

UEGCL STRATEGIC PLAN

2023-2028



UEGCL
Generating *for* Generations



UEGCL
Generating for Generations



Vision

The Vision of UEGCL is to be “Africa’s leading electricity generating utility”



Mission

UEGCL’s mission is to “Sustainably generate reliable, quality and reasonably priced electricity for social-economic development.”



Purpose Statement

UEGCL’s Purpose is to “Make electricity safely available for supply at all times from all our power plants”



Quality Statement

“UEGCL is committed to the safe and efficient operation & maintenance, 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 reasonably priced electricity in compliance with the applicable requirements of the Electricity Act, Regulations, Laws and relevant standards.”

Operational Excellence

All our systems/ processes deliver safe, timely, quality, value added and cost-effective services.



Stakeholder and Reputation Management

- ▶ Our Internal and External Stakeholder needs are continuously met
- ▶ We derive value from social & strategic partnerships



Sustainable Business Growth

- ▶ We innovatively grow a diversified business portfolio that ensures energy security
- ▶ Operate/run new technologies (solar, etc.)
- ▶ We deliver sound financial results
- ▶ Generate revenue from both core (power plants) & non-core (PSU) business activities



Human Capital Management

- ▶ Staff skills and abilities meet the established organisational cultural, operational and strategic needs
- ▶ Staff are empowered and are accountable for their results
- ▶ A more supportive environment on gender equality





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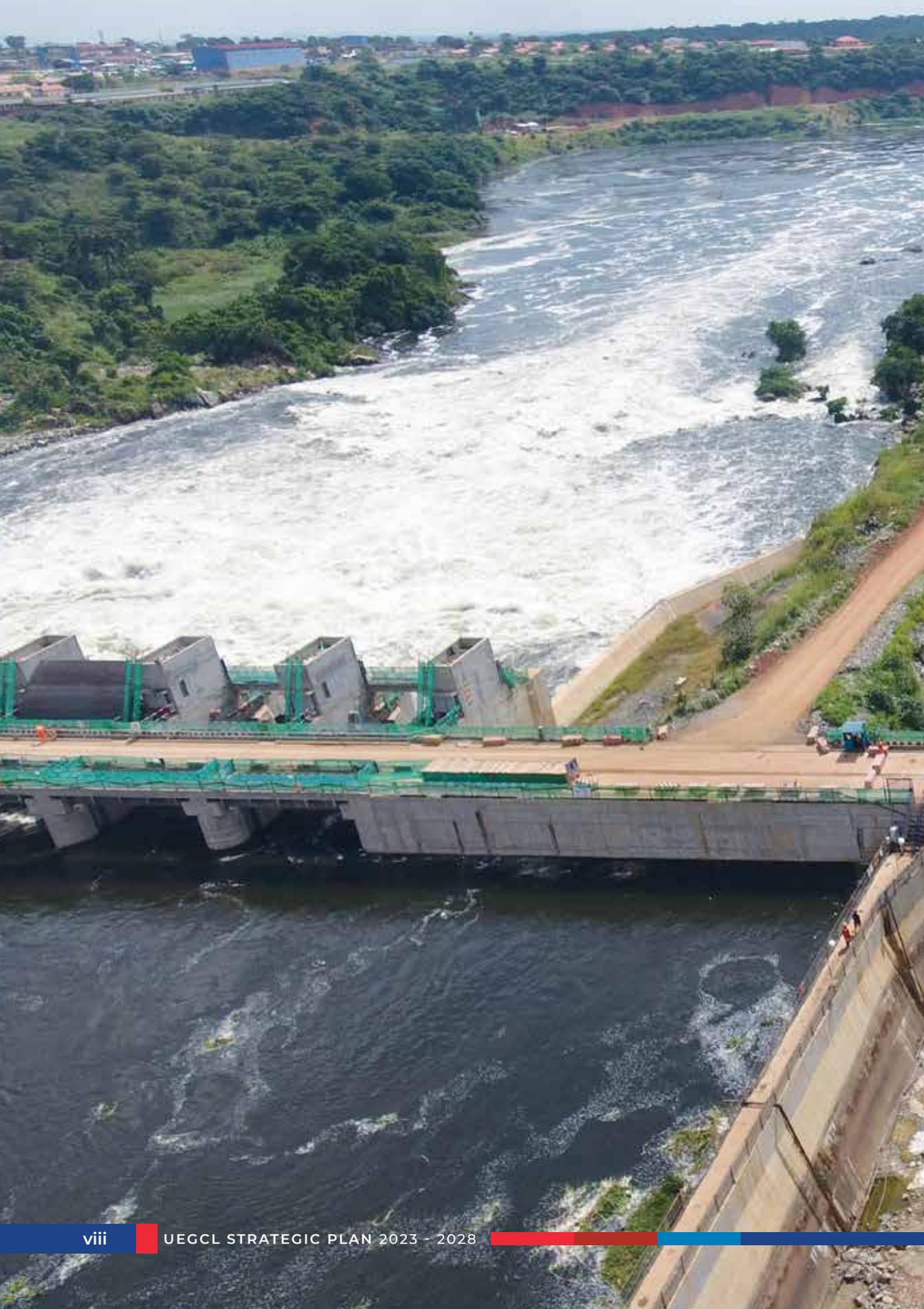
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LIST OF ABBREVIATIONS

AfD	French Development Agency
AFI	Strategy Analysis, Formulation and Implementation Framework
BFRC	British Financial Reporting Council
BSC	Balanced Scorecard
CAA	Concession and Assignment Agreement
CAO	Chief Audit Officer
CAPEX	Capital Expenditure
CDAP	Community Development Action Plan
CEATI	Centre for Energy Advancement through Technological Innovation
CEDAT	College of Engineering Design Art and Technology
CFO	Chief Finance Officer
CHRO	Chief Human Resource Officer
CMMS	Computerized Maintenance Management System
CNR	Compagnie Nationale Du Rhone
COO	Chief Operations Officer
COSO	Committee of Sponsoring Organizations of the Treadway Commission
COVID-19	Coronavirus Disease 2019
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
CSHEQ	Chief Safety Health Environment and Quality
CSR	Corporate Social Responsibility
DoA	Delegation of Authority
ERA	Electricity Regulatory Authority
ESG	Environment Social and Governance
ESKOM	Kiira/Nalubaale Complex Concessionaire, Eskom (U) Limited
GOU	Government of Uganda
HCCA	Head Communication and Corporate Affairs
HICT	Head Information Communication Technology
HRBD	Head Research and Business Development
HoR	Head of Risk
HPDU	Head Procurement and Disposal Unit

HSBP	Head Strategy and Business Performance
HFO	Heavy Fuel Oils
HPS	Hydro Power Station
HPPs	Hydro Power Plants
HR	Human Resources
HSE	Health Safety and Environment
ICH	International Centre for Hydropower
ICOLD	International Commission on Large Dams
ICT	Information and Communication Technology
IPPs	Independent Power Producers
ISO	International Standards Organization
KPS	Kiira Power Station.
LNG	Liquefied Natural Gas
MDA	Ministries, Departments and Agencies
MEMD	Ministry of Energy and Mineral Development.
MIS	Management Information System
MoFPED	Ministry of Finance, Planning and Economic Development.
MoU	Memorandum of Understanding
MUK	Makerere University
MW	Mega watt
M&E	Monitoring and Evaluation
NDP	National Development Plan
NPA	National Planning Authority
NPS	Nalubaale Power Station
NRM	National Resistance Movement



N.S.S.F	National Social Security Fund
NTPC	National Thermal Power Corporation
OHSAS	Occupational Health and Safety Assessment Specification
O&M	Operations and Maintenance
PPA	Power Purchase Agreements
PPDA	Public Procurement and Disposal of Public Assets Authority
PPP	Public Private Partnerships
PSU	Professional Services Unit
PV	Photovoltaic
QMS	Quality Management System
R&D	Research and Development
ROIE	Return on Investment/Equity
SBD	Strategy and Business Development
SHPP	Small Hydropower Project/Plant
SWOT	Strength, Weaknesses, Opportunities and Threats
TC	Training Centre
UEDCL	Uganda Electricity Distribution Company Limited
UEGCL	Uganda Electricity Generation Company Limited
UETCL	Uganda Electricity Transmission Company Limited
UMEME	Electricity Concession Company
USD	United States Dollar
UTB	Uganda Tourism Board



BOARD CHAIRPERSON'S FOREWORD

In fulfilment of the mandate of the Board of Directors, it gives me great pleasure to present the Uganda Electricity Generation Company Limited (UEGCL) Strategic Plan for the period 2023 to 2028.

The Plan presents the Company's futuristic aspirations for the next 5 years, which align with the Uganda Government's development agenda, given that electricity supply is cardinal to the socio-economic transformation of the country.

The Plan is anchored to the National Development Plan – NDP III, Vision 2040, National Resistance Movement (NRM) Manifesto, and also to the recently developed Electricity Generation Strategy (2022) which envisages Uganda's electricity generation capacity at 52,481 MW by 2040.

In reviewing the recently concluded five (5) year Plan, the period 2018 – 2023 was momentous as the Company realized growth on several fronts. Key growth areas were; the commissioning of the Isimba Hydropower Project (183 MW), the takeover of the 50 MW Namanve Heavy Fuel Oil-Fired Thermal Power Plant, and the retransfer of the Nalubaale and Kiira Hydroelectric Power Plants (380MW) to the Company. All these marked significant growth in the Company's business portfolio. On the financial front, the Company has since 2019 posted operating profits, which marked



Eng. Proscovia Margaret Njuki
CHAIRPERSON, BOARD OF
DIRECTORS

a turnaround in its financial health. This was majorly due to the revenue streams from the Isimba hydropower plant operations.

However, during the previous planning period, UEGCL was accosted by several challenges, key among which were

delays in project completion, financial constraints, issues related to the retransfer of the Nalubaale and Kiira Hydropower Plants which are not in a good operating condition, and the impending merger and rationalisation of government agencies, all of which slowed down the growth trajectory of the Company.

Going forward, the Company's Plan for the period **2023 - 2028** is premised on the need to meet the ambitious, yet achievable National Electricity Generation Targets, as well as the need to ensure efficiency in operations and maintenance which has a bearing on the end user Tariff. With these key aspirations, the UEGCL's Vision for the period **2023 - 2028** has been recast to be "**Africa's leading electricity generating utility**". This vision positions UEGCL to aspire to be a "market leader" in meeting demand and providing affordable and reliable electricity services.

On the other hand, the Company's Mission has been modified to "**Sustainably generate reliable, quality and reasonably priced electricity for socio-economic development.**" The Mission results were further defined for clarity to include; Environmental protection, Community support, a robust Governance framework and Financial growth.

To further clarify the overarching reason for UEGCL's existence and define the impact of our business on society as well as motivate all staff to be part of a unified team, UEGCL has defined her purpose as: - **Making electricity safely available for supply at all times from all our Plants.**"

The key strategic themes envisaged for the period 2023 -2028 are; **Operational Excellence, Stakeholder and Reputation Management, Sustainable**

Business Growth and Human Capital Development.

As a Board, we pledge our commitment to the implementation of the Plan, and we shall provide all the support to the Management and Staff of the Company in fulfilling the mandate of UEGCL. As a Board, we acknowledge that the Plan is not static, and will therefore evolve with the changing macro-economic and business environment.

At this juncture, I would like to thank all Stakeholders who have supported UEGCL in fulfilling its mandate over the years, and we look forward to the continued support in the implementation of this Strategic Plan for the period 2023 -2028.

In a special way, we are very grateful to our Shareholders the Minister responsible for electricity and the Minister responsible for Finance, our Development Partners, and the Electricity Regulatory Authority for the support and work done in the concluded five-year period.

I also wish to thank the Directors, Management and Staff of UEGCL for their untiring efforts and commitment to maintaining and advancing UEGCL in its bid to adequately **generate for generations.**

We yet again look forward to the successful implementation of the **2023 - 2028** Strategic Plan and its overall alignment with the National Development Plan Goals.

Thank you



Eng. Proscovia Margaret Njuki
CHAIRPERSON, BOARD OF DIRECTORS

BOARD OF DIRECTORS



Eng. Proscovia Margaret NJUKI
Board Chairperson



Hope BIZIMANA
Director



**Professor Nixon
KAMUKAMA (PH.D)**
Director



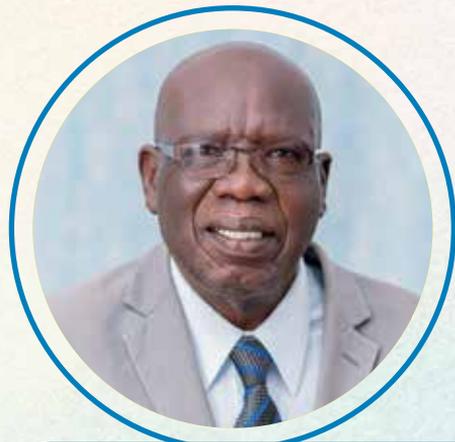
**Eng. Wamala Julius
NAMUSANGA**
Director



Eng. Gilbert John KIMANZI
Director



Mr. Paul Patrick MWANJA
Director



Mr. Ronald DRAYU
Board Member

UEGCL MANAGEMENT



Dr. Eng. Harrison E. MUTIKANGA
Chief Executive Officer



Dr. Mary AKURUT
Chief Safety, Health,
Environment and
Quality Officer



**Eng. George
Tusingwire
MUTETWEKA**
Chief Operations
Officer



Mark Martin OBIA
Company Secretary



**Eng. Isaac M.
ARINAITWE CFA**
Chief Projects Officer



**David Kahwa
ISINGOMA**
Chief Strategy and Business
Development Officer



Joseph OKECHO
Chief Audit Officer



Joyce NAKALEMA
Chief Human Resource
Officer



**Susan Taffumba
ISUBIKALU**
Chief Finance Officer

HEADS OF UNITS



Albert MURUNGI
Head Information and
Communication Technology



Beat NABACWA
Head Strategy and Business
Performance



Enock K. KUSASIRA
Head Communication and
Corporate Affairs



Flavia ANYIKO
Head Risk



Muzafalu KAYONDO PhD
Head Research and Business
Development



CHIEF EXECUTIVE OFFICER'S FOREWORD

Alongside UEGCL's Management and Staff, I am pleased to witness our transition into a new Strategic Plan for the period 2023 – 2028.

The plan presents an opportunity for UEGCL to reposition itself in the wake of the ongoing changes in the electricity sub-sector, and adapt to the new tenets as enshrined in the **Electricity Amendment Act 2022**.

The plan is premised on the quest for superior performance of UEGCL by gaining a sustainable competitive advantage through the least optimal cost of generation and having strategic approaches to drive operational efficiency, sustainable service delivery through aspirations to earn a return on investment, and innovative culture change.

In developing the plan, UEGCL adopted the **Analyse, Formulate, Implement (AFI)** Strategy Framework. The AFI Framework is an integrative strategic management process that combines Business Analysis, Strategy Formulation and Implementation. The AFI Strategy Framework was further enriched with the Balanced Scorecard and principles of the PuMP methodology—which is a practical strategic performance management



Dr. Eng. Harrison E. Mutikanga
CHIEF EXECUTIVE OFFICER

methodology that is envisaged to provide an enhanced approach towards business performance measurement, analysis and reporting for decision support.

During the period **2018 – 2023**, UEGCL's operations expanded to

cover Isimba (183 MW), Namanve (50 MW), and Nalubaale-Kiira (380 MW). This expansion has led to a growth in the staff complement from 180 to 354 staff—a growth of over 96%. The growth in operations marked a key paradigm shift with UEGCL transitioning from predominantly project development/implementation to predominantly plant operation. In terms of projects, the Isimba HPP was substantially completed, while the commissioning of the Karuma HPP commenced with 3 units (each 100 MW) being synchronised to the grid. In total, therefore, UEGCL's installed capacity over the five years effectively increased from **380 MW to 913 MW**—a growth of 240%. From the financial perspective, UEGCL remained buoyant over the five years with a growth of assets from **UGX 5.6 Tn** in 2018 to **UGX 7.4 Tn** in 2023; growth in income from **UGX 8 Bn** in 2018 to **UGX 303 Bn** in 2023, and finally, growth in the bottom line profits from a loss of **UGX 13.9 Bn** in 2018 to a profit of **UGX 66.3 Bn** in 2023. All these reflect a significant growth and turnaround in the performance of UEGCL and resonate well with UEGCL's quest for financial sustainability.

The key challenges during the period **2018 – 2023** were related to the Nalubaale-Kiira Complex which was returned/re-transferred to UEGCL at the end of its 20-year concession with some operational challenges (including deferred maintenance) that will require significant investment to resolve; the Namanve Thermal Power Plant that was also transferred to UEGCL in a state

requiring extensive CAPEX investment (maintenance and refurbishment); the delayed completion of the flagship projects, especially the Karuma HPP; the emergence and slow rectification of defects and non-conformances on the projects, especially the Isimba HPP, that affected plant operations; funding and cashflow constraints which mainly curtailed project development and investments; the impending mergers which affected company operations due to the uncertainty in the company's future status, and the **COVID 19 Pandemic** which slowed down the implementation of a number of company initiatives.

For the period **2023 – 2028**, UEGCL has recast its Vision and redefined its Mission to reflect the increasing responsibility UEGCL will have regarding the operation of the various power plants under its jurisdiction. Therefore, with Operations and Maintenance taking centre stage, UEGCL will concentrate on adopting tenets of international O&M best practices.

UEGCL's quest "**To be Africa's leading electricity-generating utility**" has been anchored on four strategic themes (pillars of excellence) which have been described as follows:

- **Operational Excellence:** aimed at execution of the business strategy consistently, reliably and competitively with safety, managed risk, optimal operating costs, and increased revenues.
- **Stakeholder and Reputation Management:** Entails proactive

engagement for both internal & external stakeholders in line with the company strategy to realise value.

- **Sustainable Business Growth :** entails project development, plant acquisition and diversification of our business through exploring both core (different electricity generation sources) and non-core (PSU, Resource Centre, and listing on the stock market) business ventures, with due consideration to environmental, social and governance issues.
- **Human Capital Management:** aimed at ensuring Talent attraction, development, retention and performance management while ensuring gender Diversity, Equity and Inclusion

For each of these themes, a number of strategic objectives have been developed together with the company's measures and targets which will help monitor the progress of strategy execution. The company's 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, key among which include; increasing generation capacity, market share and plant availability, developing new projects, achieving a return on investments as well as improving employee engagement.

