction score/Index	At least 80% satisfaction by 2023	
		80% rating.	
Increase Energy Capacity	Installed Capacity	1292.1MW	
Increase Financial Resources	Percentage of funding secured for CAPEX	Secure 100% funding for all identified Capital Projects	
	Debt Equity Ratio	Achieve a ratio of 4:1 by 2023	
	Return On Investment (ROI)	Achieve Break Even by 2023	

Strategic Initiatives (Critical tasks)	By When	Responsible Officer
Develop and Implement stakeholder management programs	Annually	CAM
Implement Annual CSR activity plan (Joint CSR Programmes, etc)	Annually	
Roll out Annual stakeholder engagement plan	Annually	
Conduct Annual Satisfaction Surveys	Annually	
Implement an effective communication and public relations strategy • Effective media relations through engagement with the media through active, lively and updated social media platform, updated company website, Bi-annual UEGCL Newsletter	continuous	
Conduct Annual supplier satisfaction surveys and institute a procurement process improvement plan.	Dec 2018	HPDU
Develop and implement a detailed Namanve takeover	Jun-18	CSBDO
Conduct feasibility study and implement Small Hydropower Projects	Jun-18	
Conduct feasibility study on identified wind potential site and implement the findings	Jun-19	
Acquire, develop and complete new power projects(hydro, solar, geothermal, hybrid power generation)	As per project implementation plans	
Roll out the approved Investment Finance Mobilisation Framework • Mobilize funds for new projects (grants, loans, listing/bonds, Retained Earnings)	Continuous	CFO / CSBDO
Develop and roll out an investment policy and Plan	Dec-18	CSBDO
Restructure UEGCL balance sheet (Conversion of debt to equity)	Nov-22	CFO
Develop and implement GOMC plan(Bill all components of Revenue requirements for Karuma and Isimba O&M in line with the PPA)	Annually effective 2019	CFO/COO

Strategic Objective	Measures (KPI)	Targets	
Improve resource Management	O & M cost as percentage of EPC Costs	O&M Costs not to exceed Generation License (1.5%).	
	Unit cost of generation within the set PPA	Unit cost less than PPA price	
	Value for money rating	80% by 2023	
	Percentage of budget utilised on strategic plan	Budget should be 100% aligned to strategic plan	
	Budget Efficiency (absorption)	80% absorption	
	Percentage of budget re-allocation	Minimise Re-allocation to utmost 15%	
	Percentage compliance to Debt Service Schedule	100% compliance to Repayment schedule	

Strategic Initiatives (Critical tasks)	By When	Responsible Officer
Align budgets and revenue to costs in the PPAs and the Financing Agreements	Annually effective 2019	CFO
Develop & Implement a cost management program (Cost identification, Cost elimination through process improvement and cost reduction through procurement strategies)	Dec-18	
Establish an inventory/stores management function • Develop a critical spare parts schedule and tools that shall be needed and their cost • Develop long term (40 years) maintenance plan for Karuma and Isimba HPP with associated CAPEX and spares plan • Install CMMS	Dec-19	COO
Develop and implement a policy framework for outsourcing	Nov-18	HPDU
Develop procurement plans aligned to the approved budget.	Annually	HPDU
Generation of an Annual Budgeting Process Plan	Annually	CFO
Implement commitment control system of the budget	Dec-18	
Prepare annual financial statements with an external auditor engaged to attain a clean opinion	Annually	
Provide timely accountability for funds from Development partners, government, and financiers	Quarterly	
Develop and implement a value for money framework	Dec 2018	HBP
Develop an activity based budget aligned to the Strategic Plan	Annually	CFO
Implement Financing Agreement Obligations	Annually effective 2020	

Strategic Objective	Measures (KPI)	Targets	
Enhance business portfolio	# of new business ventures established	Training centre (TC) operational by 2020	
		Professional Services Unit(PSU) operational by 2019	
	# of new project sites acquired	At least 4 new sites acquired by 2023	
Improve Communication and collaboration	Stakeholder awareness rating	90% Brand awareness by 2023	
	Company Recognitions	At least 3 Recognitions by 2023	
	Number of MoUs entered & executed	At least 5 MoU Executed by 2023	
Improve Asset Management	Plant availability	Not less than the PPA Set availability of 97%	
	Plant reliability	Achieve and Maintain 99%	
	Percentage Compliance to CAA Obligations	100% Compliance to CAA	
	Asset Management Maturity level (ISO 55000)	Achieve a Maturity level of 3 out of 5	

