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PRESS RELEASE

UEGCL LAUNCHES AN INTERNAL PERFORMANCE CONTRACT FOR THE 380 MW NALUBAALE – KIIRA POWER STATION

Today, UEGCL launched the Internal Performance Contract (IPC) for Nalubaale-Kiira power station at the plant premises in Jinja City. The Performance Contract was launched by the Minister of Energy and Mineral Development, Hon. Ruth Nankabirwa Ssentamu and witnessed by the Board, Management and staff of UEGCL.

One of the pillars and key focus areas for UEGCL, as enshrined in its Strategic Plan for the period 2023 -2028, is **enhancing operational efficiency** across all its power plants. Similarly, with the company's paradigm shift to Operation and Maintenance, the new company vision of being "**Africa's leading electricity-generating utility**" heavily relies on the company's ability to run all its power plants in line with prudent utility practices.

In 2019, the Board approved the **UEGCL O&M Business Model** aimed at empowering its staff to effectively and efficiently manage the power plants under its jurisdiction. The **O&M model**, through the **Internal Performance Contract**, is a delegated management Contract by which a partnership is established between the principal (Asset holder) and the Agent (Operator) through internal performance contracting.

The model is configured around private sector tenets of management, and seeks to promote Operational efficiency through delegation of Authority, accountability through performance contracting and target setting, ultimately driving business success. The O&M Business Model therefore **demystifies the common notion that public companies cannot operate as efficiently as private ones.**



The **Business model** was rolled out to the **Isimba Hydropower power plant** in 2022, and **Namanve Thermal Power Plant** in April this year, yielding remarkable efficiency gains, through Autonomy and enhancement of Innovations at the Operator level. This is line with UEGCL's purpose of **Making Electricity safely Available for Supply at all Times from all our Plants**, while operating on commercially prudent principles.

Since its transfer from ESKOM in April 2023, UEGCL has been operating the Nalubaale - Kiira power stations (the complex) and therefore, the IPC is timely as UEGCL looks to ensuring the plants' optimal functionality, while enhancing its pivotal role as the Country's least cost and baseload plant.

“...it is envisaged that as a result of the implementation of the Internal Performance Contract, benefits that will accrue will include; cost rationalisation, **improved asset management, enhanced staff capacity building, and attainment of the performance expectations** for plant availability, reliability, and **compliance to the operational requirements**. “asserts the UEGCL Board Chairperson – Eng. Njuki.

The Board Chairperson informed the Minister that UEGCL shall similarly be inviting her to the launch of the **Karuma IPC** following the recent technical commissioning of the Plant.

It is also key to note that the O&M business model is aligned with the goals of the NDP III (2020-2025) which emphasize enhancing public sector performance by strengthening accountability for results across government.

Hon. Nankabirwa thanked UEGCL for its foresightedness in coming up with the Internal Performance Contracts as a means of fostering efficiency across its operations.

“I am happy to note the key features of the Internal Performance Contract include; increased autonomy, empowerment, and accountability which are all vanguards for improved performance.”

The event also presented a platform for the launch of **The Projects Guidebook**, which documents proficient project management practices, as a means to ensure successful project implementation.



The Minister emphasized that Government is stressing the need for accountability and value for money at all levels thus the Internal Performance Contract is a welcome innovation by UEGCL.

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