Regarding the implementation of the plan, UEGCL will adopt an effective framework, which ensures that the requisite manpower and cascading mechanisms are utilised. This will be achieved through annual work plans, with the respective initiatives and targets, as supported by the approved resource allocations. The Plant operational units shall operate under a Delegation of Authority framework to harness creativity and autonomy gains through Internal Performance Contracting (IPCs). These shall be buttressed by the support functional units, each with their respective expectations. UEGCL has undertaken a risk-based implementation framework approach to enable the backstopping and full achievement of the Strategic Plan activities. It is, therefore, with pleasure that we anticipate the implementation of this Strategic plan over the next five years.

We once again look forward to the continued support from all our stakeholders during the execution of this strategic plan, and pledge our commitment towards further contributing to the Government's development objectives by ensuring reliable and affordable electricity as we generate for generations.



Dr. Eng. Harrison E. Mutikanga
CHIEF EXECUTIVE OFFICER

EXECUTIVE SUMMARY

The UEGCL Strategic Plan 2023 -2028 is prepared in fulfilment of continued prudent Governance by the Board, which requires that the Company should develop and implement a Strategic plan which articulates the Company's futuristic Vision, Mission, Values, Goals and objectives.

The plan presents an opportunity for UEGCL to reposition herself in the wake of the ongoing **MDA restructuring and mergers of the electricity sub-sector**, and adopt to the new tenets as enshrined in the **Electricity Amendment Act 2022**.

Why the UEGCL 2023 – 2028 Strategic Plan

The strategic plan is premised on the quest for superior performance with the aim of gaining and sustaining competitive advantage over our competitors through optimal cost generation, improvements in operational efficiency, risk management and service delivery through adoption of a financially viable cost recovery plan and an innovative culture change.

Formulation Process

The Strategic Planning Process was based on the AFI (Analysis,

Formulation and Implementation) Strategy Framework, the Balanced Scorecard Framework and the PUMP methodology. The process entailed the following steps

- a) **Business Analysis:** looking at the past performance, Internal and external factors impinging upon the plan, a risk analysis, challenges and lessons learnt.
- b) **Strategy Formulation**, which covered the formulation of high level strategic elements of the Vision, Mission and Values, thematic areas for the next five years, Objectives, performance measures and targets
- c) **Strategy Implementation:** which covered the organization structure and culture alignment, Stakeholder and change management aspects, financing mechanisms and Monitoring and Evaluation Framework.

Context of the Plan

Key among the anchors for the 2023–2028 Strategic Plan are the following;

- Performance Achievements & challenges realised from the implementation of 2018–23 Strategic Plan. The plan therefore seeks to *consolidate the gains*

& refocus the new strategies to overcome the challenges.

- Policy changes which encompass the overarching National Strategy as enshrined in **NDP III** and **Vision 2040**, formulation of the **NRM Manifesto** covering the period 2021- 2026, the **Electricity Amendment Act 2022**.
- Need to address the **National Electricity Generation Strategy (2022)** Targets of 52,481 MW by 2040 through a deliberate and enhanced implementation strategy considering the tight time frame.
- The need to roll out the **O&M Business model** to all operating plants of the company to drive accountability and to ensure evolution of the plants into autonomous business units, which can be benchmarked against each other for efficiency purposes
- The need to ensure **business diversification** for both core and non-core areas. This will therefore *ensure energy security, and a diversified revenue and income portfolio.*
- The need to ensure **streamlined and enhanced participation of UEGCL** in new generation projects given that the current portfolio of projects is all coming to an end.
- The need to ensure that even with the policy on the **Mergers of the electricity agencies**, the generation function will

still have a clear road map and strategic outline, which would clearly fit within the new company dispensation.

Performance 2018 -2023

As highlighted in the main document, UEGCL was able to continue on its path of growth during the five-year period 2018 -2023. Growth was realized in the commissioning of the Isimba HPP (183MW), and the synchronization of 3 units (300 MW) of the Karuma HPP to the grid. In total therefore UEGCL's installed capacity increased from 380 MW to 913 MW (58% growth). UEGCL successfully commenced operations in **Isimba (183 MW)**, **Namanve HFO (50 MW)** as well as **Nalubaale and Kiira Power Plants (380 MW)** after retransfer to UEGCL. The Company's asset portfolio was therefore greatly enhanced from **UGX 5.6 Trillion** in 2018 to **UGX 7.4 Trillion** in 2023. In tandem, the company's revenues also grew from a paltry **UGX 8 Billion** to **UGX 303 Billion** in 2023, which marked a significant growth. Finally, UEGCL was able to turn around from a net loss of **UGX 13.9 Billion** as at June 2017 to a profitable company (**UGX 66.3 Billion** as at June 2023) during the past planning cycle.

Human Resource (2018 -2023)

During the 5-year period, UEGCL experienced exponential growth with the expansion of its operation and maintenance and base more specifically with the retransfer of the 50MW Namanve Thermal Powerplant



Growth

ON THE FINANCIAL FRONT, THE COMPANY HAS SINCE 2019 POSTED OPERATING PROFITS, WHICH MARKED A TURNAROUND IN THE FINANCIAL HEALTH OF UEGCL. THIS WAS MAJORLY DUE TO THE REVENUE STREAMS FROM THE ISIMBA POWER PLANT OPERATIONS. THE STAFF COMPLIMENT GREW FROM 180 – 354 STAFF, A GROWTH OF 96%.



and the 380MW Nalubaale/Kiira HPP. This saw an increase in the staff count from 180 staff in December 2018 to 357 staff as at June 2023 with 86 female staff (24%) and 268 male staff (76%).

Risk Profile 2018 -2023

UEGCL has over the five years of strategy implementation strengthened her risk management culture and supported strategy execution through the identification, assessment, treatment and monitoring of key risks. Some of the strategic risks mitigated include; **the conversion of Karuma and Isimba loans from USD to UGX to prevent adverse financial performance** from effects of currency fluctuations; **proactive stakeholder communication and engagement** for improved brand visibility and reputation management, and **capacity building through O&M technical support** to sustain efficient operations. **Project delay risks** however materialized with project implementation durations extended on the Karuma and Isimba flagship projects and rectification of defects at Isimba HPP not being achieved conclusively within the defects liability period. **Nalubaale-Kiira**

Complex and Namanve HFO retransfer risks that need to be managed better especially for future Public Private Partnerships.

Key Challenges

Key challenges were related to taking over Nalubaale-Kiira Complex which is not in good working condition and Namanve Thermal Power Plant both of which require high investment funding for CAPEX for rehabilitation, Isimba defects and disputes that threaten dam safety and successful project completion, delayed completion of some projects, low tariffs, which are currently below the cost of service provision; and inadequate funding for investments due to unfavorable regulatory framework resulting in cash flow constraints and curtailed project development activities, uncertainties in electricity demand forecasting affecting plant capacity utilization and debt servicing plan, the impending mergers which affected company operations due to the uncertain future of the company status, and the **COVID 19 Pandemic** which slowed down the implementation of a number of company initiatives.

Way Forward (2023 -2028)

The plan for the period 2023 – 2028 is premised on the need for UEGCL to meet the ambitious yet achievable national electricity generation targets, operate and maintain the power plants efficiently which has a bearing on the end user Tariff, as well as continue to engage stakeholders to support UEGCL financial viability and cost-recovery plan to ensure sustainable service delivery.

With these key aspirations, the UEGCL's Vision for the period 2023 – 2028 has been recast to be **“Africa’s leading electricity generating utility”**. This vision positions UEGCL to aspire to be a “market leader” in meeting demand, and providing affordable and reliable electricity services.

On the other hand, the UEGCL Mission was maintained as; - **“To sustainably generate reliable, quality and reasonably priced electricity for Socio-Economic Development.”** The mission results were further defined for clarity to include; Environmental protection, Community support, a robust Governance framework and financial growth.

To further clarify the overarching reason for UEGCL’s existence, define the impact of our business to society as well as motivate all staff to be part of a unified team, UEGCL has defined her purpose as: - **Making electricity safely available for supply at all times from all our plants.”**

The core values of UEGCL were maintained (i.e. **Integrity, Safety, Sustainability, Innovation, Accountability**) for the planning period of 2023 – 2028. However, going forward, an additional core value of **“COLLABORATION”** has been added to focus our strategic aspirations towards a defined desired culture of UEGCL.

Strategic Themes (2023 -2028)

The key strategic themes envisaged for the period 2023 -2028 are; **Operational Excellence, Stakeholder and Reputation Management, Sustainable Business Growth and Human Capital Development.**

Strategic Objectives (2023 -2028)

As part of the plan, Strategic Objectives (**continuous improvement statements that make the strategy actionable over time**) with the respective intended results as well as the corresponding performance measures were formulated to track extent of achievement of the set strategic objectives during the period 2023 -2028. It should be noted that the Strategic Objectives were reduced from 12 (in the 2018 -2023 plan) to 9 (in the 2023 -2028 plan) reflecting the need for the company to further focus its resources and efforts to areas where it harnesses the most benefits. The Objectives include; improving stakeholder Satisfaction, enhancing financial performance, improving Governance, improving Asset Management, improving knowledge

and skills, and strengthening ICT infrastructure & Technology.

Strategic Goals (2023 -2028)

With the strategy effectively executed and the objectives attained, the following strategic goals (**quantifiable intended results**) will be realized in the next five years. The respective performance measures are defined in Chapter 6, **Table 22** (*Key Performance Indicator guide*).

1. **Increased Installed Generation capacity from 913 MW to 1,317 MW by 2028**
2. **Developed Pipeline Generation Capacity of 2,000 MW by 2028**
3. **Increased Market Share by Energy Sold from 49% to 67% by 2028**
4. **The Energy Diversification ratio increased from 4% to 7% by 2028**
5. **Achieve a Return on Assets (RoA) of least 2% and a Return on Investment (Rol) of 10% as at June 2028**
6. **Annual Capital Investment Coverage of 100%**
7. **Annual Revenue from non-core sources increased from an average of UGX 14 Bn to UGX 20 Bn by 2028**
8. **Employee Engagement Score of at least 90% by 2028**

Key Transformative Business Undertakings

It is worth mentioning that the UEGCL 2023 -2028 Strategic Plan has been

developed at a time when Uganda as a Nation is experiencing an economic downturn, and as such, the plan will look at some transformative strategies aimed at ensuring financial sustainability and reduced dependence on Government through a diversified revenue portfolio.

Some of the key transformational initiatives that the Company will carry out will include; a proactive approach to stakeholder engagement to support UEGCL financial viability and cost-recovery aspirations so as to ensure sustainable service delivery, enhancing of non-conventional revenue generation streams through operationalization of the UEGCL Training Centre, Professional Services Unit (PSU) and undertaking the Tourism Potential Project, leveraging on ICT developments to improve business operations, and undertaking of change management programmes in light of the business evolution.

Risk Management

The company will continue to strengthen her risk management culture for informed decision making toward realization of UEGCL strategic objectives and goals. A detailed business risk assessment has been carried out and considered in the formulation of the Strategy. Appropriate mitigation measures will be incorporated into the Annual Operational Action Plans, which will be monitored regularly to ensure that the Company achieves the set goals. In addition to the general strategic

oversight and guidance, the Board participates in risk assessment and evaluates mitigation measures proposed by Top Management as part of their Corporate Governance role.

Financial Recovery and Resilience Plan

With the current and future UEGCL Asset Portfolio of power generating facilities, its recommended that both tariff and non-tariff strategies are undertaken to ensure sustainable service delivery of the company. This

shall entail adoption of sustainable business strategies comprising of five sustainable pillars including: *improving operational efficiency, designing and implementing the power generation investment strategy, developing a sustainable debt financing strategy, implementing cost-based tariffs and improving risk management.* Key among the Specific interventions are highlighted in **Table 1** while the detailed financial recovery and resilience plan is indicated in **Table 16** in Chapter four.

Table 1: Key Financial Recovery and Resilience Strategies

No.	Financial Recovery Pillars	Planned Interventions
1.	Improving operational efficiency	<ul style="list-style-type: none"> ➤ Develop and implement a strategic asset management plan for all current and future power generating facilities ➤ Undertake negotiations with the shareholders for a stabilization CAPEX Fund to address core investments for deferred maintenance for Nalubaale – Kiira Complex and Namanve Thermal Plant (Ugx22Bn and Ugx60 Bn annually respectively)
2.	Designing and implementing the power generation investment strategy	<ul style="list-style-type: none"> ➤ Develop and implement a 5-year Power Generation Investment expenditure program for existing power plants (Ugx 87.358 Bn) and future power generation expansion (Ugx 346.195 Bn) ➤ Integration of PPPs in the development, financing and construction and rehabilitation of power generating facilities ➤ Pursue UEGCL's listing on the Stock Exchange to raise capital for new investments and improve liquidity ➤ Adopt pre-project planning techniques to improve project planning (particularly project cost and time over runs) hence a favorable balance sheet
3.	Developing a sustainable debt financing strategy	<ul style="list-style-type: none"> ➤ Undertake negotiations with the shareholders for conversion of existing debt to equity and injection of additional equity into the Company
4.	Implementing cost reflective tariffs	<ul style="list-style-type: none"> ➤ Undertake negotiations with the shareholders and key stakeholders for incorporation of a reasonable Return on Investment (ROI) on both company current and future asset base as well as UEGCL's ability to earn a Return on Equity (RoE)

No.	Financial Recovery Pillars	Planned Interventions
5.	Improving risk management	↻ Engage GoU to strengthen performance obligations in future contracts by proper allocation of power generation facilities retransfer risks for Public Private Partnerships

Implementation Mechanism

The Company has formulated key strategic objectives and initiatives under each perspective, which will be translated into Annual Corporate Operational Plans and Scorecards. These will be implemented through the various departments and units.

Successful Strategy Execution follows a logical process of integrated activities without which strategic objectives and goals cannot be attained. As such, an organisational architectural design review, in line with the **4S-C** Framework, has been conducted to establish the effectiveness of organizational elements of Strategy, Structure, Skills (people), Systems (operations)

and Culture by identifying areas of organizational misalignment, determination of proposed necessary changes especially to the organisational structure to be made and approved by the Board at a later stage following the launch of the Strategic Plan.

The total financing requirements for the Strategic Plan (2023 – 2028) is approximately **UGX 4.9 Trillion**, with **UGX 2.4 Trillion** for Strategic Initiatives and Investments, and an additional **UGX 2.5 Trillion** for Loan repayment which will be funded through various financing options that include internal sources, GoU, Development Partners and Capital Market Financing.

AERIAL VIEW OF NYAGAK III
(6.6MW) HYDRO POWER PROJECT





1

CHAPTER ONE: INTRODUCTION

1.1 BACKGROUND

In tandem with Prudent Corporate Governance, the Board is continuously required to develop strategic directions/plans, which are aimed at articulating the Company's Values, Vision, Mission and Strategies to enhance shareholder value. The plan follows the successful implementation of the UEGCL strategic direction for the period 2018-2023. The UEGCL Strategic Plan therefore is prepared in fulfilment of this Board obligation.

The UEGCL Strategic Plan 2023-2028 incorporates a wide spectrum of ideas emanating from broad stakeholder engagements, and offers a framework of strategies that will enable UEGCL fulfill its mandate over the next five years. Furthermore, the strategic plan contextualizes UEGCL's future goals in a longer-term perspective.

1.2 ENERGY SECTOR INSTITUTIONAL FRAMEWORK

The institutional framework for the energy sector comprises the Ministry of Energy and Mineral Development (MEMD) that is mandated to "To ensure reliable, adequate and sustainable exploitation, management and utilization of energy and mineral resources in Uganda". MEMD has the overall Policy formulation and oversight role for the sector.

Over the medium term, the sector in general 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) and other IPPS participating in the generation sub segment of the value chain, Uganda Electricity Transmission Company (UETCL), Uganda Electricity Distribution Company Limited (UEDCL) which in part oversees the distribution concession (UMEME). **UEGCL is Government's generation Implementing Agency.**

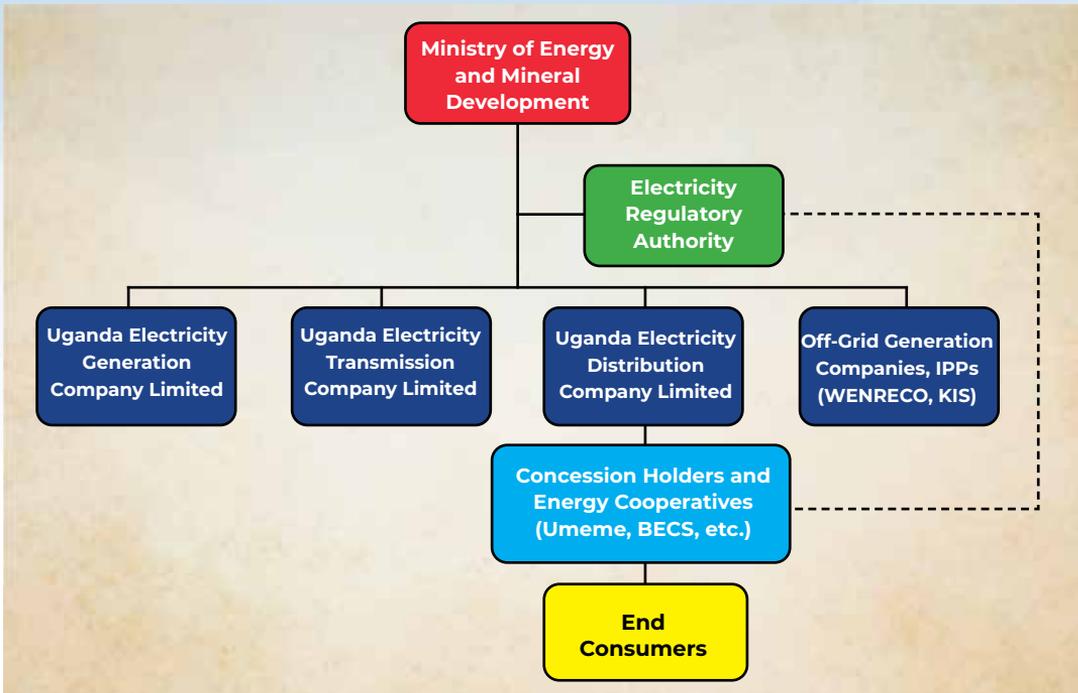


Figure 1: Institutional Framework

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 (PERD) Act and the Electricity Act, 1999 which was later amended in 2022, 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 responsible for Energy and Mineral Development and the Minister responsible for Finance, Planning and Economic Development on behalf of the Government.

1.3.1 UEGCL Mandate and Quality Statement

UEGCL’s **Mandate** 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”.

UEGCL **Quality Statement** is “UEGCL is committed to the safe and efficient operation & maintenance, 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 reasonably priced electricity in compliance with the applicable requirements of the Electricity Act, Regulations, Laws and relevant standards.”

1.3.2 Governance Structure

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

- The Minister responsible for Energy and Mineral Development as the majority shareholder.
- The Minister responsible for Finance, Planning and Economic Development.