Strategic Initiatives (Critical tasks)	By When	Responsible Officer
Establish the hydropower training and vocational centre	Dec-20	CSBDO
Establish the Professional Services Unit	Dec-19	
Acquire and develop new sites	Dec-2023	
Develop and implement communication improvement programs • Branding • Publicity • Advertising	Annually	CAM
• Innovations • Research and Development Activities • Financial Reporting proficiency • Employer satisfaction of the year awards	Annually	All
• Establish and Roll out strategic partnership framework (identifying priority areas of strategic partnerships, who the potential partners are etc.)	Jun-18	CSBDO
Develop and implement Annual maintenance plans in line with the PPA	Annually effective 2019	COO
Develop and roll out Maintenance programs (Preventive, predictive, reactive, reliability	Annually effective 2019	
Carry out Concession Monitoring by adopting the CAA Monitoring Manual	Jun-18	
Undertake feasibility study for complex rehabilitation and implement recommendations of study	Jun-19	
Develop and implement a detailed complex (Nalubaale & Kiira) takeover plan	Jun-18	
Develop and Roll out Asset Management Program based on ISO 55000 standard	Dec-20	
Developing SOPs and special operating procedures for all systems	Annually	
Hire O&M technical and onsite apprenticeship support to improve O&M processes for the short term.	Aug-18	
Conduct testing for impairment for cash generating assets (CGA)	Once every 3 years	CFO
Carry out 100% Annual asset verification exercise	Annually	
Update the fixed asset register	Annually	

Strategic Objective	Measures (KPI)	Targets	
Improve Compliance	Compliance rating to requirements(QMS, permits, licenses)	100% Compliance	
	Rate of closure of audit queries	100% closure of audit queries with zero re-occurrence	
	Procurement compliance rating	100% achievement	
		Zero recurrence of Audit	

Strategic Initiatives (Critical tasks)	By When	Responsible Officer
Develop and roll out compliance programs (for QMS, Laws, Policies, permits, HSE)	Jun-18	CS
Establish and Implement Service Level Agreements	Jun -18	
Roll out the ISO 9001:2015 Sustainability Plan	Jun-18	CSBDO
Develop and Implement a Health, Safety and Environment Policy	Develop and Implement a Health, Safety and Environment Policy	
Develop a HSE compliance matrix based on the existing legislation	Develop a HSE compliance matrix based on the existing legislation	
Develop and Implement HSE and ESMP plans	Develop and Implement HSE and ESMP plans	
Develop emergency preparedness and disaster recovery plans	Develop emergency preparedness and disaster recovery plans	
Develop and Implement Plans for closure of identified Non Conformities	Quarterly	CS
Track compliance of contract management as per PPDA guidelines	Quarterly	HPDU
Implement issues raised from procurement Audit recommendations	Annually	

Strategic Objective	Measures (KPI)	Targets	
Improve process efficiency	No of new Business work methods implemented	At least one new work method introduced annually	
	Corporate Risk Maturity Index/rating (based on COSO or ISO 31000 framework)	Achieve a Maturity level of 4 out of 5	
	%age of corporate targets achieved	80% Achievement	
	Number of research papers channelled out	At least 2 research activities conducted per year	
	Number of business processes improved through R&D/or Innovation	At least 1 business process improved through R&D	
	Percentage of funds allocated to R&D	Budget allocation to be 0.05% by 2023	
Improve Project Management	Percentage completion	100% completion of Karuma	
		100% completion of Isimba	
		100% completion of Muzizi	
		100% completion of Nyagak III	
		Maziba rehabilitation complete	
		Okulacere and Agbinika complete	
	Cost Performance Index	CPI=1 for all projects	
	Percentage rate of closure of major contractual deviations	80% closure of contractual deviations for all projects	
	Percentage of PoE/ PMC recommendations implemented	80% implementation of PoE/PMC recommendations for all projects	

Strategic Initiatives (Critical tasks)	By When	Responsible Officer
Develop and roll out Business Process Re-engineering programme.	Dec-18	HBP
Implement Enterprise Risk Management Programs	Jun-18	Risk Manager
Develop and implement Business continuity plan	Jun-19	
Adopt BSC Methodology for Performance Management	Jun-18	HBP
Upgrade and Align Performance Contracting to O & M business model	Dec-18	
Review and enhance the performance management system	Jun-19	CSBDO
Roll out R & D policy and strategies	Jun-18	
Develop & Implement a research agenda	Jun-18	
Conduct annual innovation meetings/Teams	Annually effective 2019	
Implement outputs from research papers	Annually	
Prepare annual research budgets	Annually	
Develop & implement project management standard procedures for Cost, Quality and schedule	Dec -18. Aug -18 Dec 2022 2021 2020 2023	CPO
Acquire basic quality monitoring tools. e.g. concrete cover meter, Laboratory Testing Services etc.	Jan-18	CPO
Develop a plan for tracking, commissioning of new plants and implementation of defects liability	Dec-18	
Institute a comprehensive/robust project quality verification mechanism/framework	Jan-18	
Design and implement a tracking mechanism for technical expert recommendations	Jan-18	

Strategic Objective	Measures (KPI)	Targets	
Improve infrastructure & technology	Number of functions automated (Functions to be defined	At least1 function automated annually	