The Board is comprised of representation from the diverse stakeholders and individuals who are capable of contributing to the growth and management of UEGCL and are appointed by the shareholders. As of June 2023, UEGCL has a total staff compliment of **357**.

Figure 2 below provides the Governance set up of the Company.

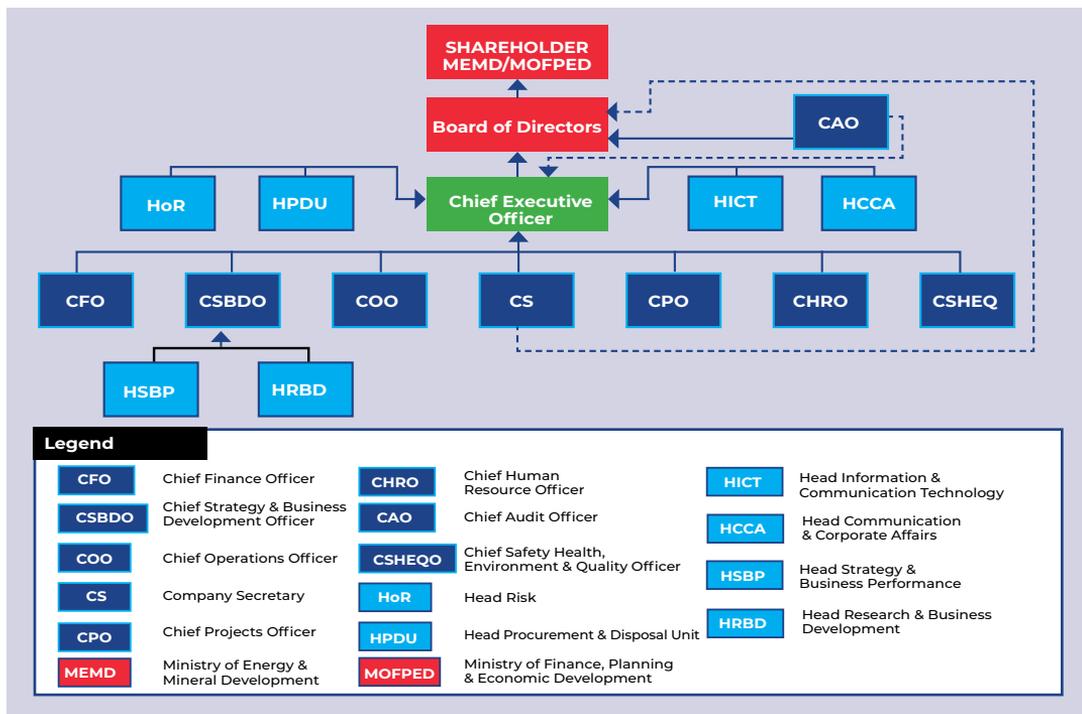


Figure 2: UEGCL Governance Setup

1.3.3 UEGCL's current assets portfolio

Since its inception, UEGCL has continued to grow with a current installed capacity of **913MW**. **Currently, UEGCL has the following Assets under its portfolio;**

- 380MW Nalubaale/Kiira HPP.
- 183.2MW Isimba Hydropower plant.
- 600MW Karuma Hydropower plant (300 MW on grid as at June 2023)
- 50MW Namanve Thermal Power Plant.
- 6.6MW Nyagak Small Hydropower Plant (under construction)
- 1MW Maziba Small Hydropower plant (under feasibility study)

The company's market share is 53% by installed capacity as of June 2023 and this figure is expected to increase to 59% by June 2024 with the full commissioning of the 6 generating units at Karuma HPP. The market share by installed capacity is projected to grow further and reach 62% by June 2028. **Figure 3** shows the projected market share by installed capacity.

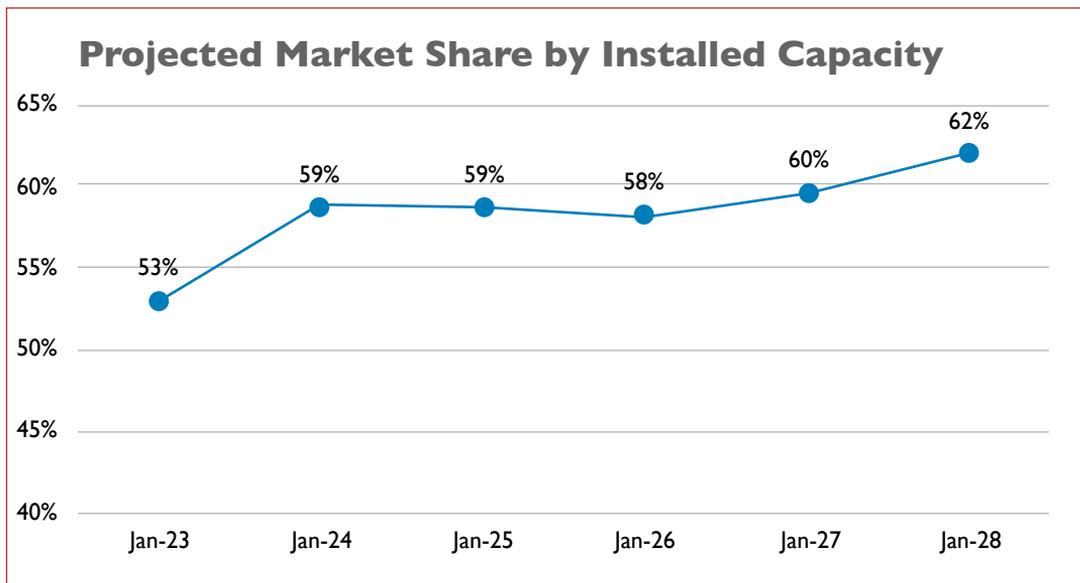


Figure 3: Projected Market Share by Installed Capacity

The company's market share is 49% by energy sold in 2022 and this figure is expected to increase to 67% by end of 2028 with the full commissioning and absorption of energy from Karuma HPP. **Figure 4** below provides the company's projected market share by energy sold.

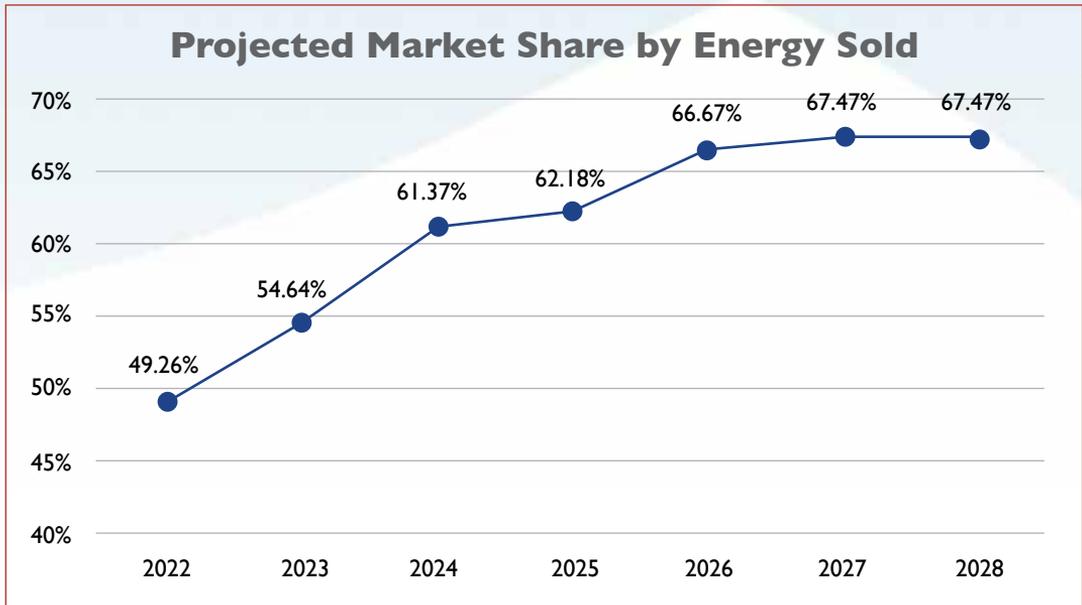


Figure 4: Projected Market Share by Energy Sold

1.4 STRATEGIC POLICY ANCHORAGE

UEGCL is guided by a number of policies i.e. the Energy Policy, the NRM Manifesto 2021 – 2026, the National Development Plan III 2020/21 – 2024/2025 and the Renewable Energy Policy as well as the presidential directive of increasing the generation capacity to **52,481MW** by 2040. The policy objectives emphasize the key role of the Energy sector and its key players, in the socio-economic transformation of the country with the supply of clean, affordable, quality and reliable power. They also highlight the need to make the power sub-sector financially viable and able to perform without subsidies from the Government budget, promote integrated planning for a diversified energy generation mix.

1.4.1 Alignment to Vision 2040 and National Development Plan III

The National Development Plan: 2020–2025 (NDP III) provides the overarching National Strategy from which all strategic plans for Government Ministries, Departments and Agencies (MDA) are drawn. The Goal of the NDPIII is “**Increased household incomes and improved quality of life of Ugandans**”. This will be pursued under the overall Theme of Sustainable Industrialization for inclusive growth, employment and sustainable wealth creation. The key objectives of the plan are;

- a) Enhance value addition in key growth opportunities;
- b) Strengthen the private sector to create jobs;
- c) Consolidate and increase the stock and quality of productive infrastructure;

- d) Enhance the productivity and social wellbeing of the population; and,
- e) Strengthen the role of the state in guiding and facilitating development.

NDP III recognizes that electricity is an enabler for all the five (5) development objectives that are listed above.

Over years, the **Uganda Government Policy has focused on:**

- (i). Increasing access to sustainable energy and transitioning from biomass to more efficient energy sources;
- (ii). Upgrading and expansion of the transmission and distribution networks for improved reliability;
- (iii). Integrated planning for a diversified energy generation mix, including renewable and alternative energy sources (hydro, solar PV, wind, geothermal and nuclear);
- (iv). Increasing industrial output and energy consumption for sustained economic development;
- (v). Improving energy efficiency on the supply and demand side; and
- (vi). Building technical capacity and strengthening intra and inter-sectoral and institutional coordination.

To achieve its Sustainable Energy Development Programme goal, the NDP III highlights four programme objectives. The four objectives and the associated interventions are:

- (i). Increase access and utilization of electricity
- (ii). Increase generation capacity of electricity
- (iii). Increase adoption and use of clean energy
- (iv). Promote utilization of energy efficient practices and technologies

Table 2 highlights the Government policy targets in the medium and long term.

Table 2: Government Energy Production Targets

Development Indicator	Baseline 2020 NDP II	2025 Targets NDP III	Vision 2040
Installed Capacity (MW)	1252.4	3500	52,481
Access to Electricity	24%	60%	80%
Consumption per capita (kWh)	100	578	3668
Population estimates (in millions)	40.24	46.8	71

Key policy considerations in this context therefore include; the need to support the drive for increased energy generation, which highlights the strategic focus for the Strategic Plan 2023-2028 including the Vision 2040, industrialization within the country to cater for the envisaged growth in demand from various sectors including, the minerals sector including Oil and Gas, the proposed standard gauge railway etc.

1.4.2 National Generation (2022) Strategic Alignment

According to the recent National Generation Strategy to increase Uganda's Installed capacity to meet Uganda's Energy Demands (2022) as guided by H.E the President, Uganda will require leveraging a diversified energy mix beyond the current emphasis on hydroelectricity in order to achieve 52,481MW by 2040. Critical to this is the need to exploit the energy potential available from solar and nuclear energy. Nuclear alone will be required to meet about 48% of Uganda's energy requirements, while solar energy will be required to meet about 20% of the energy requirement.

In order to significantly exploit Uganda's energy potential and meet the energy demand requirements, with the declining fiscal space, Uganda has to leverage innovative financing mechanisms (especially green energy finance) for investment and optimize its energy mix. The financing mechanisms should optimize the participation of the private sector and explore other financing sources. **Table 3** below shows the country's required energy mix and the investment requirements.

Table 3: Uganda's Energy Mix and investment requirements by 2040

RESOURCE	(MW)	ENERGY MIX (%ge. share)	COST PER MW (MILLION USD)	INVESTMENT COST (MILLION USD)
Hydro	4,500	9.0	1.97	8,865
Geothermal	1,500	3.0	4.44	6,660
Solar	10,081	20.0	2.41	24,100
Nuclear	26,000	48.0	6.77	162,480
Co-Generation	1,000	2.0	2.6	2,600
Green Hydrogen	2,900	5.0	2.1	5,250
Gas	3,000	6.0	5.7	17,100
Waste to Energy	1,000	2.0	8.8	8,800
Wind	200	0.4	2.5	500
Thermal	1,500	3.0	3.62	5,430
Peat	800	1.6	4.06	3,248
TOTAL	52,481	100		245,033

Source: Ministry of Energy and Mineral Development

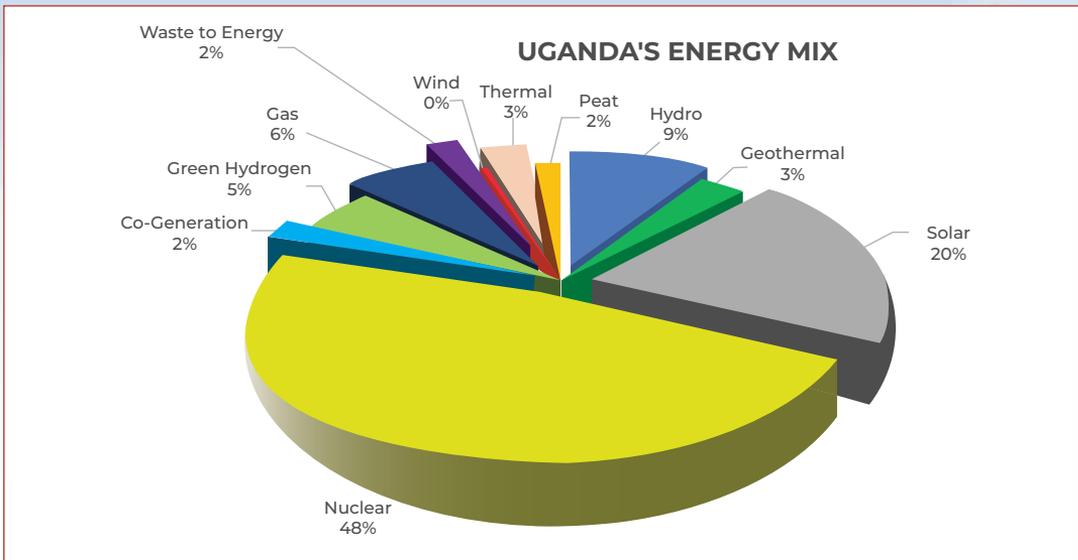


Figure 5: Uganda's Energy Mix by 2040

As highlighted in **Table 3** and **Figure 5** above, hydroelectricity will be able to meet only 9 percent of Uganda's energy requirements by 2040. As a result, alternative sources of sustainable energy need to be harnessed. Over **USD 245 Billion** is required in investment to realize the required energy demand from both public and private sources. This strategic guidance therefore provides a key anchorage to this Strategic plan.

1.5 UEGCL STRATEGIC PLANNING PROCESS

This Strategic Plan is prepared in fulfillment of the endeavors to meet the aspirations of Government and most importantly, provide the essential services of electricity to the populace. The Plan was prepared through a participatory and consultative process involving the Board, Management, staff representatives and external stakeholders (MEMD, ERA, MOFPED, NPA etc.). In addition, the exercise involved benchmarking of best practices with other leading institutions. UEGCL adopted the AFI Strategy Framework for the preparation of the plan. The AFI Framework is an integrative strategic management process that combines Business analysis, Strategy Formulation and Implementation in the quest for competitive advantage. UEGCL also designed the plan in line with principles of the Balanced Scorecard (BSC) framework that emphasizes business analysis and strategy formulation with respect to both financial and non-financial aspects of the organisation. The AFI Strategy Framework and Balanced Scorecard Framework have been further enriched with principles of the PuMP methodology; a practical strategic performance management methodology that is envisaged to provide an enhanced approach towards business performance measurement, analysis and reporting for decision support.

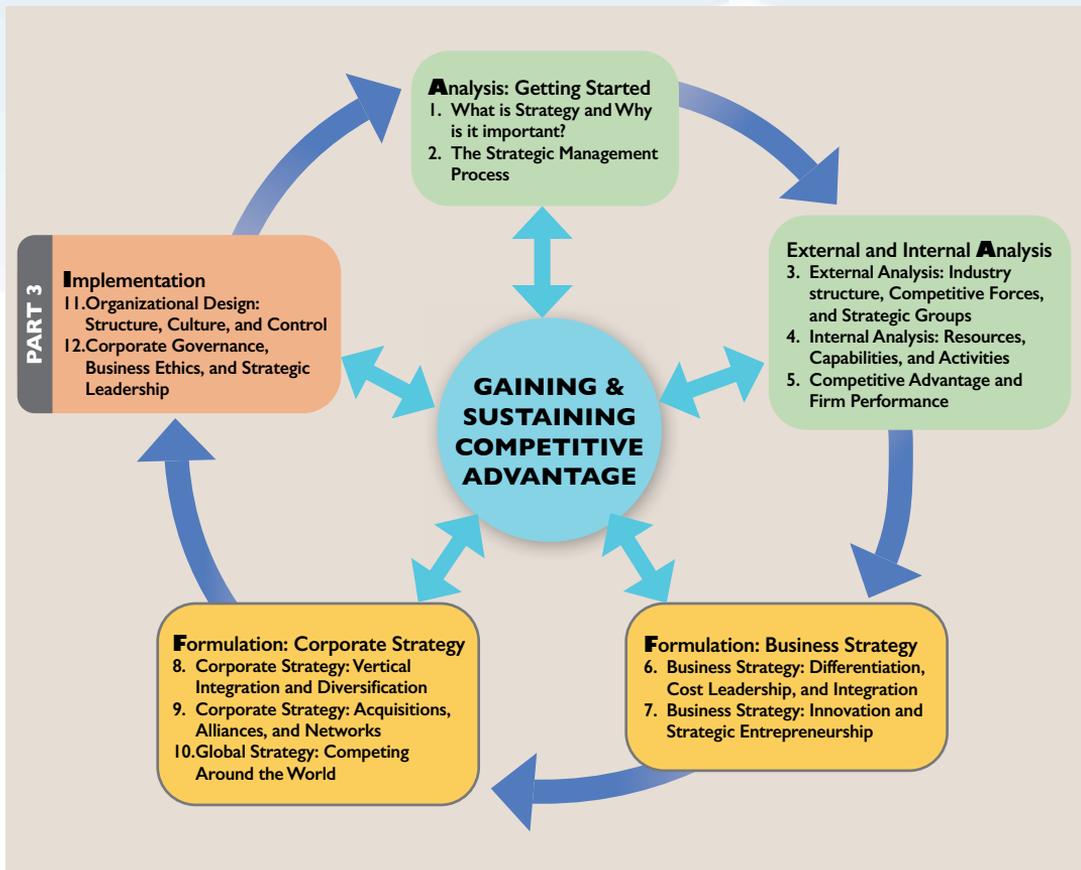


Figure 6: The AFI Strategy Framework (Rothaermel, 2016)

1.6 STRUCTURE OF THE DOCUMENT

The 2023 – 2028 UEGCL Strategic Plan is in line with the AFI Strategy Framework. Part One (1) entails the Strategy Analysis covered in Chapter 2. In part Two (2), Strategy Formulation has been conducted covering Chapters 3, 4 and 5 with Part Three (3) providing the implementation framework in Chapter 6. The plan is organized as follows;

- Chapter 1;** Is the introductory chapter, which covers the Institutional set up and the Policy context of the UEGCL 2023-2028 strategic plan.
- Chapter 2;** Presents the situation analysis – review of past performance and the major challenges faced during implementation of the Strategic Direction 2018-2023.
- Chapter 3;** Highlights the Vision, Mission, and Strategic Themes, Objectives, Theme results, measures and targets.

- 
- Chapter 4;** Covers the key Strategic initiatives and key deliverables the Company will adopt to achieve the goals for the period 2023 – 2028.
- Chapter 5;** Provides a summary of the risk management aspects including identification, assessment and reporting carried out by the company.
- Chapter 6;** Summarizes the implementation framework that includes; Financing Mechanism, Change Management, Risk Management framework, Stakeholder Engagement, and Monitoring and Evaluation (M&E) Framework of the Plan.

AERIAL VIEW OF 6 UNITS AT
KARUMA (600MW) HYDRO POWER
PROJECT POWER HOUSE





2

CHAPTER TWO:
**BUSINESS
REVIEW &
SITUATIONAL
ANALYSIS**



2.1 PROJECTS DEVELOPMENT

Major strides were made in the project development sphere with the completion of Isimba HPP and end of the Defects Liability Period of the plant. However, a number of pending snags fundamental to the safe and reliable operation of the Plant are being followed up closely by our projects team. In the same spirit, **Unit 1** at Karuma HPP was successfully synchronized to the grid on 17th March 2023 and contributed interim energy of **39,056 MWh** on the grid by April 2023. By end of June 2023, **Unit 3** and **4** had also been synchronized to the grid.

A number of CDAP projects have been implemented in the course of the reporting period spanning across all company sites. Sanitary, education and health facilities have been set up in the districts of Kayunga, Kamuli, Kiryandongo, Nwoya and Oyam districts. All other projects within the scope of the CDAP initiatives are planned and will be implemented in the near term, on a rolling basis, depending on the availability of funds.

UEGCL embarked on repackaging the Muzizi HPP project into a bankable and feasible project and a number of development partners have been engaged on the same. Nyagak III hydropower plant is currently ongoing with a 92% physical progress on the civil works. The plant is scheduled for commissioning at the end of 2023. The Maziba (1 MW) HPP which is a strategic asset for power supply in the southwestern region of Uganda, is undergoing detailed studies for rehabilitation.

2.2 PLANT OPERATIONS

UEGCL operations were dominated by the commencement of the Operation and Maintenance of the 183MW Isimba HPP that took effect on 30th March 2019. As an operational framework, UEGCL adopted the **Internal Performance Contract**, by which a partnership is established between the principle (**Asset holder**) and the Agent (**Operator**) through **Internal Performance Contracting (IPC)** with the primary objective of promoting operational efficiency. The O&M Business model operates on two main business principles that is; the **Delegation of Authority (DoA)**, a mechanism that allows appointed staff to act on behalf of the Accounting Officer, easing decision-making and ultimately promoting operational efficiency and **Internal Performance contracting** which is a commitment to the partnership between the Asset Holder and Operator with well-defined performance obligations, rewards and consequence management guidelines.

The financial year 2022/23 marked the fourth year of operations of the 183 MW Isimba HPP.

2.2.1 Isimba Plant Performance for the period 2019 to 2023

On average, the Isimba plant operated with a plant availability and reliability of 85.08% and 99.74% respectively. The average declared capacity was 154.44 MW per hour and the average actual dispatch was 117.81MW per hour, resulting into a plant factor of 64.15%. Table 4 below summarizes the performance over the 4-year period.

Table 4: Isimba Plant Performance

KPI	FY19/20	FY2020/21	FY2021/22	FY2022/23	Average
Declared capacity (MW/hr)	116.30	155.43.91	170.66	175.38	154.44
Actual dispatch (MW)	94.71	116.38	133.27	126.88	117.81
Plant availability (%)	64.34	86.18	93.86	95.96	85.08
Plant reliability (%)	99.94	99.65	99.40	99.98	99.74
Plant factor (%)	51.3	63.33	72.62	69.33	64.15

In addition, UEGCL took over the Operation and Maintenance of 50MW Namanve Thermal Power Plant and the 380MW Nalubaale-Kiira Complex on 22nd February 2022 and 1st April 2023 respectively. Nalubaale is not in a good operable condition and as such major investment is required for rehabilitation. Regarding Namanve, major engine overhauls are required in the short and medium term with long term plans to convert the engines from Heavy Fuel Oil (HFO) to Liquefied Natural Gas (LNG).

2.2.2 Nalubaale-Kiira Complex Performance

The 380MW Nalubaale-Kiira Complex was retransferred to UEGCL on 1st April 2023 after the natural expiry of the 20 years Concession and Assignment Agreement (CAA). Nalubaale Power Plant is not in a good operable condition and as such major investment is required for rehabilitation. Regarding the Nalubaale-Kiira Complex performance, the Power Plants recorded an average plant availability and reliability during the period under review was 97.75% and 99.33% respectively. The average declared capacity was 173.8MW per hour and the average actual dispatch was 172.5MW per hour, resulting into a plant factor of 43.09%. Table 5 below summarizes the performance over the 5-year period.

Table 5: Nalubaale-Kiira Complex Performance

KPI	2018	2019	2020	2021	2022	Average
Declared capacity (MW)	173.8	173.4	173.8	173.9	173.9	173.8
Actual dispatch (MW)	172.5	172.5	172.5	172.5	172.5	172.5
Plant availability (%)	97.52%	96.41%	99.03%	98.52%	97.28%	97.75%
Plant reliability (%)	98.73%	99.35%	99.86%	99.70%	99.00%	99.33%
Plant factor (%)	46.10%	40.40%	35.90%	44.70%	48.30%	43.09%

2.2.2 Namanve Thermal Power Plant Performance

In addition, UEGCL took over the Operation and Maintenance of 50MW Namanve Thermal Power Plant on 22nd February 2022. Major engine overhauls are required in the short and medium term with long term plans to convert the engines from Heavy Fuel Oil (HFO) to Liquefied Natural Gas (LNG). **Table 6** below summarizes Namanve Thermal Power Plant performance since UEGCL took over its operations.

Table 6: Namanve Thermal Power Plant Performance

KPI	2022	2023	Average
Declared Capacity (MWh)	36,237.84	36,317.14	36,277.49
Actual Dispatch (MWh)	5,981.322	5,589.86	5,785.591
Plant Availability	99.73%	99.80%	99.77%
Plant Reliability	99.89%	99.88%	99.89%
Capacity Factor	16.19	15.42	15.81

2.3 ASSET MANAGEMENT

One of the UEGCLs strategic objectives during the review period was to improve Asset Management by developing and maturing our processes and practices from a baseline maturity score of innocent to competent (0 to 3). UEGCL has actively taken steps to move towards the desired maturity level of competent by formalizing its commitment towards asset management improvement through setting up an Asset Management Unit, building capacity of staff through providing certification and diplomas by the Institute of Asset Management, establishing the asset management Policy and Strategic Asset Management Plan that support the development and implementation of the asset management program at UEGCL. As a result, the asset management system is functional with specific asset plans/strategies, CAPEX plans for our plants, the framework and process to guide O&M capital decision making have been developed and implemented together with the institution of

governance teams at the different power plants. The CMMS at Isimba HPP has also been implemented through which the asset information, processes and procedures are stored and utilized for day to day maintenance and long-term asset management. In addition, there was roll out of condition assessments, failure mode and criticality analysis which support decision making on the appropriate interventions on the assets, prioritization of CAPEX needs and spares management. The development of other enabling strategies such as the maintenance delivery and operations strategy, spares management plan, asset information and alignment of our process to industry best practice through collaboration and participation in CEATI continues.

UEGCL’s asset management maturity level has grown from 0.7 in the year 2018 to 2.53 in the June 2022 when the last assessment was done, as shown in **Figure 7** below. Guided by the principles of continuous improvement, the annual assessments allow UEGCL focus her efforts on areas of improvement while leveraging on the areas where the company has achieved competence.

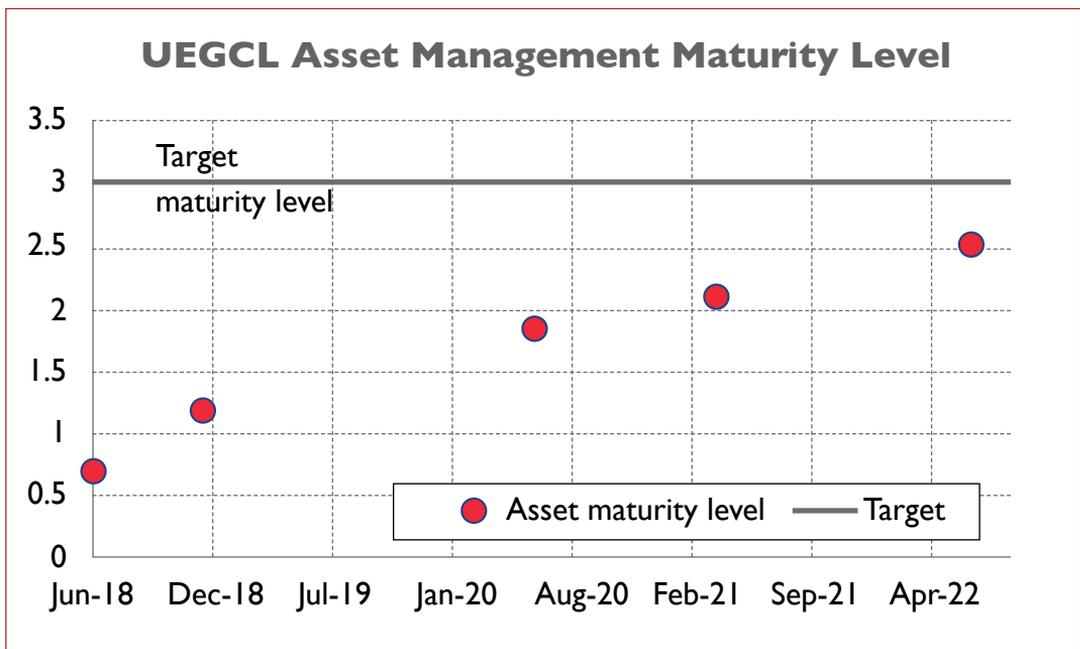


Figure 7: UEGCL Asset Management Maturity Level

2.4 BUSINESS DEVELOPMENT

To support our growth strategy and company revenue requirements, a number of core business and non-core business growth initiatives were explored and are under development. Feasibility studies for a number of small hydros was undertaken which showed that the 1MW Maziba SHPP (Kabale District) was technically and financially viable, the 6.5MW Okulacere (Arua district) was technically viable but not financially viable and the Agbnika 2MW (Yumbe district) was neither technically nor financially viable.

During the five-year strategy period, UEGCL developed an energy mix strategy, which it intends to operationalize in a phased manner. The energy mix will support the country's energy security and reduce the overdependence on hydropower. Key among the first steps are capacity building for purposes of empowering the staff in handling different technologies for electric power generation. This will be followed by exploits in different renewable energy sources covering solar, geothermal, wind, and possibly nuclear. This is in line with the Generation Strategy, which has been developed for Uganda up to the year 2050.

During the period, UEGCL explored the development of a pilot Floating solar project, the first of its kind in Uganda. This novel project/concept is aimed at utilizing the already existing energy infrastructure projects while assisting in Climate Change mitigation by provision of Renewable Energy that sustains economic growth without increasing Greenhouse Gas emissions. Some of the potential hydropower reservoir sites that were identified for the pilot project include; 380MW Nalubaale/Kiira HPP, 183MW Isimba HPP and 600MW Karuma HPP.

A number of non-core business ventures like the development of the Isimba and Karuma power plants as tourism sites and the development of the UEGCL Professional Services Unit providing consultancy and support services to private and public sector companies were commenced during the previous plan. Phase one of the UEGCL Training Centre providing training facilities in hydropower was completed in FY21/22. Phase two is to be rolled out in the successor strategic plan period.

Several strategic engagements that yielded both strategic and financial value were held with potential development partners and strategic partners to support these business growth strategies and to increase energy demand which resulted into signing of MoUs with the different partners such as Uganda Tourism Board, Total Energies, NTPC and Vidullanka PLC.

2.5 RESEARCH

Embedded in its mandate and clearly articulated through its research policy and research agenda, UEGCL pursued a research and innovation path that aims at realizing the benefits of applied research, capitalizing on the existing research collaborations with different stakeholders, as well as reaching out to new partnerships in industry and academia, locally and beyond.

During the period, a number of internal and external research spanning over a wide range of thematic areas were carried out and recommendations implemented across the UEGCL plants. Some of the thematic areas included Climate Change impacts and mitigation strategies for hydropower, water weed management on the Nile cascade, structure integrity and seismic hazard monitoring for hydropower infrastructure, operational efficiency etc.

Some of our key strategic research partners included the University of Texas at Austin Geology Research Centre, ICOLD and University of Leeds. 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), Busitema University, etc.

2.6 HUMAN RESOURCE MANAGEMENT

During the 5-year period, UEGCL experienced exponential growth with the expansion of its operation and maintenance base more specifically with the retransfer of the 50MW Namanve Thermal Powerplant and the 380MW Nalubaale/Kiira HPP. This saw an increase in the staff count from 180 staff in December 2018 to 357 staff as at June 2023 with 86 female staff (24%) and 268 male staff (76%).

Furthermore, a key focus area for UEGCL during the period was the development of a robust Talent Management Framework that entailed comprehensive entity-wide competence profiling, development of leadership and succession planning strategies as well as staff retention initiatives. The objective of the UEGCL Talent Management framework is to ensure that the right personnel are hired, their performance managed while at UEGCL, promote knowledge management for organizational learning and career growth, and proactively respond to market threats as a means of ensuring business continuity.

2.7 FINANCIAL PERFORMANCE AND SUSTAINABILITY

UEGCL received over 98% (against a UGX 9.4B budget shortfall) in the 2018 – 2023 period to support the implementation of the 5-year strategy. This was derived from the operation and maintenance of the Isimba hydro and Namanve thermal power plants, Nalubaale – Kiira power plant concession monitoring fees, Government of Uganda funding to support UEGCL projects – Karuma, Isimba, Muzizi, Nyagak III and grant funding from development partners such as AFD, Norwegian embassy and Swedish embassy. With a Debt/Equity ratio of 7, GoU has utilized debt funding to support the construction of UEGCL’s different power generation projects.

Financial sustainability remains at the core of UEGCL’s Strategic Goals. In line with this, UEGCL under-took a financial sustainability study aimed at identifying the impediments to UEGCL’s financial sustainability. Some of the recommendations implemented so far include the conversion of the UEGCL United States Dollar (USD) pegged debt into Uganda shillings. This is mainly because of the exchange rate losses impact on both the balance sheet and the Profit & Loss of the company. Other initiatives to be undertaken to improve the financial sustainability of the Company is the quest to allow for depreciation and a return on assets (RoA). This will allow UEGCL to sustainably operate its plants through covering both O&M and investment costs.

Since the commencement of operations in Isimba in 2019, UEGCL has over the past four years posted profits. This has in part been enabled through the revenue streams of Isimba, and now also with the conversion of the UEGCL debt from United States Dollars to Shillings. This is positive for UEGCL as a going concern. What now remains is to ensure that this profit is not only sustainable, but also translates into uninterrupted O&M activities, and also contributes to the future development of new projects.

2.8 SAFETY, HEALTH, ENVIRONMENT AND QUALITY (SHEQ)

UEGCL has continued to grow its safety, health, environment, and quality culture during the period in line with best ESG practices. For continued certification of the ISO 9001:2018 QMS, on an annual basis, UEGCL has been undergoing thorough re-assessment and re-certification audits to verify the continued suitability and effectiveness of the Management systems in UEGCL. During the fifth year of implementation of the 2018 – 2023 UEGCL Strategic Plan, the SHEQ Department was instituted. As at June 2023, the SHEQ policy, Records and data management policy (2021) have all been developed and approved in the reporting period to drive the entity-wide SHEQ strategy.

2.9 INFORMATION, COMMUNICATION AND TECHNOLOGY (ICT)

There has been a number of ICT work streams in the short, medium, and long-term, to support UEGCL's strategic and management objectives. During the period, an ICT Governance framework based on COBIT 2019 was instituted to ensure alignment between business and IT strategies with the view to drive innovation, manage risks, optimise resource allocation and utilisation. Notably, activities such as implementation of the ERP (Microsoft Business central, Enterprise backup solutions, Electronic document management system (BIP), Vehicle monitoring and tracking system, Computerised maintenance management system (CMMS), Enterprise security systems, amongst others have been delivered and benefits realisation is being monitored.

2.10 STAKEHOLDER ENGAGEMENT AND CORPORATE SOCIAL RESPONSIBILITY

During the period, UEGCL acknowledged that proficiency in stakeholder engagement delivered value to our key stakeholders and ensured that we do so in a socially and environmentally responsible manner. The success of our stakeholder engagement efforts was evidenced in the strategic, social and financial value attained. Through our stakeholder engagement initiatives, our endeavor during the period has been to ensure that we leave a lasting positive impression of who we are, what we stand for and what our promise is – Generating for Generations.

Furthermore, Our Corporate Social Responsibility footprint continued to grow beyond participation in calendar events like marathons to implementation of the UEGCL CSR Policy with initiatives spanning over Health, Education and Sanitary projects in UEGCL host communities such as; Kamuli, Kayunga, Oyam, Kiryandongo, Nwoya and Mukono districts. Some notable CSR projects included the **“Isimba Sanitary Pad Project”** initiative to support school going girls around Isimba HPP with the main objective of laying a foundation for alleviating Period-Poverty as one of the causes of the current school girl dropout rates in Uganda. This project will be rolled out to other communities surrounding all UEGCL plants in a phased manner; UEGCL partnership with Gayaza High School project to provide academic resources like textbooks to students around Kayunga, Kamuli etc. More notable Community Development Action Plan (CDAP) and Corporate Social Responsibility initiatives around Isimba HPP included; construction of health centre facilities including maternity wards and VIP latrines at Busaana Nakandulo, Bukamba Mbulamuti, Kiyunga Health Centres. Classroom blocks were also set up at Nakatooke primary School, St. Peter's Kibuzi secondary school, Nakakadula primary school amongst others.