Strategic Initiatives (Critical tasks)	By When	Responsible Officer
Develop and implement an Enterprise resource planning software	Jun-19	ICT
Develop and Roll out ICT Strategy Framework • Roll out automation program for key Business Function (HR, Fleet, Procurement, Risk, Performance Management) • Integrate software systems E.g Interface the accounting software with other operating systems e.g. HR, Payroll, Fleet etc • Roll out in-house email system • Roll out Tele conferencing system • Roll out intranet not internet within	Dec-18	
Design and implement Disaster Recovery and Business Continuity through enterprise backups	Dec-18	
Roll out Computerised Maintenance Management System/Asset management system with decision support capabilities	Dec-18	
Acquire engineering software packages (AutoCAD, Acrobat X, ArcGIS, MS Project)	Dec-18	
Acquire Security and intrusion system	Jun-19	
Replace and upgrade 20% existing Hardware and software	Annually effective 2019	
Implement enterprise cyber security	Jul-20	
Implement compliance risk and contract management system	Dec-19	
IT resource review, audit and planning	(2019 Isimba and Karuma, 2021 Eskom)	
Perform annual system audits and close out findings	Annually	
Roll out Business Score card system	Jun-20	
Roll out fleet management systems	Dec-20	
Remote power plant monitoring system	Dec-22	
Roll out laptop tracking system	Jun-22	
Attain ISO Information Security Management system 27000 certification	Jun-23	
Implement SIMAHPP5	Jun-23	
Acquire a project management software system	Jun-18	

Strategic Objective	Measures (KPI)	Targets	
Improve Knowledge, Skills & Abilities(KSA)	Retention rate	At least 98% Retention Rate	
	Competence Assessment Rate	90% Rating by 2023	
	Percentage of staff trained	At least 80% as per schedule	
	percentage Man power plan implemented	100% implementation by 2023	
Enhance organisational culture	Employee satisfaction score	Achieve 80% score	

Strategic Initiatives (Critical tasks)	By When	Responsible Officer
Roll out the employee retention policy	Aug-18	CHRO
Support employees to achieve professional certifications	Annually	
Design & implement capacity development program for staff	Annually	
Implement the UEGCL Man power plan	Annually	
Develop and implement employee engagement programs	Jun-19	CHRO
Undertake annual employee satisfaction surveys	Annually	
Develop and roll out employee relationship programmes (HR Clinics, counselling etc.)	Annually	
Develop & implement staff career enhancement programmes,	Annually	
Develop & promote team building initiatives,	Annually	
Carry out Job rotation & enlargement initiatives,	Annually	
Carry out salary surveys,	Once every 3 years	
Review and strengthen performance reward programme for staff	Dec-18	
Develop and implement Leadership enhancement programmes	Annually	

Chapter 5:

IMPLEMENTATION FRAMEWORK:

5.1 Implementation Arrangement

As a means of executing the strategic plan, each functional unit will be responsible for undertaking and cascading the initiatives into detailed tasks to achieve the key deliverables enshrined within the plan. These will be streamlined through the company annual budget and respective business operational plans for the functional units, as well as the individual performance agreements (IPAs).

5.2 Operating and monitoring plan

In order to ensure effective implementation of the Strategic Plan 2018-2023, the company will continue with the implementation of the corporate scorecard coupled with quarterly, bi-annual and annual evaluation system based on the "Plan, Do, Check, Act (PDCA)" to monitor progress made in the implementation of the strategic plan and to ensure continual improvement as required under ISO 9001: 2015. The proposed scorecard will greatly contribute to the assessment of progress made in the implementation of the plan and the formulation of remedial measures in circumstances where the performance is not on course. While the main strategic thrusts of the plan are not expected to change significantly from year to year, some refinements in timeframe and approaches may be necessary in light of internal and external eventualities. In year five of the plan, a more exhaustive midterm review will be undertaken as an input into the preparation of the next five year plan.

5.3 Financing Plan

UEGCL will require considerable resources in order to be able to realise its goals and objectives over the next five years. This is in light of the undertakings, both investment and operational over the next five years. As a strategy, the company will use a mix of financing options to cover its operation and maintenance, and capital investment costs. In a strict sense, all operation and maintenance costs, plus minor investments will be covered from internally generated sources. On the other hand, the company will mobilise funds for major capital investments using various financing options. These will include the options of market finance, concessionary loan financing, PPP arrangements, and grants from development partners and Government, among others.

The source of finance to be used will depend on the rate of return anticipated from the project. Where projects will drive returns commensurate with commercial capital costs, commercial finance will be mobilised to fast track those investments. Such investments include the rationalization of high cost infrastructure (e.g. replacement of old and inefficient electro–mechanical equipment, etc.) and investments that yield high marginal revenues at a relatively low marginal cost. On the other hand, new investments, such as the new hydropower stations, plus investments of social nature (non–viable), will still require support from Government and development partners. One of the key milestones envisaged is the preparation for listing on the securities market.

5.4 Stakeholder Engagement

UEGCL is committed to meeting the needs and surpass the expectations of various stakeholders to achieve predictable and value for money services. The stakeholders who the company envisages to work with include the Government and all its partner institutions, development partners, civil society such as NGOs, CBOs, and media, among others. Implementation of stakeholder management activities will be promoted at all levels of the company's interface with its stakeholders.

Key among the tenets for this collaboration will be an open and focused dialogue with stakeholders, building synergies, improving effectiveness of the company's activities, increasing stakeholder buy–in of the activities of the company, promoting transparency, effective communication, and value adding engagements. In carrying out these activities, the company will enhance its accountability to its various stakeholders.



Intake section at Karuma Hydro power project

Annex 1: Perspective Themes, Strategic Objectives

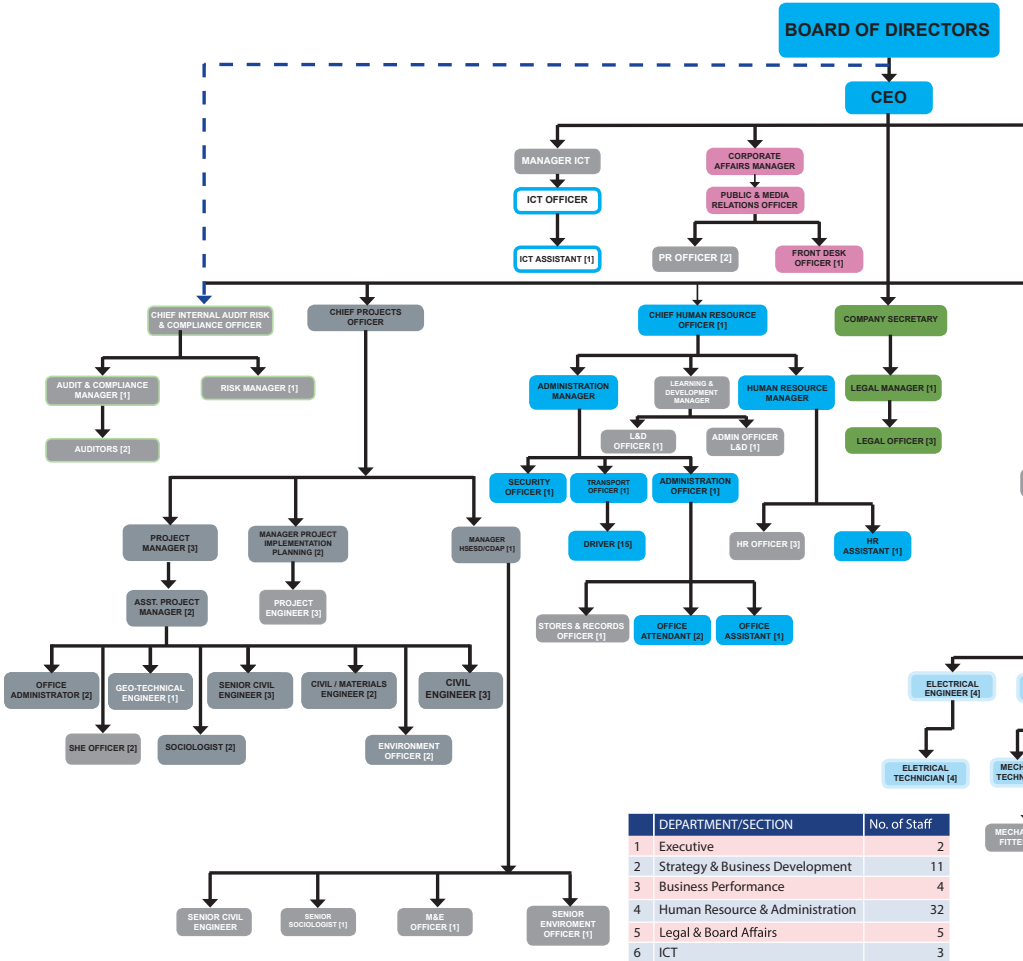
#	Perspective	Themes		Strategic Objectives	
S	Customer/ Stakeholder	Stakeholder & Reputation Management	S1	Improve Stakeholder Satisfaction	
				Increase Energy Capacity	
F	Financial Stewardship	Sustainable Growth	F1	Improve Resource Management	
			F2	Increase Financial Resources	
			F3	Enhance Business Portfolio	
B	Internal Business Processes	Operational Excellence	B1	Improve process efficiency	
			B2	Improve Project Management	
			B3	Improve Asset Management	
			B4	Improve Compliance	
		Stakeholder & Reputation Management	B3	Improve communication and collaboration	

Description(s)	Intended Result
• Conduct business in a manner which meets the requirements of our stakeholders • Least cost generation	Stakeholder satisfaction
Increase capacity to meet current and future electricity demand	Installed capacity Meet energy demand
Explore options to control & lower costs of service delivery	Good financial performance and sustainability
Direct resources to the most critical/or core aspects of the company (including Debt Servicing) and this is done in a timely and effective manner	Effective use of resources(Budget aligned to strategy and Debt Schedule)
Mobilise internal and external resources and improve profitability	Adequate resource envelope and Return on Investment
Diversify our business portfolio in order to increase revenue and hedge against risks	• Sustainability of product and service delivery • Company growth
Process improvement initiatives used consistently to reduce time, improve quality & reduce wastage	Cost effective service/or product delivery
Efficient, timely and cost effective completion of capital investment projects	Business continuity/sustainability
• Adoption of international standards for deploying, operating, maintaining, upgrading and disposing of Assets	Posterity of Assets
• Procedures in accordance with Laws & Regulations governing our business • Continuous improvement of systems	Good governance, transparency & accountability
Undertake activities that will raise the image (profile) of the company	Stakeholder awareness