Around Karuma HPP, similar health and education initiatives were set up at Amaji Primary School and Dicuinyi Health Centre

2.11 SUMMARY OF KEY PERFORMANCE INDICATORS

Table 7 provides a summary of UEGCL performance for the period 2018 – 2023. The company achieved an overall performance of **76.4%** from implementation of the key undertakings during the period under review.

Table 7: Summary of Key Performance Indicators

STRATEGIC OBJECTIVE	MEASURES (KPI)	TARGET	ACTUAL PERFORMANCE	TARGET ACHIEVEMENT
Customer/ Stakeholder				
Improve Stakeholder Satisfaction	Satisfaction score	At least 80% satisfaction by 2023	77.5%	96%
Increase Energy Capacity	Installed Capacity	1292.1MW	813 MW <ul style="list-style-type: none"> Isimba commissioned Karuma 200MW Commissioned and Nyagak III 92% completed Muzizi being rescope for financing Okulacere and Agbnika not viable Maziba funding constraints 	63%
Financial Stewardship				
Increase Financial Resources	Percentage of funding secured for CAPEX	100%	109% 20.9 Bn extra obtained as a result of supplementary budget to cover capital investments on the Karuma, Isimba and Nyagak III projects	100%
	Debt Equity Ratio	4:1 by 2023	7.4:1	25%
	Return On Investment (ROI)	Achieve Break Even by 2023	UEGCL yet to attain breakeven point due to Isimba and Karuma loan financing obligations	0%

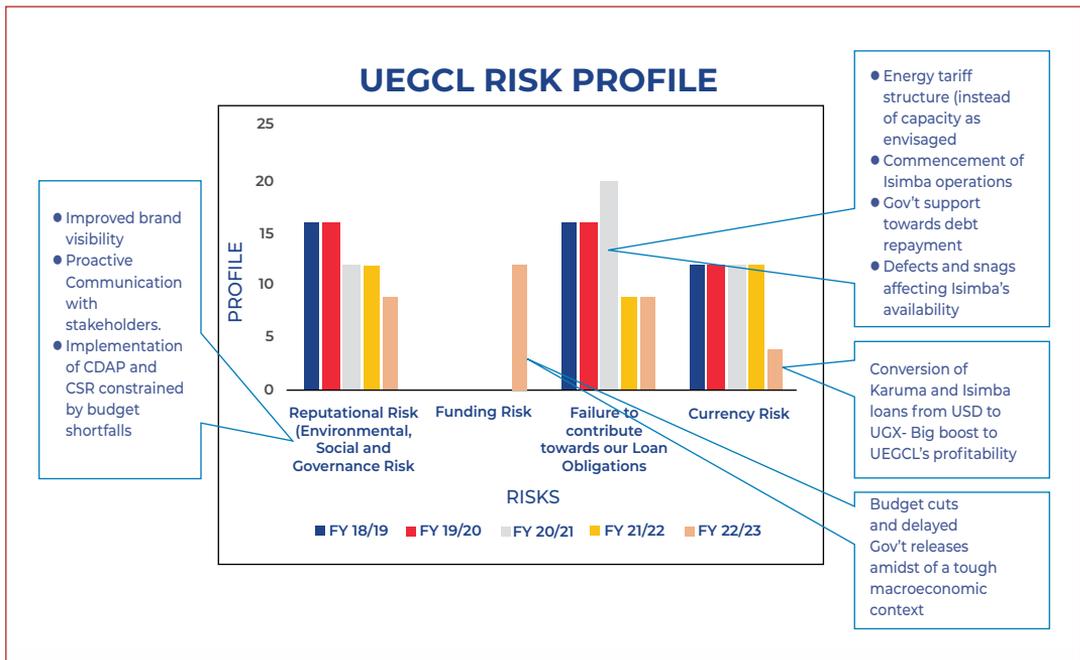
STRATEGIC OBJECTIVE	MEASURES (KPI)	TARGET	ACTUAL PERFORMANCE	TARGET ACHIEVEMENT
Internal Business Processes				
Enhance business portfolio	# of new business ventures established	Training centre (TC) operational by 2020 Professional Services Unit (PSU) operational by 2019	<ul style="list-style-type: none"> Karuma training centre being utilized for internal UEGCL trainings PSU framework developed, awaiting UEGCL Board approval Karuma and Isimba being developed as tourism sites 	40%
	# of new project sites acquired	At least 4 new sites acquired by 2023	Olewa and Mvepi sites affected by MEMD policy shift to have all small hydros developed by independent power producers	0%
Improve Communication and collaboration	Number of MoUs entered & executed	At least 5 MoU Executed by 2023	15 MoUs EXECUTED (MUK, CREEC, ICH, UTB, NTPC, Vidullanka, Busitema University)	100%
Improve Asset Management	Plant availability	Not less than the PPA Set availability of 97%	91.6% overall availability rating Isimba 80.95%, NKHPP 99.6%, Namanve 100%	91.6%
	Plant reliability	Achieve and Maintain 99%	93.1% overall reliability rating Isimba 93.1%, NKHPP 99.6%, Namanve 100%	93.1%
	Asset Management Maturity level (ISO 55000)	Achieve a Maturity level of 3 out of 5	2.3	76.70%
Improve Compliance	Compliance rating to requirements (QMS, permits, licenses)	100% compliance	85%	85%
	Rate of closure of audit queries	100% closure of audit queries with zero re-occurrence	83.50%	83.50%

STRATEGIC OBJECTIVE	MEASURES (KPI)	TARGET	ACTUAL PERFORMANCE	TARGET ACHIEVEMENT
Improve Process Efficiency	No of new Business work methods implemented	At least one new work method introduced annually	BSC Adopted as strategic planning and performance management framework	20%
	Corporate Risk Maturity Index/ rating (based on COSO or ISO 31000 framework)	Achieve a Maturity level of 4 out of 5	3	75.0%
	Number of research papers channeled out	At least 2 research activities conducted per year	6 Research Studies completed 5 ongoing research projects internally, 2 research projects in collaboration with CREC and Curtin University.	100%
	Number of business processes improved through R&D/or Innovation	At least 1 business process improved through R&D	80% of recommendations implemented from the Research & Innovation Workshop	60%
Improve Project Management	Percentage rate of closure of major contractual deviations	80% closure of contractual deviations for all projects	68.50%	86%
Organisational Capacity				
Improve infrastructure & technology	Number of functions automated (Functions to be defined)	At least 1 function automated annually	2 functions automated (CMMS, HRMIS)	40%
Improve Knowledge, Skills & Abilities (KSA)	Retention rate	At least 98% Retention Rate	96%	98%
	percentage Man power plan implemented	100% implementation by 2023	100%	100%
Enhance Organizational Culture	Employee satisfaction score	Achieve 80% score	81%	100%

2.12 RISK PROFILE ANALYSIS

UEGCL has over the five years of strategy implementation strengthened her risk management culture. The key risks to the successful implementation of the strategy were identified, evaluated and mitigations monitored over the implementation period. While a number of the risks were managed, some materialized and several lessons have been drawn. **Figure 8** shows the risk profile trend over the review period to March 2023. Some of the key lessons include:

- The need to influence GoU to strengthen performance obligations in contracts e.g. as identified in the just ended Eskom Concession agreement;
- The need for the Projects team to work in tandem with O&M team to manage the transition phase effectively;
- The need to effectively roll out Internal Performance Contracts for all Power plants to drive operational efficiency and accountability;
- The need for skills enhancement particularly under O&M with the aim of building confidence for UEGCL staff to independently operate the power plants.



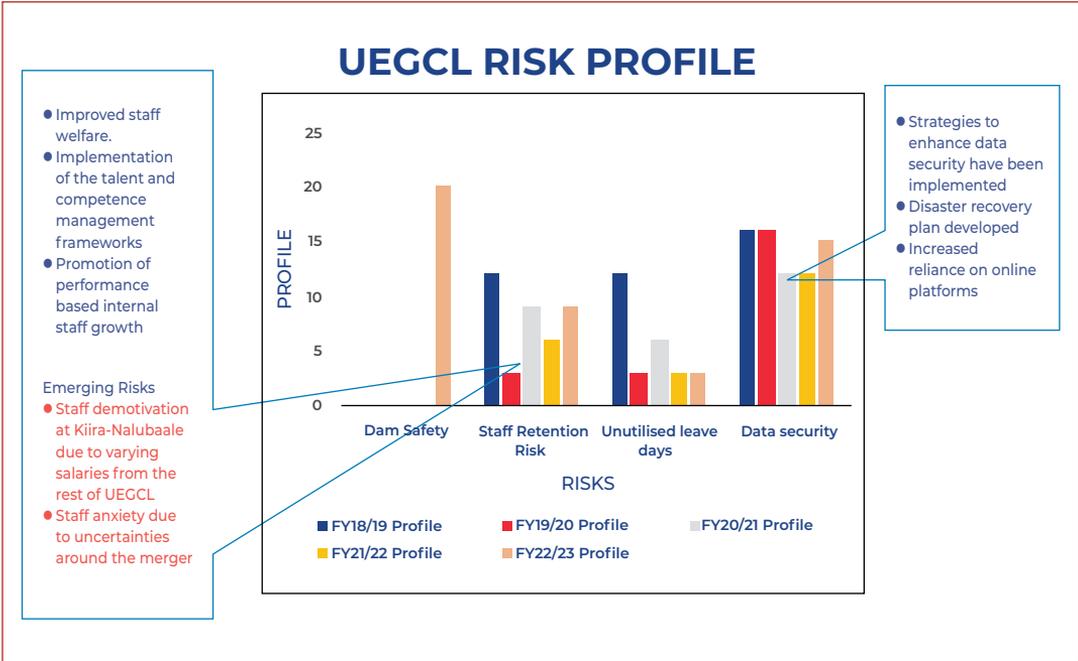
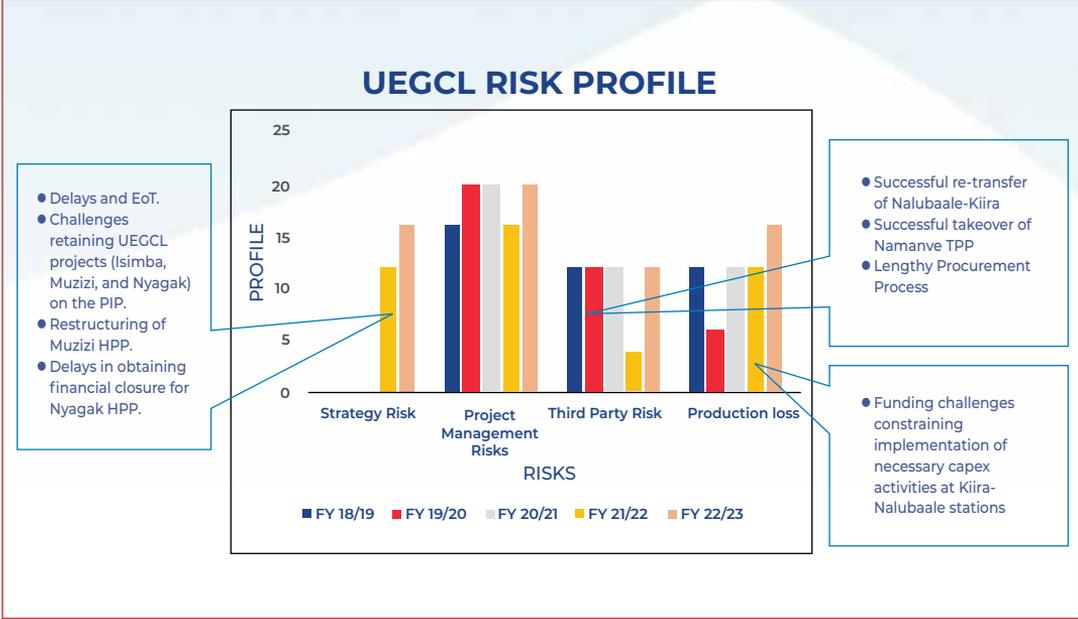


Figure 8: UEGCL Risk Profile

2.12.1 Risk Appetite Changes

As part of the Risk Management framework, UEGCL has a Risk Appetite statement that articulates the type and level of risk that UEGCL accepts in developing and implementing her strategy. Risk Appetite serves as a guide for determining how much risk the company is willing to accept.

UEGCL's risk appetite was approved and implemented in 2018. The Risk Appetite Statement is reviewed every two years and changes are made based on the company's changing risk profile. Over the last five years, the changes during these reviews included the addition of new statements, adjustments to risk limit levels, and reclassification of appetite statements, i.e. from the company's core values (Integrity, Innovation, Accountability, Safety, and Sustainability) to the five risk categories (Reputation, Financial, Operations, Human Resource, and ICT) during the 2020 review, and to the company's Balanced Scorecard perspectives (Customer & Stakeholders, Financial Stewardship, Internal Business Processes, Organizational Capacity) during the 2022 review as shown in **Figure 9**.

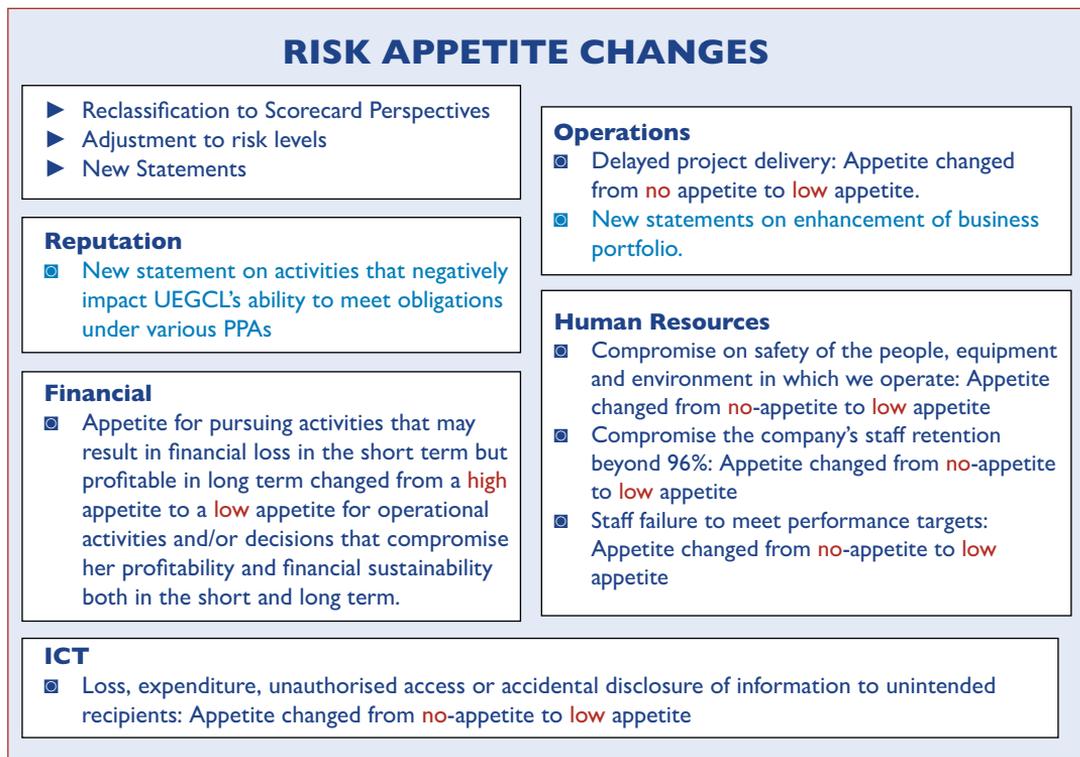


Figure 9: Changes to UEGCL Risk Appetite

2.13 SWOT ANALYSIS

A situational analysis was carried out as at June 2023, and the resulting strengths, opportunities, weaknesses and threats are highlighted in **Table 8** below.

Table 8: Company SWOT Matrix

Strengths (Internal)	Weaknesses (Internal)
<ol style="list-style-type: none"> 1. A formal Strategic planning and Performance Management System is in place 2. A number of processes and functions (CMMS, Navision, HRMIS, EDRMIS, etc.) have been automated 3. ICT systems (WebEx/ Zoom/VPN) have enabled the Flextime policy and staff remote working 4. Talent Management Framework rolled out with the competence profiles for all positions developed 5. In-house competencies in undertaking Strategic Performance Management, Gender Diversity and Equality, O&M, Audit, renewable energy development etc. 6. Growing research culture on energy related aspects. (<i>Optimisation, plant life, dam & staff safety, etc.</i>) 7. Generation of our own revenue 8. Growing Asset Base and business portfolio 9. Young and Versatile workforce 10. Competitive company welfare framework and High retention 11. Growing brand awareness 	<ol style="list-style-type: none"> 1. Gaps in Scorecard Development. 2. Gaps in Talent Management 3. Inadequate integration & automation of systems, to realise the efficiency gains 4. Low compliance 5. Inadequate collaboration among departments/teams 6. Insufficient competencies

Opportunities	Threats
<ol style="list-style-type: none"> 1. New Electricity Act & Energy Policy that allows for direct sale of power to large/commercial consumers by plants. 2. Favorable GoU policies like NDP III and Electricity Generation Strategy 2022 (<i>52,481MW by 2040</i>) that allow for increased generation capacity to match the growing demand (demand from industrial parks and development of the oil and gas sector). 3. Potential to harness non-core business ventures (<i>Tourism, PSU, etc.</i>) 4. Global shift to clean energy and Technology advancements (<i>in Solar PV systems in driving down the unit cost of production and Generation of clean energy from solar, wind, geothermal, green hydrogen</i>) to address the NDP III and SDG 7 targets and support the net-zero transition, increased funding for clean energy). 5. Key Strategic Partnerships with development partners 6. Availability of new digital solutions/innovations that drive operational efficiency (<i>remote monitoring of plants, digital twins, etc</i>) 7. Optimised cascade and production management due to control of majority of the power plants along River Nile. 8. Conversion of HFO (<i>Namanve TPP</i>) to natural gas technology. 9. Local Oil & Gas production envisaged to reduce the unit cost. 10. The East African Power Pool, which presents an opportunity to export our power. 	<ol style="list-style-type: none"> 1. Climate change effects that pose a hydrological risk which affects water levels 2. Adverse effects of GoU's merger and rationalisation of MDAs such as loss of skilled and experienced staff, reduced staff motivation. 3. Low demand for electricity affecting Karuma and Isimba's full dispatch capacity 4. Volatile exchange rates affecting production inputs. 5. Inability to bill for full costs of Operations, adversely impacting strategy implementation (<i>Nalubaale-Kiira License</i>). 6. Vandalism & encroachment on the power plant area, terrorism and cyber-attacks (<i>due to growing digital dependency</i>.) 7. Limited participation in project development (Competing players in the Large hydro's and other renewable energy projects) 8. Disruption to operations due to Pandemics/epidemics. 9. Production loss (<i>due to Aging infrastructure, dam failure, defects rectification etc.</i>) 10. Inadequate funding for O&M (<i>e.g. deferred maintenance at NPS/KPS</i>) 11. Long-term financial viability and sustainability 12. Merger of Government entities (<i>loss in staff morale and productivity due to staff uncertainty about the future etc.</i>)

2.14 KEY CHALLENGES AND LESSONS LEARNT

This section highlights the key challenges faced by UEGCL in implementation the 2018-2023 strategic plan with a number of lessons that have informed the strategy formulation process in Chapter four of this plan.