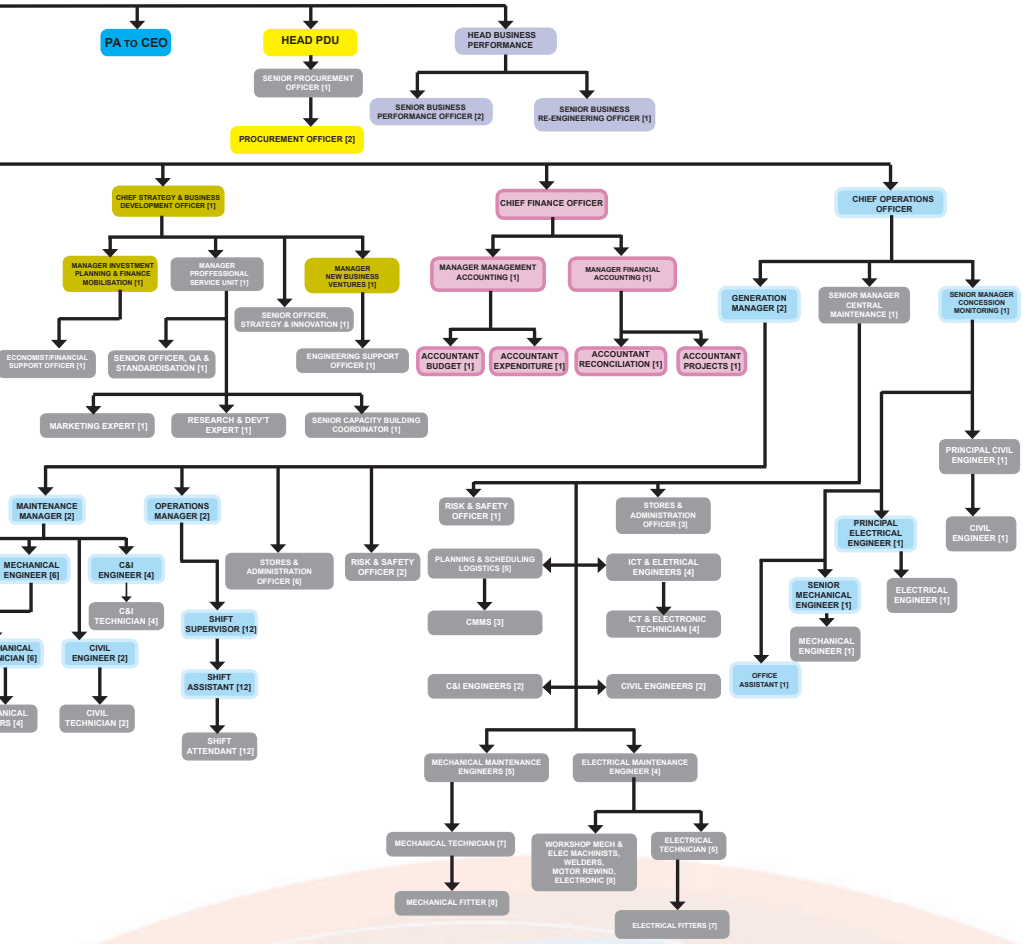
#	Perspective	Themes		Strategic Objectives	
O	Organisational Capacity	Engaged Workforce	01	Enhance Organizational culture	
		Operational Excellence	O2	Improve infrastructure and Technology	
			O3	Improve Knowledge, Skills & Abilities(KSA)	

	Description(s)	Intended Result
	• Maintain effective & efficient workforce • Teamwork & motivated staff	• Values & shared vision fully integrated into company culture
	Effective development, management & application of ICT systems within our business processes (Governance, Emerging Trends and Technologies, Business Systems and Applications, Infrastructure and Technology, IT Business Continuity, Security, Information Management)	Efficient and reliable business processes
	• We acquire, develop, retain a highly skilled and competent workforce that exceeds workplace requirements	• A knowledgeable & skilled workforce • A multi-skilled work force

Annex 2: Organizational Structure



	DEPARTMENT/SECTION	No. of Staff
1	Executive	2
2	Strategy & Business Development	11
3	Business Performance	4
4	Human Resource & Administration	32
5	Legal & Board Affairs	5
6	ICT	3
7	Operations	164
8	Projects	33
9	Corporate Affairs	5
10	Finance	7
11	Audit, Risk & Compliance	5
12	PDU	4
	Total	275



Occupied	136
Vacant	139

An aerial view of Isimba 183 (MW) HPP after the second stage river diversion.





ADDENDUM (1) FOR THE PERIOD 2019-2020

UEGCL
Generating for Generations

PURPOSE STATEMENT:

To sustainably generate reliable, quality, and affordable electricity for socio-economic transformation

STRATEGIC THEMES

- Operational Excellence
- Stakeholder & Reputational Management
- Sustainable Growth
- Engaged Workforce

CORE VALUES

Integrity
We embrace honesty in everything we do & we are determined to adhere to ethical business principles and good corporate governance at all times.

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

Accountability
We are committed to a performance-based culture & teamwork where all of us are accountable for our actions and results

Safety
We collectively embrace a safety culture in all our projects & operations

Sustainability
We commit to generate electricity that meets the needs of the present without compromising the future. This also caters for the concerns of the environment.