2.14.1 Key Challenges

Challenges faced by UEGCL during the planning period 2018 – 2023 were identified by the Board and management, notable of which were the following;

- a) **Project Implementation** challenges which affected the functionality of the Isimba HPP, and delayed the commencement and completion of the Karuma, Nyagak, and Muzizi HPPs. The challenges have included snags in Isimba and the quality of work in Karuma. All efforts were undertaken to ensure that the projects were fast-tracked for purposes of smooth implementation.
- b) **Financial resource constraints** which curtailed UEGCL's efforts to fully resource its strategy, especially in project development. Key projects/ activities hampered were the Muzizi HPP, Maziba HPP, CDAP activities in Karuma, and the staff housing projects in Isimba. Government policy on resource mobilization especially against UEGCL borrowing to cover the startup costs for Operation and Maintenance of the Nalubaale – Kiira Complex further compounded the company's financial problems.
- c) **Policy and Regulatory Framework** which limits the ability of UEGCL to operate financially sustainably with a reasonable return on investment. Furthermore, the unclear role of UEGCL in the development of large hydros has impeded the UEGCL growth agenda.
- d) **The impending sector mergers and rationalization of MDAs** which affected company operations mainly due to the uncertainties that arise about the fate of the staff. This dampened morale and led to loss of some critical talent. Such uncertainties have also slowed strategy execution and long-term planning
- e) **The COVID-19 pandemic** which slowed down implementation of a number of company activities, especially project implementation and supervision, growth in new business ventures etc. This ultimately led to a delay in the implementation of the Company's strategy.
- f) **Compliance Assessment challenges** due to the lack of a standardized approach to entity-wide compliance assessment which has led to disparities in compliance assessments.
- g) Delays in the rollout of the **performance enhancement conversations** as part of the revised Performance Management System.

- h) Gaps in the **Nalubaale – Kiira Complex Retransfer that did not clarify the level of rehabilitation required and the Defects Liability** Period to allow the successor operator time to attain assurance over guaranteed continued operation of the plants post transfer in the CAA.
- i) **Long bureaucratic process for Parliamentary** Loan Approval: These hampers quick acquisition of financing for emergency and short-term investments.
- j) **Below Cost Recovery Electricity Tariffs:** Energy sector Tariffs are currently below cost of service provision, and there is need for a clear government commitment to an adjustment roadmap for Tariffs towards full cost recovery.
- k) **High Debt Equity Ratio:** The UEGCL Balance sheet is currently highly geared hampering UEGCLs quest for sustainable market finance.
- l) **Regulatory Inadequacies:** There is need for the regulator to balance tradeoffs and interests of various stakeholders, and in particular long term financial sustainability for the Electricity Agencies.

2.14.2 Key Lessons Learnt

Over the five-year strategic planning period, a number of events transpired translating into key lessons learnt for the company. These are summarized below;

- a) **Transition Management** of projects and O&M phase is key for smooth business operations. The Projects and Operations teams should work together during the DLP phase to ensure fit for purpose plants are handed over for Operations.
- b) **UEGCL involvement in construction** works at the different plants helped in the identification of non-compliance
- c) **Skills Development** is important as this has supported business continuity and recovery.
- d) **Delegation of Authority and Internal Performance contracts** have allowed for smooth operation of UEGCL plants. Internal Performance Contracts for other operating UEGCL plants are being fast tracked
- e) **Stakeholder engagement** is critical for smooth Business Operations (sector players, policy, funders.)
- f) UEGCL's undertaking of **comprehensive due-diligence and involvement** critical for smooth transfer of generation facilities, specifically in the area of ensuring that future agreements adequately address all the envisaged retransfer risks.



Staff of UEGCL at Namanve Thermal Power Plant on a tree planting exercise to commemorate World Environment Day 2023.





1. UEGCL BOD and Management pose with the staff of Nalubaale and Kiira power stations after the takeover from Eskom in April 2023
2. Commissioning of a borehole under the Isimba HPP Community Development Action Program (CDAP) by Dr Eng. Harrison E. Mutikanga, UEGCL CEO
3. Third Deputy Prime Minister, Hon Lukia Isanga Nakadama, Minister for Energy, Dr Hon. Ruth Ssentamu Nankabirwa, Minister for Relief, Disaster Preparedness and Refugees, Eng. Hillary Onok together with the UEGCL BOD members and CEO at the launch of the Uganda Commission on Large Dams (UCOLD).
4. Dr Hon. Ruth Ssentamu Nankabirwa, Minister for Energy, Dr Eng. Harrison E. Mutikanga, UEGCL CEO and Michel Lino, ICOLD President with dignitaries at the fourth Hydro International Conference and Exhibition on Water Storage and Hydropower Development for Africa.
5. The Karuma 600 MW HPP training centre constructed through a partnership with the Norwegian Embassy.
6. Night view of the Isimba Public Bridge joining Kayunga and Kamuli Districts
7. UEGCL And UTB Sign a Memorandum of Understanding aimed at transforming the Karuma and Isimba Hydropower sites into Ecological Tourism Destinations
8. H.E President Yoweri Kaguta Museveni at the Commissioning Ceremony of Isimba HPP in March 2019

9. Dr. Eng. Harrison E. Mutikanga CEO of UEGCL Hands Over the Signed Internal Performance Contract (IPC) to the Generation Manager of IHPP in March 2022
10. UEGCL CEO Dr. Eng. Harrison E. Mutikanga with the outgoing AFD Country Director Hatem Chakroun (extreme left) and incoming AFD country director Marc Trouyet (middle) at the UEGCL offices
11. Hon. Dr. Ruth Ssentamu Nankabirwa, Minister of Energy officiates the Commissioning of the newly constructed School facilities at Purongo Primary School under The Karuma HPP Community Development Action Plan (CDAP) in Nwoya District
12. Hon. Okasaai Opolot, State Minister for Energy, (Third Left) With UEGCL staff after the training with The United States Energy Association (USEA) And USAID Uganda Executive Exchange Program on Hydropower Best Practices for UEGCL
13. The Minister of Energy, Hon. Dr Ruth Ssentamu Nankabirwa (In Yellow Mask) Leads UEGCL, Permanent Secretary, Ms Irene Batebe, BOD, and Management of UEGCL at the transfer of the Namanve 50MW Thermal Power Plant from Jacobsen Uganda Power Plant Company Limited to UEGCL on behalf of the Government of Uganda
14. Hon. Dr Ruth Nankabirwa shares a photo moment with UEGCL female staff at Isimba HPP



15



热烈庆祝乌干达卡鲁玛水电站首台机组顺利发电
CONGRATULATIONS ON THE FIRST GENERATING UNIT OF SINOHYDRO KARUMA-HPP IN UGANDA

16



17



18





15. UEGCL CEO, Dr. Eng. Harrison E. Mutikanga holding a banner with UEGCL staff, AFRY, and Sino hydro teams immediately after the successful synchronization of the first generating unit of the 600MW KHPP to the national grid on March 21, 2023

16. UEGCL and Sino hydro team, after the synchronization of Unit 2 on 21 Aug 2023 being the fourth unit to be synchronized on the National Grid

17. UEGCL CEO, Dr. Eng. Harrison E. Mutikanga shakes hands with Sino hydro Project Manager, Ding Tuqiang shortly after the synchronization of unit 1 of the 600MW Karuma HPP on March 21, 2023

18. Unit 2 of the 600MW Karuma HPP that was successfully synchronized to the national grid on 21 August 2023

19. Assembling of Unit 4 rotor by UEGCL staff during the regular maintenance at the Nalubaale Hydro Power station

20. Cleaning and testing of the proportional valve of unit 14 governor at the Nalubaale Hydro Power station by UEGCL staff

21. Ongoing calibration of the main distribution valve of unit 14 governor done during routine maintenance of the 180MW Nalubaale Hydro Power Station





3

CHAPTER THREE: STRATEGIC FOCUS



3.1 INTRODUCTION

The situational analysis of UEGCL’s internal and external business environment provided a platform to re-think the Company’s strategic direction. As such, this section highlights the high-level strategy elements that include: - *vision, mission, purpose statement, core values* as well as the *strategic themes* and their respective *results*.

Additionally, the strategic themes shall be anchored on the company’s strategic objectives; whose intended results have been clearly defined to support the design of meaningful and feasible performance measures.

3.2 VISION, MISSION, PURPOSE STATEMENT, CORE VALUES, STRATEGIC THEMES & RESPECTIVE RESULTS

The following section highlights the key high-level strategic elements for the 2023 -2028 strategic plan.

3.2.1 Vision

UEGCL’s Vision for the period 2023 – 2028 has been recast to be **“Africa’s leading electricity generating utility”**. This vision positions UEGCL to aspire to be a “market leader” in aspects outlined in **Table 9**; where the context of “leading” and “utility” are also explained.

Table 9: Vision Statement Intended Results

Key Word	Intended Results
Leading	<p>UEGCL is cognizant of the ambitious, yet achievable national targets for electricity generation, as well as the ever-growing regional electricity demand with due consideration to these performance parameters;</p> <ul style="list-style-type: none"> ➤ Installed capacity in surplus of demand; ➤ Competitively priced electricity through using the least cost generation technologies and strategies; ➤ Financial Sustainability through progressive cost recovery; ➤ ROI for investors; ➤ Return on Assets; ➤ Electricity Reliability; ➤ Environmental, Social and Governance Rating
Utility	<p>This has been informed by the paradigm shift from a projects development dispensation to operations and maintenance; which presents new aspirations aligned towards service delivery.</p>

3.2.2 Mission

The UEGCL's mission has been changed to "**Sustainably generate reliable, quality and reasonably priced electricity for social-economic development**".

The mission results were further defined for clarity on what success means with respect to the UEGCL mission. **Table 10** presents the Mission results.

Table 10: Mission Statement Intended Results

Key Word	Intended Result
Sustainability	<p><u>Environment</u></p> <ul style="list-style-type: none"> ➤ Reservoir catchment management ➤ River bank protection (<i>By tree planting</i>) ➤ Offsetting the Carbon footprint from the thermal plants ➤ Minimising the pollution from our operations (<i>noise, oil spillage, etc.</i>) <p><u>Community (Health & Education)</u></p> <ul style="list-style-type: none"> ➤ Upgrading health/education infrastructure and equipping health/education facilities ➤ More supportive gender diversity, and equality <p><u>Governance</u></p> <ul style="list-style-type: none"> ➤ Robust system of accountability and responsiveness to stakeholder requirements <p><u>Financial</u></p> <ul style="list-style-type: none"> ➤ We grow our business and produce sound financial results
Reliable & Quality	<ul style="list-style-type: none"> ➤ Electricity always available and stable without fluctuations in voltage within the required capacities in line with the Electricity regulations (<i>primary grid code</i>)
Reasonably Priced	<ul style="list-style-type: none"> ➤ A cost recovery tariff that allows for both operational and capital costs
Socio-Economic Development	<ul style="list-style-type: none"> ➤ Energy security and contribution to lowering the cost of doing business to stimulate economic growth

3.2.3 Purpose Statement

To further clarify the overarching reason for UEGCL’s existence, define the impact of our business to society as well as motivate all staff to be part of a unified team, UEGCL has defined her purpose as: - **Making Electricity Safely Available for Supply at all Times from all our Plants.”**

3.2.4 Core values

The existing core values of UEGCL were maintained for the planning period of 2023 – 2028. Going forward, an additional core value of **“COLLABORATION”** has been added to focus our strategic aspirations towards a defined desired culture of UEGCL. **Table 11** presents the results for the core values.

Table 11: Core Values Intended Results

Core Value(s)	Result
Integrity	<ul style="list-style-type: none"> ➤ We embrace honesty in everything we do ➤ Our Systems, people, processes deliver as always promised ➤ Good corporate Governance
Innovation	<ul style="list-style-type: none"> ➤ We develop and apply creative solutions towards improved service delivery
Accountability	<ul style="list-style-type: none"> ➤ We take responsibility for all our actions and results
Safety	A collective commitment to embrace a safety culture in all our projects and operations
Sustainability	<ul style="list-style-type: none"> ➤ Our energy mix ensures energy security ➤ Our Operations do not cause harm to people and environment ➤ We operate in an environment that ensures gender diversity and equality ➤ We employ optimal resources in electricity generation ➤ We grow our business and produce sound financial results
Collaboration	<ul style="list-style-type: none"> ➤ We develop and maintain cordial working relationships with both our internal and external stakeholders

3.2.5 Motto

The **tagline** that reflects UEGCL’s value as perceived by her stakeholders was maintained for the planning period of 2023 – 2028. This reads: **“GENERATING FOR GENERATIONS”**

3.2.6 Quality Statement

Cognizant of its overarching core mandate as well as the changing business context, the quality statement was redefined as: **“UEGCL is committed to the safe and efficient operation & maintenance, 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 reasonably priced electricity in compliance with the applicable requirements of the Electricity Act, Regulations, Laws and relevant standards.”**

3.3 STRATEGIC THEMES AND RESULTS

UEGCL’s quest **“To be Africa’s leading electricity generating utility”** has been anchored on four strategic themes (pillars of excellence). **Figure 10** below shows the schematic presentation of the 2023 – 2028 UEGCL Strategic Plan.

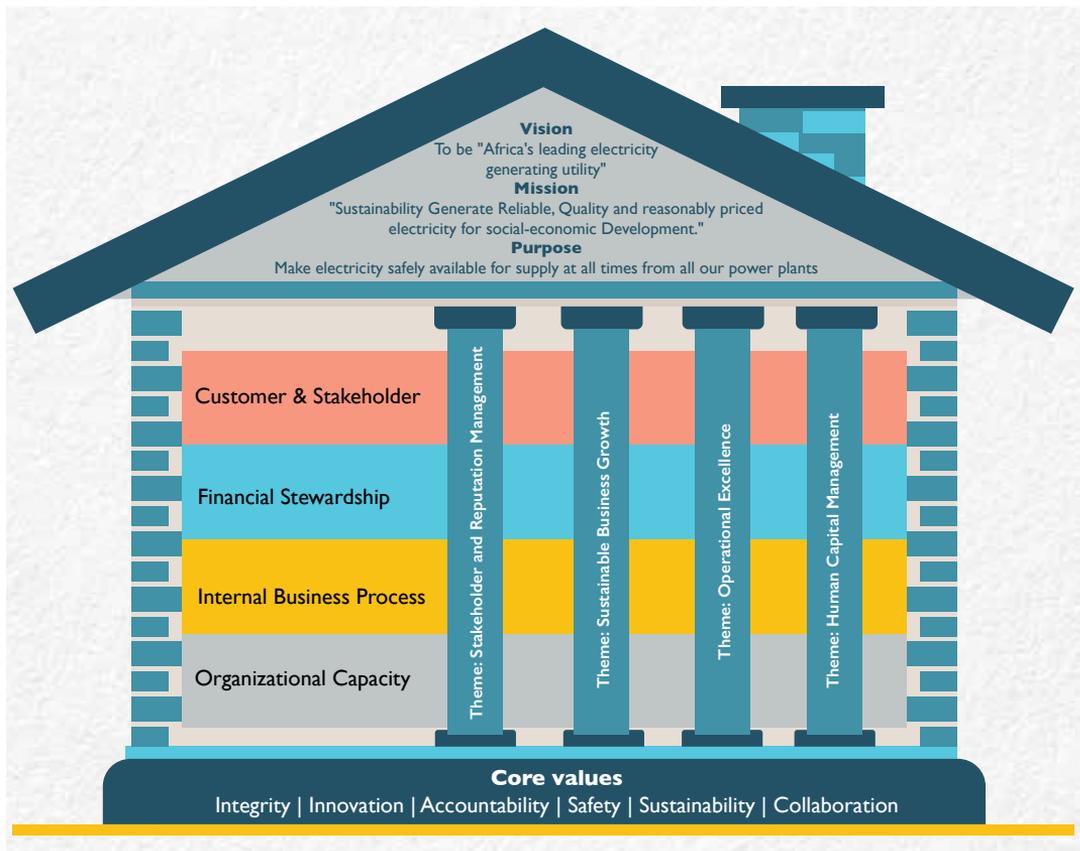


Figure 10: Schematic presentation of 2023 - 2028 UEGCL Strategic Plan

The description of the strategic themes together with their corresponding theme results is provided in **Table 12** below.

Table 12: Strategic Theme Intended Results

#	Strategic Theme & Description	Theme Result(s)
1	Operational Excellence: Execution of the business strategy consistently, reliably and competitively with safety, managed risk, optimal operating costs, and increased revenues.	All our systems/ processes deliver safe, timely, quality, value added and cost-effective services.
2	Stakeholder and Reputation Management: Entails proactive engagement for both internal & external stakeholders in line with the company strategy to realise value.	<ul style="list-style-type: none"> ➤ Our Internal and External Stakeholder needs are continuously met ➤ We derive value from social & strategic partnerships
3	Sustainable Business Growth: Entails project development, plant acquisition and diversification of our business through exploring both core (<i>different electricity generation sources</i>) and non-core (<i>PSU, Resource Centre, and listing on stock market</i>) business ventures, with due consideration to environmental, social and governance issues.	<ul style="list-style-type: none"> ➤ We innovatively grow a diversified business portfolio that ensures energy security ➤ Operate/run new technologies (solar, etc.) ➤ We deliver sound financial results ➤ Generate revenue from both core (power plants) & non-core (PSU) business activities
4	Human Capital Management: Talent attraction, development, retention and performance management while ensuring gender Diversity, Equity and Inclusion	<ul style="list-style-type: none"> ➤ Staff skills and abilities meet the established organisational cultural, operational and strategic needs ➤ Staff are empowered and are accountable for their results ➤ A more supportive environment on gender equality

3.4 STRATEGIC OBJECTIVES, RESULTS & PERFORMANCE MEASURES

This section highlights the Strategic Objectives (continuous improvement actions over time) with the respective intended results (state of performance that can be continually improved through a set of different actions) as well as the corresponding performance measures to track extent of achievement of the set strategic objectives during the period 2023 -2028; which are illustrated in **Table 13**.