KEY ENTERPRISE LEVEL INITIATIVES

- Stakeholder Relationship building
- Resourcing Strategy
- Business Sustainability Business Process Re-engineering
- Asset Care
- Human Capital Focus

Roadmap 1300

Long Term Strategic Goals 2023

* 80% Stakeholder Satisfaction
* 1300 MW Installed Capacity
* 97% Plant Availability
* 99% Plant Reliability
* Achieve Profitability
* ISO 55000 & ISO 45001 Certification
* Engaged Staff

Communication and Corporate Affairs ©



183MW Isimba HPP commissioned 21st March 2019

1.0 Introduction

UEGCL launched its 5 year strategic plan (2018-2023) in December 2017. Implementation commenced in January 2018 and June 2019 marked the end of the first cycle.
Prudent monitoring and evaluation therefore calls for a review of the Strategy and its implementation, and the formulation of a way forward for the next financial year in light of the Company Performance and environment in which the Company operates. At the Board and Management retreat held from the 27th-28th June 2019, the Board reviewed the Company Strategy and adopted amendments to the Strategy. This addendum is a summary of the approved changes to the 5 year strategy showing the emerging Strengths, Weaknesses, Opportunities and Threats (SWOT), changes to the UEGCL Strategy Map, changes to measures of some objectives, a Corporate Scorecard for the period 2019/2020 and the underlying assumptions required for its successful execution.

2.0 Situation Analysis (Emerging SWOT)

A review of UEGCL internal and external business environment showed the following as the new emerging Strengths, Weaknesses, Opportunities and Threats (SWOT). These emerging issues were put into consideration while revising the company's strategy for the period 2019/2020.

Table 1: Emerging SWOT Analysis as at June 2019

Emerging Strengths	Emerging Weaknesses
1. Improved communication 2. Highly compliant to statutory laws and regulations. 3. A formal and participatory strategic planning process has been embraced. 4. Strategic budgeting process is clearly defined. 5. UEGCL expectations from the Off-taker are well documented & known.	1. Processes still largely manual (ICT process roll out lacking) 2. Strategy execution challenges identified related to tasks/activities not adequately planned and resourced, inadequate use of performance information for decision support, strategy not well cascaded and understood, link between task execution and outcomes not clear, inadequate integration between risk management and strategic planning, budget process not aligned to Strategy, irregular strategy monitoring. 3. No project charter to inform project supervision 4. Inadequate tools, facilities & technology 5. Inadequate integration of processes and systems. 6. Less involvement in budgeting process by staff. 7. UEGCL is reactive to critical issues. 8. Inadequate Staff Engagement
Emerging Opportunities	**Emerging Threats**
1. O&M capability 2. Take over other energy plants 3. Government Generation Targets	1. Proposed Merger of Public Sector Institutions 2. Regulatory constraints 3. Misaligned Stakeholder expectations 4. Deemed Energy Clause exclusion which is stifling new investor interests 5. Inadequate Involvement of UEGCL in future Generation planning and execution of large hydros at the National level.

3.0 Changes to Strategic Objectives and Measures

All twelve (12) Strategic Objectives that are anchored on the four (4) thematic areas of UEGCL's 2018-2023 Strategic Plan were retained. However, the cause and effect relationship between the 12 objectives were revised as shown in the figure below.

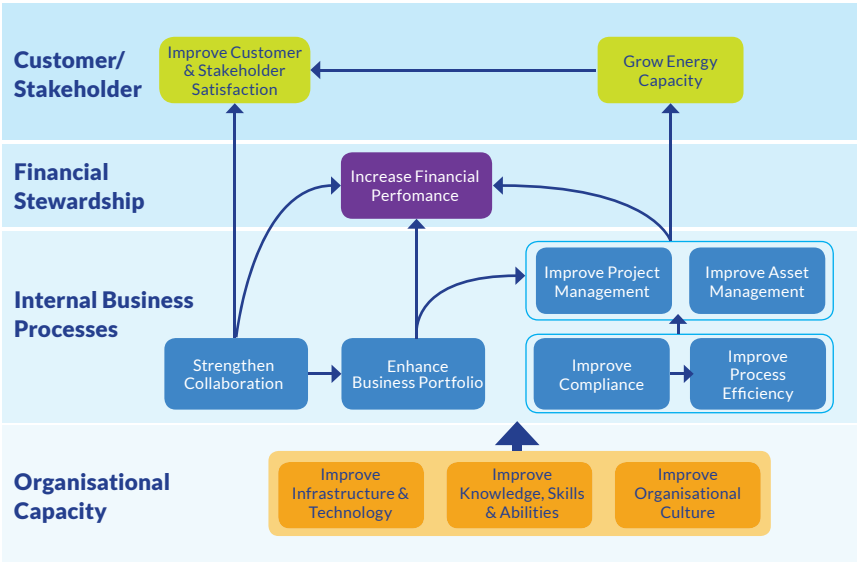
Table 2: Revised Measures to the Corporate Objectives