Table 13: Company Strategic Objectives, Results and Performance Measures

#	Strategic Objective		Intended Result(s)		Performance Measure(s)		
1.	Improve Knowledge and Skills <i>Description:</i> Acquire, develop and retain an inclusive workforce that is skilled and engaged to drive the company strategy	1.1	Staff get the work done	1.1.1	Competence Gap Closure		
				1.1.2	Project Delivery score		
2.	Enhance Corporate Culture <i>Description:</i> A company's beliefs, values and attitudes, and how these influence the behavior of its employees	2.1	Leaders model the desired behaviour	2.1.1	Leadership culture Rating		
				2.2	Staff committed to the organization	2.1.2	Employee Engagement Score
						2.1.3	Gender Equity Score
3.	Improve Asset Management <i>Description:</i> Coordinated activity of the organization to realize value from Assets. Activity includes:- Planning, the approach, plans and their implementation while realizing value involves balancing risks, opportunities and performance benefits	3.1	Optimal cost of service for the desired performance	3.1.1	Unit Cost of Energy(cent per kWh)		
4.	Strengthen ICT Infrastructure and Technology <i>Description:</i> Design and application of information and communication technology for business processes to support data processing, secure workflows and business continuity	4.1	Less disruptions for ICT Supported services	4.1.1	ICT System Availability		

#	Strategic Objective	Intended Result(s)		Performance Measure(s)	
5.	Enhance Business Portfolio <u>Description:</u> Grow and diversify our core and non-core business undertakings to ensure energy security, increased revenue and hedge against financial risks	5.1	Growing Market Dominance	5.1.1	Percentage Market Share
		5.2	More installed capacity from multiple energy sources	5.2.1	Energy Diversification Ratio
				5.2.2	Installed Generation Capacity
				5.2.3	Pipeline Generation Capacity Score
5.3	Increased revenue from multiple sources	5.3.1	Non-core Annual Revenue		
6.	Strengthen Collaboration <u>Description:</u> Entails proactive approaches of working well with stakeholders with a view of realizing mutual benefits	6.1	We derive social, strategic and financial benefit from working well with our stakeholders	6.1.1	Collaboration Effectiveness Score
7.	Improve Governance <u>Description:</u> Processes and structures designed to ensure accountability and responsiveness to applicable policies, standards, regulatory and statutory requirements aimed to safeguard against reputational damage and financial loss	7.1	We record less statutory breaches and penalties	7.1.1	Statutory Breaches

#	Strategic Objective	Intended Result(s)		Performance Measure(s)	
8.	Enhance Financial Performance <i>Description:</i> In line with the Financial recovery plan, this entails the generation of adequate revenue and having in place appropriate controls towards meeting the company's operational and strategic obligations	8.1	We meet our operational costs & investment obligations	8.1.1	Capital Investment Coverage
		8.2	We earn more income from our assets	8.2.1	Return on Assets
		8.3	We earn more income from our investments	8.3.1	Return on Investment
9.	Improve Stakeholder Satisfaction <i>Description:</i> The Level of contentment of our stakeholders with our services	9.1	Our Key Stakeholder expectations are fulfilled	9.1.1	Stakeholder Satisfaction Rating

3.4.1 Strategic Goals

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. Increased **Installed Generation capacity** from **913 MW** to **1,317 MW** by 2028.
2. Developed **Pipeline Generation Capacity** of **2,000 MW** by 2028.
3. Increased **Market Share by Energy Sold** from **49%** to **67%** by 2028.
4. The **Energy Diversification ratio** increased from **4%** to **7%** by 2028.
5. Achieve a **Return on Assets (RoA)** of **least 2%** and a **Return on Investment (RoI)** of **10%** as at June 2028.
6. Annual **Capital Investment Coverage** of **100%** .
7. **Annual Revenue** from **non-core sources** increased from an average of **UGX 14 Bn** to **UGX 20 Bn** by 2028
8. **Employee Engagement Score** of at least **90%** by 2028.

3.5 CORPORATE RESULTS MAP

The Results map is an alignment framework that shows the linkage between strategic and operational goals (results) creating a holistic story of UEGCL’s strategy. The Corporate Strategic map is shown in the **Figure 11** below.

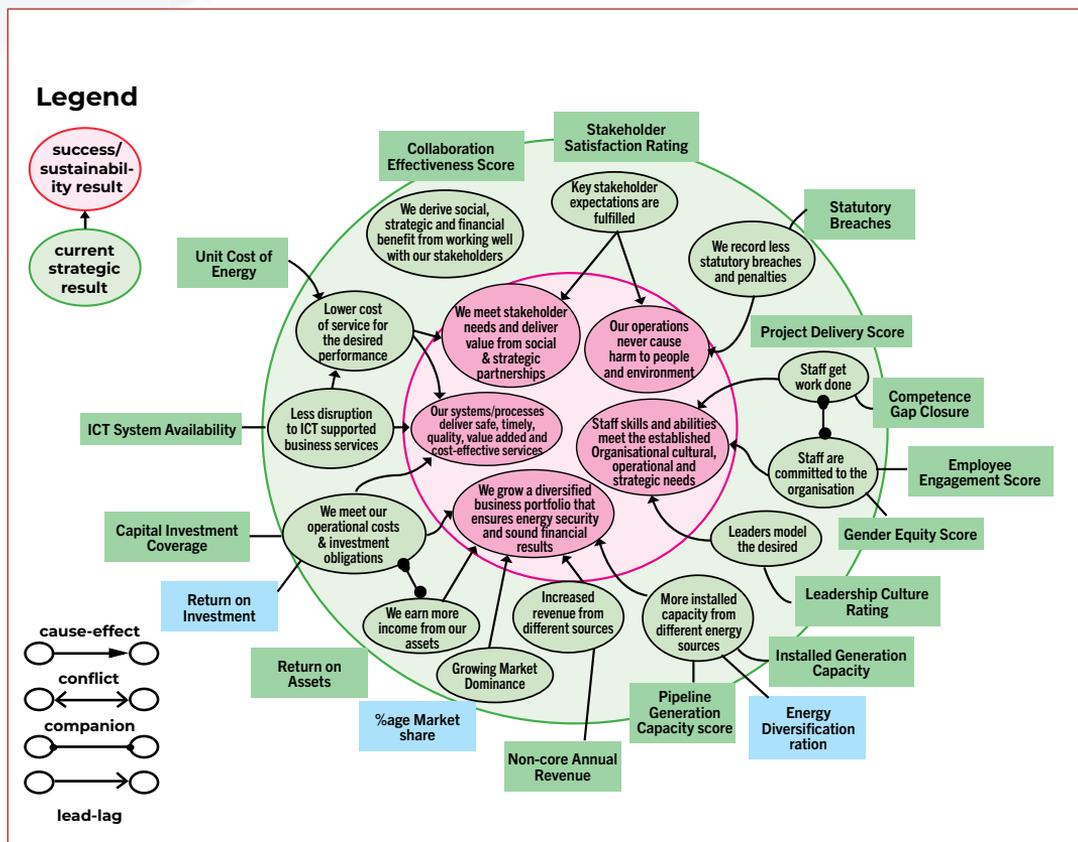


Figure 11: Corporate Results Map

3.6 ASSUMPTIONS

To achieve the following targets, the following key assumptions are made:

- Government support in the initiatives that have been formulated including the generation growth aspirations of the company in line with the Government NDP III and other policy initiatives.
- Growing Demand for electricity; which will in turn ensure financial sustainability for the electricity supply chain.
- Support to the energy diversification initiatives; which marks a key policy direction within this plan. These include participation in exploits such as

geothermal development, Nuclear initiatives and other exploits such as solar.

- d) Regulatory support to the operations and maintenance of the various plants under the jurisdiction of UEGCL. Key area is in ensuring that the licenses and PPAs fully cover the costs of running the various generation plants.
- e) Regulatory support to the new business initiatives
- f) Timely completion of the power plants under construction
- g) Favorable climatic conditions supporting the hydrology of the various power plants
- h) Continued prioritization of generation within the power supply chain
- i) Merger policy of Government will not adversely impact on the operations of UEGCL.
- j) Political stability

HON. DR. RUTH NANKABIRWA SSENTAMU - MINISTER OF ENERGY AND MINERAL DEVELOPMENT POSES FOR A PICTURE WITH ISIMBA HPP STAFF



ISIMBA HPP STAFF DURING ROUTINE MAINTENANCE



Generating Safely
for Generations



UEGCL

Generating Safely for Generations

4

CHAPTER FOUR:
**KEY STRATEGIC
INITIATIVES &
DELIVERABLES**

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 operational plans.

4.2 KEY BUSINESS TRANSFORMATIONAL TACTICS

UEGCL has developed a Strategic Plan during a time when the national treasury is experiencing an economic downturn and as such aims at having a strategic plan that will deliberately improve the company's financial position and specifically cash flow requirements.

In addition, with the exponential growth of the Company, UEGCL requires to make the necessary adjustments in the culture, structure, systems and controls. **Table 15** highlights the proposed overarching transformational undertakings/tactics that the company is considering; which are essentially feeding into the Initiatives in **Table 17**.

Table 15: UEGCL Transformational Business Undertakings

	Undertaking	Objective	Output
1	Proactive Stakeholder engagement; UEGCL needs to consider win-win approaches/ partnerships	To influence relevant policy/key decisions essential for UEGCL's business success	<ul style="list-style-type: none"> ➤ Involvement in large hydros and nuclear power projects, ➤ Earning a return on investment (RoI) and a return on equity (ROE) to support capital investments and cost recovery strategy, ➤ Support in diversification strategy (solar, geothermal), ➤ Listing on the securities exchange and integration of PPPs in development and construction of power generating facilities in the wake of recent political risk (LGBT) which requires UEGCL to rethink the resource mobilization approaches/ sources.

	Undertaking	Objective	Output
2	Non-conventional revenue generation streams	Resource mobilization	<ul style="list-style-type: none"> ➤ Pursuance of other internal revenue generation strategies such as: - carbon trade, e-mobility initiatives, etc. in addition to the already conceptualized ideas of professional services unit, tourism potential and resource centre.
3	O&M Business Model evolution	Operational Excellence	<ul style="list-style-type: none"> ➤ Autonomous strategic Business Units that will later run as subsidiary companies. ➤ This is envisaged to enable the Company fully realize the benefits from private sector-like tenets including possibilities of listing on the stock exchange.
4	Leverage ICT advancements and applications	Improved business operations	<ul style="list-style-type: none"> ➤ Effective management of the expanded operational horizon and anticipated future growth.
5	Strengthen response to relevant emerging trends such as Environmental, Social and Governance (ESG)	Improved response to Environmental, Social and Governance (ESG)	<ul style="list-style-type: none"> ➤ Specific emphasis on employee diversity (gender, spiritual, social) ➤ Harnessing green energy options such as hydrogen powered systems, etc.
6	Business Transformation (Change Management)	Efficiency in light of the business evolution and expansion that UEGCL is experiencing,	<ul style="list-style-type: none"> ➤ Business success approached in a more structured way. ➤ Change Management institutionalized as part of the structure alignment to strategy.

4.3 FINANCIAL RECOVERY AND RESILIENCE PLAN

With the current and future UEGCL Asset Portfolio of power generating facilities, its recommended that both tariff and non-tariff strategies are undertaken to ensure sustainable service delivery of the company. This shall entail adoption of sustainable business strategies comprising of five sustainable pillars including **improving operational efficiency, designing and implementing the power generation investment strategy, developing a sustainable debt financing strategy, implementing cost-based tariffs and improving risk management.** **Table 16** shows the detailed strategies to be implemented to support UEGCL's financial recovery and resilience.

Table 16: Financial Recovery and Resilience Plan

#	Sustainability Dimension	Key Undertakings/ Strategies	Implementation Timelines (Years)					Impact	Responsibility / Support Stakeholders
			1	2	3	4	5		
1	Improving operational efficiency	Develop and implement a strategic asset management plan for all current and future power generating facilities	■	■	■	■	■	Improved plant reliability and availability (Reduction in incidents & duration of outages)	UEGCL, MEMD, MoFPED, UEGCL
		Institute a mechanism of tracking closure of Plant Defects at both Isimba HPP (183MW) and Karuma HPP (600MW)	■	■	■	■	■		
		Undertake rehabilitation of Nalubaale – Kiira Complex (380MW), Namanve Thermal Plant (50MW) and Maziba SHPP (2MW) at a total cost of Ugx 635.3 Bn			■	■	■		
			1	2	3	4	5		

#	Sustainability Dimension	Key Undertakings/ Strategies	Implementation Timelines (Years)					Impact	Responsibility / Support Stakeholders
			1	2	3	4	5		
2	Implementing the investment strategy	Develop and implement a 5-year Power Generation Investment expenditure program for existing power plants (Ugx 87.358 Bn) and future power generation expansion (Ugx 346.195 Bn)	█					Reduction in project cost and time overruns. Quick turnaround in projects.	UEGCL, MoFPED, MEMD, ERA
		Develop and implement a pre-project planning multi-decision-making criteria framework for project development and generation expansion	█	█	█	█	█		Development Partners, Energy SWG, MEMD
		Complete construction of 6.6 MW Nyagak III SHPP (Ugx 18.245 Bn)	█					• Increased Installed Capacity	UEGCL, MEMD, MoFPED
		Secure financial close and undertake construction of Muzizi HPP (48MW)	█	█				• Availability of electricity in excess of demand as a driver for socio-economic transformation	
		Complete Feasibility studies of Nalubaale – Kiira Complex (380MW) and Maziba SHPP (2MW) and secure financial close for rehabilitation works	█	█					
		Undertake the development and construction of 50MW Floating Solar Project (Ugx 45 Bn)	█	█	█				
		Undertake Feasibility Studies and secure financial close for Oriang HPP, Ayago HPP, Nuclear PP (Buyende), Waste to Energy	█	█	█	█			
Undertake negotiations with the shareholders for a stabilization CAPEX Fund to address core investments for deferred maintenance at Nalubaale – Kiira Complex and Namanve Thermal Plant at Takeover	█	█	█			A robust non-tariff based resource pool to finance capital investments and overhauls on operating plants			

#	Sustainability Dimension	Key Undertakings/ Strategies	Implementation Timelines (Years)					Impact	Responsibility / Support Stakeholders
			1	2	3	4	5		
			1	2	3	4	5		
			1	2	3	4	5		
3	Developing Sustainable Debt Financing	Develop and implement a Sustainable Debt Financing Strategy						Reduction in the company gearing ratio (clean balance sheet)	MoFPED
		Undertake negotiations with the shareholders for conversion of existing debt to equity							Development Partners, MEMD, MoFPED
		Prepare and implement a medium term to long term financing plan through						Long-term funds from Capital Markets	UEGCL, MEMD, MoFPED
		<ul style="list-style-type: none"> ➤ Integration of PPPs in the development, financing and construction and rehabilitation of power generating facilities ➤ Engaging Shareholders and other key stakeholders on listing on the Securities Exchange by providing under underwriting guarantees in Initial Public Offerings (IPOs) 							
		Engage GoU for injection of additional Equity into the company					Improved financial stability, flexibility and health of UEGCL	MEMD, MoFPED	

#	Sustainability Dimension	Key Undertakings/ Strategies	Implementation Timelines (Years)					Impact	Responsibility / Support Stakeholders
			1	2	3	4	5		
4	Implement Efficient cost-based tariffs	Develop and implement Financial Viability and Cost Recovery Strategy						Long-term Sustainable Service Delivery	MEMD, MoFPED, ERA
		Engage the shareholders and key sector stakeholders for incorporation of a reasonable Return on Investment (ROI) on both company current asset base (old power generating facilities and future new power plants)						Approved Tariff adjustment provision for financial sustainability (RoE)	UEGCL, MEMD, MoFPED
		Engage shareholders and key stakeholders to support the company's efforts for permission to make return on equity (RoE)							ERA, MoFPED, MEMD
5	Improving Risk management	Engage GoU to strengthen performance obligations in future contracts by proper allocation of power generation facilities retransfer risks for Public Private Partnerships for example as identified in the just ended Nalubaale – Kiira Complex CAA and Namanve Thermal Plant takeover						Sustainable Service delivery	UEGCL, MoFPED, MEMD

4.4 STRATEGIC INITIATIVES

Table 17 provides a summary of the strategic initiatives to be implemented in order to achieve the strategic objectives and strategic goals of the 2023 – 2028 UEGCL Strategic Plan.