Objective	Existing Measure	Revised/New Measure	Remarks
Customer Satisfaction	Stakeholder satisfaction score	Stakeholder satisfaction index	It has two components internal (Staff) and External stakeholders.
Improve Financial Performance	• Value of Funding Proposal approved • Percentage increase in Funds secured • Percentage increase in Profitability	• Funds secured • Profitability • Cost Recovery Ratio	This takes into account commencement of O&M and the fact that UEGCL will actively Bill for Energy and will have to operate viably
Expand energy capacity	All existing measures retained	Percentage market share	This is an additional measure for the energy sold by UEGCL.
Enhance Business Portfolio	• Number of new potential sites explored • Number of new project sites acquired	Business portfolio index	This is a composite measure that combines the existing measures into one. It includes potential sites explored, permits and new non-core Business ventures explored.
Strengthen Collaboration	• Percentage of collaborations that add financial and social value. • Number of MoU expectations executed	Collaboration Effectiveness Index	This is a composite measure that combines • No of Collaborations effected • No of MoUs • Value of Collaborations • Execution rate of MoUs
Improve infrastructure & technology	• Percentage of ICT System Utilization • Number of functions automated	ICT Maturity rating	This is a new measure that overrides the existing measures. Including: • Systems integration • Customer orientation • Security • Risk Optimization • ICT Project management.
Improve Organisational Culture	Staff Engagement Score	Staff Engagement Index	Takes into consideration a number of parameters that influence engagement.These include; • Productivity • Retention • Grievance Resolution • Attendance • Social Participation • survey results

3.1 Revised UEGCL Strategy Map as at June 2019

The only amendment to the Strategy Map was the shift of the 'Enhance Business Portfolio' from the 'Financial Perspective' to 'Internal Business Process Perspective'. This is depicted in the revised UEGCL Strategy Map below.

Fig 1: UEGCL Revised Strategy Map



3.2 Organization Structure Changes

Following the review of the Organization Structure and the SWOT analysis, the following changes were approved in the UEGCL Organization Structure.

i. The need to incorporate a Regulatory function within the structure which interfaces with the Regulator on policy issues pertaining to the sector and UEGCL.
ii. The recruitment of Head Research and Business Development during the financial year 2019/2020 in light of O&M activities and eventually takeover of Namanve and Kiira/ Nalubaale HPPs. This was further necessitated by Uganda joining ICOLD.
iii. The position of Learning and Development Officer to be changed and elevated to Learning and Development Manager.
iv. Need to shift the function of Quality Management System from Strategy and Business Development Department to the Internal Audit Department. This was based on the need to leverage the expertise in Audit and process management, and to close the gap for a need for a dedicated quality management function.

4.0 Corporate Scorecard (2019/2020)

The Corporate Scorecard detailed below will guide the operations of UEGCL during the 2019/20 financial year. The Scorecard has been aligned to the available resources for the 2019/20 financial year. The Scorecard will form the basis of monitoring the implementation of the UEGCL Strategy 2018-2023, specifically for the 2019/20 financial year.

Table 3: UEGCL Corporate Scorecard 2019/2020

PERSPECTIVE	#	STRATEGIC OBJECTIVE	MEASURES (KPI)	Baseline (May 2019)	Target (June 2020)	
Customer/ Stakeholder	C1	Improve Stakeholder Satisfaction	Stakeholder Satisfaction Index	71%	80%	
	C2	Increase Energy Capacity	Installed Capacity	563.0 MW	1163.0 MW	
			Percentage market share	38%	52%	
Financial Stewardship	F1	Improve Financial Performance	Funds secured	96.1 Billion	309.000 Bn	
			Profitability	7 Bn	28.00 Bn	
			Cost Recovery Ratio	NA	>=1	
Internal Business Process	B1	Enhance Business Portfolio	Business Portfolio Index	15%	60%	

STRATEGIC INITIATIVES	PLANNED (CRITICAL) ACTIVITIES	OBJECTIVE OWNER
Develop and implement a Stakeholder Management Program	Carry out the Brand Reputation survey	HCCA
	Track and update implementation of brand survey recommendations.	
Prepare and implement a program for commissioning of projects	Commissioning of Karuma Project.	CPO
Develop and implement a Resource Mobilization and Implementation Plan	Prepare and submit grant funding proposals to development partners	CFO
	Secure Isimba and Karuma O&M revenue • Prepare budgets for O&M operations in line with the PPA	
	Bill and collect all revenue requirements from UETCL in line with the PPA for Isimba and Karuma. • Bill and collect all revenue requirements from Eskom in line with the CAA	
	Secure GOU funding • Prepare work plans & budgets supporting the UEGCL financial requirements for projects	
Ensure Compliance with PPA Provisions	• Establish and implement an automated tracking system for payment invoices and requests • Harmonization of PPA with Generation License.	
Develop and implement a Business Growth Strategy	Prepare a business case for Isimba and Karuma tourism potential	CSBDO/ CPO
	Explore and register UEGCL projects for CDM benefits	
	Explore new sites and acquire permits to improve energy mix including solar.	
	Complete feasibility studies for the small hydro power projects	

UEGCL Corporate Scorecard 2019/2020

PERSPECTIVE	#	STRATEGIC OBJECTIVE	MEASURES (KPI)	Baseline (May 2019)	Target (June 2020)
	B2	Strengthen Collaboration	Collaboration Effectiveness Index	60%	80%
	B3	Improve Compliance	Closure Rate of Non Conformities	65%	80%
			Compliance rating to requirements (internal policies, permits, licenses, HSE, IFRS and Laws and regulations)	87%	90%
			Corporate Risk Maturity Index/rating	2.33	3
	B4	Improve Process Efficiency	Standard Operating Procedures Score	49%	60%
	B5	Improve Project Management	Schedule Performance Index	1	1
			Cost Performance Index	1.08	1
			Project Quality Score.	67%	80%

STRATEGIC INITIATIVES	PLANNED (CRITICAL) ACTIVITIES	OBJECTIVE OWNER
Develop and implement a Stakeholder Management Program.	• Implement the Communication and CSR strategy in line with the policy • Implement CDAP activities and action plan.	HCCA/CPO
Design and roll-out a Risk-based Compliance Audit Program	Develop & Implement an annual risk based compliance audit plan • Standards • Laws & Regulations • Internal Policies • HSE& Social Management Plans	CS
	Undertake organizational policy gap analysis and address the findings.	
	Review implementation of corrective actions	
	Develop and implement an Enterprise Risk Management Program	
Develop and rollout a Strategic Planning and Alignment Framework	Implement operations and maintenance plans.	CIA
	Development and Implementation of approved SOPs.	
	Develop the Annual Corporate scorecard (2020/2021) and cascade the Strategic Plan to tier 2 & 3.	
Develop and implement a Construction Supervision Plan	Develop Employer's Statement of Requirements (ESR) compliance matrix & institute quarterly tracking mechanism • Schedule • Cost • Quality • SHE compliance management	CPO
	Implement cost and claims management procedures	
	Implement a projects schedule management framework	
	Conduct quarterly audits on contractors/OE's quality management system	
	Institute a follow up mechanism on closure of non-conformities • PoE recommendations • NCR	

UEGCL Corporate Scorecard 2019/2020

PERSPECTIVE	#	STRATEGIC OBJECTIVE	MEASURES (KPI)	Baseline (May 2019)	Target (June 2020)	
	B6	Improve Asset management	Plant Availability	97.2%	97.00%	
			Plant Reliability	98.63%	99.00%	
			Asset Management Maturity level ISO 55000	1.2	2	
Organizational Capacity	O1	Improve Infrastructure and Technology	ICT Maturity rating	N/A	2	
	O3	Improve Knowledge, Skills and Abilities (KSA)	% staff achieving Performance Targets (Bell Curve)	79%	85%	

STRATEGIC INITIATIVES	PLANNED (CRITICAL) ACTIVITIES	OBJECTIVE OWNER
Develop and Roll Out an Asset Management Program based on ISO 55000	Complete feasibility study for Complex rehabilitation	COO
	Develop and implement Asset Management Policy, & Strategic Asset Management plan (SAMP)in line with ISO 55,000	
	Develop and roll out annual Maintenance programs (Preventive, predictive, reactive, reliability) in line with the PPA	
	Design and implement ICT Asset Management Plan	
	Institute an M&E mechanism to periodically assess Asset Maturity Level	
Develop and roll-out a Technology Improvement Plan	Conduct ICT infrastructure/tools needs assessment; with a focus on system integration	HICT
	Acquisition of CMMS and interface with ERP	
	Procure vehicles	
	Develop and implement an ICT Projects Evaluation Framework • Develop Business Cases for all Infrastructure & Technology Projects for implementation	
	• Implement ICT Projects in line with the Project Evaluation Framework • Develop and maintain the project plan • Monitor and control projects (evaluate, prioritize and authorize change requests)	
	Develop an ICT project implementation tracking system	
Design and implement Human Capacity Development Program	Capacity gap analysis (skills & competence) • Establish a competence framework in line with reviewed job profiles • Implement the resolutions from the 360 Degree Leadership assessment • Conduct competence and skills gap assessment • Conduct a Training Needs Assessments	CHRO

UEGCL Corporate Scorecard 2019/2020

PERSPECTIVE	#	STRATEGIC OBJECTIVE	MEASURES (KPI)	Baseline (May 2019)	Target (June 2020)	
Organizational Capacity			Competence Rating	63%	70%	
			Competence Gap Closure	0%	30%	
	O4	Enhance Organizational Culture	Culture Maturity Rating	53%	70%	
			Staff Engagement Index	53%	60%	
			Response rate to 360 Degree recommendations (action plan)	0%	30.0%	
			Strategy Execution Score	60%	80%	

STRATEGIC INITIATIVES	PLANNED (CRITICAL) ACTIVITIES	OBJECTIVE OWNER
	Develop a Capacity Development Plan • Prepare Personal Development Plan for all staff	
	Update & implement a Manpower and Recruitment Plan	
	Track implementation of the Capacity Development Plan	
Develop and implement Culture Improvement Program	Establish a culture assessment framework and management program/plan • Culture and staff engagement assessment tool	CHRO
Implement the approved Department Strategies	Implementation of Board Resolutions, costed operational plans & signed scorecards, bi-monthly departmental performance reviews and contract management	CSBDO

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