Table 17: Corporate Strategic Initiatives for implementation during 2023-2028

Strategic Objective(s) Impacted		Strategic Initiative(s)		Key Action(s) / Milestone(s)		Key Deliverable	By Who	By When	
Customer/ Stakeholder									
Improve Customer Satisfaction	1	Design and implement a Stakeholder Engagement Plan aligned to the Strategy	1.1	Conduct a brand and reputational survey	1.1.1	Stakeholder Satisfaction Levels established	HCCA	Every 2 years	
Enhance Financial Performance	2	Develop a resource mobilization plan to meet O&M, Debt Service and investment requirements	2.1	Prepare Grant proposals for financing of the 5-year Strategic Plan	Capacity & Business Growth				CSBDO
					2.1.1	Joint proposal with UTB for financial support	Jun 2024		
					2.1.2	Technical support & Capacity Development	Annually		
					2.1.3	Proposal for Waste to Energy	Jun 2024		
					Projects & Rehabilitation				
					2.1.4	Proposal for Floating solar	Jun 2025		
					2.1.5	Namanve conversion from HFO to gas engines	Jun 2026		
					2.1.6	Nalubaale and Kira Complex refurbishment	Jun 2028		
					Operations & Maintenance				
			2.1.7	Plant improvement studies	Jun 2025				
			2.1.8	At least USD 3 Million secured	Annually				
			2.2	Manage capital expenditure more effectively	2.2.1	Ring-fenced capital funds to cover investment needs	Annually		
					2.2.2	Capital Investment decision matrix	Jun 2025		
					2.3	Develop and implement a Financial Viability and Cost Recovery Strategy	2.3.1	Approved financing decision matrix	Dec 2024
			2.3.2	Cost reflective tariff with a reasonable return on capital (RoI and RoE)			Jun 2025		
			2.3.3	Stabilization CAPEX Fund			Jun 2026		
			2.4	Develop and implement a sustainable debt financing strategy	2.4.1	Debt to Equity Conversion by the Shareholders	CFO		
					2.4.2	UEGCL Listed on the Securities Exchange		Jun 2028	
2.4.3	Additional Equity into the company acquired	Jun 2028							
2.5	Develop framework for direct electricity sale	2.5.1	Approved direct electricity sale framework in place	Dec 2024					
2.6	Establish and resource the commercial and regulatory function	2.6.1	Commercial and Regulatory function in place	Dec 2024					
Internal Business Processes									

Strategic Objective(s) Impacted		Strategic Initiative(s)		Key Action(s) / Milestone(s)		Key Deliverable	By Who	By When	
Strengthen Collaboration	3	Design and implement a Stakeholder Engagement Plan aligned to the Strategy	3.1	Update and implement the stakeholder engagement plan	3.1.1	Strategy aligned Corporate Stakeholder engagement plan in place and delivered	HCCA CSBDO	Annually	
			3.2	Prepare and implement the CSR plan	3.2.1	CSR plan in place		Annually	
			3.3	Establish strategic partnerships for business growth, capacity building	3.3.1	At least one strategic partnership in place and implemented		Annually	
Enhance Business Portfolio	4	Implement the UEGCL Business Growth and diversification strategy	Non-Core Business Ventures						
			4.1	Implement Tourism Potential Project	4.1.1	Approved Business Plan in place	CSBDO	Jun 2024	
					4.1.2	Functional Tourism Facility		Jun 2025	
					4.1.3	Annual Average Income worth UGX 200 M		Annually after	
			4.2	Implement the Professional Services Unit	4.2.1	Approved PSU Framework	CSBDO	Dec 2023	
					4.2.2	Functional PSU		Jun 2024	
					4.2.3	Annual Average Income worth UGX 200 M		Annually after Jun 2024	
			4.3	Operationalize Phase II of the Hydro power Resource Centre	4.3.1	Resource centre Administration team in place	CSBDO	Dec 2023	
					4.3.2	Resource Centre Training Guide (Training Program Needs Assessment, Objectives, Design, and Performance Evaluation)		Jun 2024	
					4.3.3	Annual Average Income worth UGX 500 M		Annually after Jun 2024	
			4.4	Develop and implement power generation infrastructural projects	4.4.1	Nyagak III 6.6MW SHPP Commissioned	CPO	Jun 2024	
					4.4.2	Validated F/S and Financing Report for Muzizi 48MW HPP		Jun 2025	
					4.4.3	Groundbreaking for Muzizi 48MW HPP		Jun 2027	
					4.4.4	F/S report for Waste to Energy Project		Jun 2025	
4.4.5	F/S report for Floating Solar Project	Mar 2024							
4.4.6	Floating Solar Plant commissioned	Dec 2026							
4.4.7	F/S & Financing report for Oriang HPP	Jun 2024							
4.4.8	Groundbreaking for Oriang HPP	Jun 2025							
4.4.9	F/S & Financing report for Ayago HPP	Jun 2025							
4.4.10	F/S report for Nuclear PP (Buyende)	Jun 2028							

Strategic Objective(s) Impacted		Strategic Initiative(s)		Key Action(s) / Milestone(s)		Key Deliverable	By Who	By When
Improve Asset Management	5	Implement the Strategic Asset Management Plan	5.1	Identify and track closure of outstanding plant defects	5.1.1	Plant defects closure	COO	Quarterly
				Conduct plant condition assessment	5.1.2	Plant condition assessment report		Jun 2024
					5.1.3	Plant Asset valuation Reports		Annually
			5.2	Prepare and implement plant capital investment plans	5.2.1	Capital Investment Plans for all Plants		Jun 2024
					5.2.2	Functional restoration (overhaul & rehabilitation) of NPS/KPS, Namanve, Thermal Plant, Isimba HPP and Maziba SHPP		Jun 2028
					5.2.3	NPS/KPS, Namanve, Thermal Plant, Isimba HPP and Maziba SHPP rehabilitated as per the plant investment plan		As Planned
			5.3	Develop and implement a spares optimization programme	5.3.1	Spares optimization programme fully implemented		Jun 2025
			5.4	Implement Plant IPCs	5.4.1	Plant IPCs fully implemented		Annually
			5.5	Prepare and implement Asset Maintenance Strategies	5.5.1	Asset Maintenance Strategies in place		Annually
			5.6	Establish a centralized maintenance facility	5.6.1	Functional centralized maintenance facility		Jun 2026
5.7	Develop and Implement plant safety regulations for all sites	5.7.1	Plant safety regulations in place					

Strategic Objective(s) Impacted	Strategic Initiative(s)		Key Action(s) / Milestone(s)		Key Deliverable	By Who	By When	
Improve Governance	6	Develop and implement an ESG (Environment, Social & Governance) Strategy	6.1	Prepare an ESG Strategy	6.1.1	Approved ESG Strategy	CSHEQ/ CS	Jun 2024
			6.2	Review and carry out a detailed analysis of governance framework	6.2.1	Updated company policies with supporting work practices		Annually
					6.2.2	Gender supportive policies, strategies and facilities		Jun 2025
			6.3	Implement the Environment and Social Management Plan	6.3.1	ESMP updated and implemented		Annually
			6.4	Initiate the quantification and sale of Carbon credits contributing to reduction of emissions to the environment	6.4.1	Carbon credit sales agreement for plants in place		CSHEQ
	7	Implement the Enterprise Risk Management Plan	7.1	Review and update the corporate risk profile	7.1.1	Approved Corporate Risk profile	HoR	Annually
			7.2	Update and test business process continuity plans	7.2.1	Actualized business process drills/tests		Annually
			7.3	Undertake an independent assessment of Enterprise Risk Management System	7.3.1	ERM Assessment Report		Jun-25
	8	Implement the Risk Based Compliance Management Plan	8.1	Develop and implement an integrated entity wide Compliance framework	8.1.1	Compliance Management Plan	CS/ CSHEQ/ CAO	Annually
					8.1.2	Compliance sensitization and communication plan		Annually
			8.2	Influence policy and regulation to derive business value	8.2.1	Value additive Policy/ regulatory changes mainstreamed into business operations	CS	Annually
	9	Undertake organisational design in light of the evolving business environment	9.1	Review the Organisational structure	9.1.1	Revised Organisational Structure aligned to Strategy	CHRO	Jun 2026
			9.2	Roll-out of an improved Strategic Performance Management System	9.2.1	Improved Strategic Planning and M&E framework for Head office & Plants (IPCs)	CSBDO	Dec 2023
			8.3	Develop and implement an integrated Quality Management System	9.3.1	Sustainability for ISO 9001:2015 re-certification	CSHEQ	Annually
					9.3.2	ISO 45001:2018 Certification for Occupation Health and Safety		Jun 2025
					9.3.3	ISO 14001:2015 Certification for Environment		Jun 2025

Strategic Objective(s) Impacted	Strategic Initiative(s)		Key Action(s) / Milestone(s)		Key Deliverable	By Who	By When	
Organisational Capacity								
Improve Knowledge & Skills	10	Implement a Talent Management Programme	10.1	Review the staff orientation program for adequacy	10.1.1	Comprehensive staff orientation program rolled out		Sep 2023
			10.2	Undertake competence assessment to enable staff alignment to their job expectations	10.2.1	Completed competence assessment reports		Every 2 years
			10.3	Develop a Talent decision matrix to inform succession planning, staff development, job rotation, remuneration and promotion.	10.3.1	Approved Talent decision matrix		Dec 2024
			10.4	Review and validate the job evaluation framework; and carry out a re-assessment of the job roles.	10.4.1	Approved Job Evaluation Report	CHRO	Jun 2024
			10.5	Develop a staff capacity development program	10.5.1	Capacity Development plan (3-5) years (Training Needs Assessment/Analysis)		Dec 2023
					10.5.2	Approved Capacity Development M&E Framework in place (Training Objectives, Evaluation Criteria and Impact Analysis)		Quarterly
	10.6	Implement the O&M Strategy	10.6.1	Competent staff that handle O&M and overhaul/modifications		Annually		
	11	Develop & implement a research and innovation strategy	11.1	Prepare and implement a research and innovation strategy	11.1.1	Updated research agenda	CSBDO	Jun 2024
					11.1.2	Approved Research and innovation strategy		Jun 2024
			11.2	Develop and rollout a Knowledge Management System to strengthen documentation, dissemination and utilization	11.2.1	Documented knowledge products	CHRO/CSBDO	Jun 2024
					11.2.2	Knowledge Sharing Platforms (Portal, Seminars, Workshops)		Jun 2024
	11.2.3	At least 3 knowledge products implemented		Annually				
Enhance Corporate Culture	12	Implement a culture change management program	12.1	Define the UEGCL desired culture	12.1.1	UEGCL desired culture established		Jun 2024
			12.2	Prepare and rollout the desired culture M&E Framework	12.2.1	Desired culture M&E Framework rolled out	CHRO/CSBDO	Annually

Strategic Objective(s) Impacted	Strategic Initiative(s)	Key Action(s) / Milestone(s)	Key Deliverable	By Who	By When
Strengthen ICT Infrastructure and Technology	13 Implement the ICT enhancement program	13.1 Design and rollout High speed WAN (Wide Area Network) integration across all power plants	13.1.1 High speed and reliable WAN in place	HICT	Dec 2024
		13.2 Design, install, test and commission an integrated risk compliance and contract management system	13.2.1 Risk compliance Management System in place		Dec 2024
		13.3 Design, install, test and rollout a remote site monitoring system for the plants	13.3.1 Remote site monitoring system in place		Jun-25
		13.4 Prepare and rollout implementation of a data analytics and business intelligence strategy	13.4.1 Data analytics for real-time and better decision making		Jun-26
		13.5 Implement the cyber security capabilities framework	13.5.1 Ability to detect and mitigate data security breaches		Jun-28







5

CHAPTER FIVE:
RISK
MANAGEMENT



The UEGCL Risk Management function facilitates the identification, assessment, and management of the portfolio of business risks to enable informed decision making toward the achievement of strategic objectives, and ensures the company's capability to continue delivery of services at acceptable predefined levels following a disruptive incident.

5.1 THE RISK MANAGEMENT POLICY

UEGCL has a Risk Management policy in place that was approved and adopted in 2019 and is reviewed every two years. The policy is based on key industry standards; the COSO (Committee of Sponsoring Organizations of the Treadway Commission for Risk Management), the ISO 31000:2018 standard for Risk Management Principles and Guidelines, and the British Financial Reporting Council (BFRC) guidelines.

The Risk policy provides a framework to support the company in formally identifying, assessing, managing, and reporting risk. It defines the responsibilities for risk management, and adhering to the policy contributes to the establishment of a proactive risk-based culture by disseminating best practices for risk management to the achievement of the Company's strategic objectives.

5.2 THE MAIN ACTORS

- a) **The Board of Directors** is ultimately responsible for ensuring that UEGCL has an adequate and effective risk management function. The board has delegated this oversight role to the Governance, Risk, and Compliance (GRC) Board Committee to ensure that Risk Management is implemented in accordance with the approved Risk Policy.
- b) **Top Management**, led by the Chief Executive Officer (CEO), is responsible for implementing the Risk Management Policy and carrying out day-to-day responsibility for board-approved risk management and internal control policies. The CEO delegates responsibility for implementing the Risk Management Policy to Heads of Departments and/Sections.
- c) **The Risk Management team**, led by the Head of Risk (HoR), is primarily responsible for facilitating the identification, assessment, profiling of risks, coordinating the implementation of risk mitigation measures, and maintaining UEGCL's Risk Management practices, as well as ensuring continuous improvement in UEGCL's risk management capabilities.
- d) **Internal Audit Department** is responsible for providing assurance on the effective management of risk and reporting on efficiency and effectiveness of internal controls in mitigating risk.

- e) **Risk Liaisons** are responsible for coordinating and promoting risk management activities within their department, function, or project.
- f) **Departments and Units of UEGCL:** All staff are required to be conversant with the company's Risk Management Policies and Standard Operating Procedures as well as actively participate in Risk Management initiatives.

5.3 RISK MANAGEMENT PROCESS

The Risk Management process includes the following;

Risk Identification: UEGCL identifies new, changing and emerging risks to the achievement of its strategic objectives. Such risks may result from change in business context, business objectives or information not previously available. A database of all risks identified is maintained in the UEGCL risk universe.

Risk Assessment: The identified risks are assessed at various levels of operation to appreciate their effect (positive or negative) to the achievement of objectives. Assessment of risk includes analysis and evaluation of the risk to appreciate its significance in terms of the likelihood of occurrence and potential impact; this informs decision making. UEGCL has adopted both qualitative and quantitative approaches in the analysis of risk.

Risk Treatment: UEGCL considers the business context, costs and benefits, stakeholder obligations and expectations, risk priority, risk severity, and risk appetite when selecting and implementing a risk response. Furthermore, perceptions, potential involvement, and the most appropriate means of communication and consultation with stakeholders are considered.

Monitoring and Review is a continuous part of the Risk Management process with some specific review activities carried out routinely. UEGCL conducts quarterly reviews of all risk registers including the corporate risk register. All departments and units maintain a mitigation plan for their key risks that facilitates tracking of the implementation status of the response strategies.

Figure 12 below provides a summary of UEGCL's Risk Management Process.

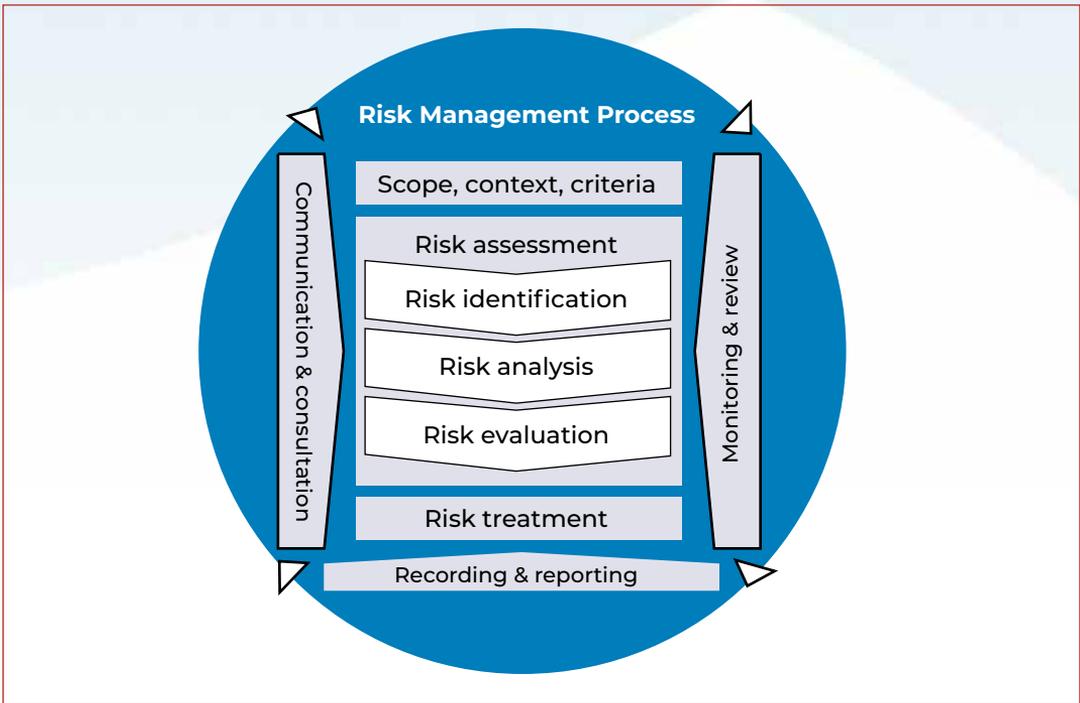


Figure 12: Risk Management process: ISO 31000: 2018

5.4 RISK APPETITE STATEMENT

As part of the Risk Management framework, UEGCL has a Risk Appetite statement that articulates the type and level of risk that UEGCL accepts in developing and implementing her strategy. The Risk Appetite Statement serves as a guide for determining how much risk the company is willing to accept.

UEGCL's risk appetite was approved and implemented in 2018. The Risk Appetite Statement is reviewed every two years and changes are made based on the company's changing risk profile. Over the last five years, the changes during these reviews included the addition of new statements, adjustments to risk limit levels, and reclassification of appetite statements, i.e. from the company's core values (Integrity, Innovation, Accountability, Safety, and Sustainability) to the five risk categories (Reputation, Financial, Operations, Human Resource, and ICT) during the 2020 review, and to the company's Balanced Scorecard perspectives (Customer & Stakeholders, Financial Stewardship, Internal Business Processes, Organizational Capacity) during the 2022 review.

5.5 BUSINESS CONTINUITY MANAGEMENT (BCM)

The BCM policy and framework was approved and implemented in 2021, and was based on various standards such as ISO 22300:2012, the Ugandan National Information Security Policy, and the Business Continuity Institute (BCI) Good Practice Guidelines 2018 edition. The policy and framework provide guidance on how to maintain a coordinated response to business disruptions in order to restore key business processes and activities within a defined and agreed-upon timeline.

The BCM policy is used in correspondence to other relevant UEGCL policies and recovery plans such as the Enterprise Risk Management policy, Risk Appetite Statement, the Health and Safety Policy, Emergency Preparedness and Response plans, IT Disaster Recovery Plan, Crisis Management and Communications Plan and Business Continuity plans across the organization.

Main Actors

The Board of Directors have the responsibility for the company's overall approach to risk management, internal control and Business Continuity Management.

Top Management is responsible for implementing and takes day-to-day responsibility for Board approved policies on Business Continuity Management.

Risk Unit Team; responsible for the overall direction and coordination of UEGCL's Business Continuity Management, including recommendations on resource allocation decisions, as well as the delivery and maintenance of the Business Continuity Policy Framework.

5.6 RISK MANAGEMENT PLAN

A risk assessment of the Strategic Plan has been undertaken with the details provided in **Annex 2**.





6

CHAPTER SIX: IMPLEMENTATION FRAMEWORK

For successful execution of the 2023 – 2028 UEGCL Strategic Plan, an organisational architectural design review has been conducted in line with the 4S-C Framework. The 4S-C framework provides for a logical integration of organisational process elements including;

- a) Strategy which is the organization’s plan for building and maintaining a competitive advantage over its competitors,
- b) Structure that provides for how your company is organized (placement of staff in Departments and Teams) as well as the chain of command and accountability relationships that form its organisational chart,
- c) Systems referring to processes if well optimized can result into value addition to the organisation,
- d) Skills that encompass the capabilities and competencies of various groups in the organisation that enable employees to achieve its strategic objectives and goals and
- e) Cultures exhibited through shared values, norms, and assumptions that shape behaviour of staff and the leadership style adopted.

Figure 13 below shows the elements of an organisational architecture.

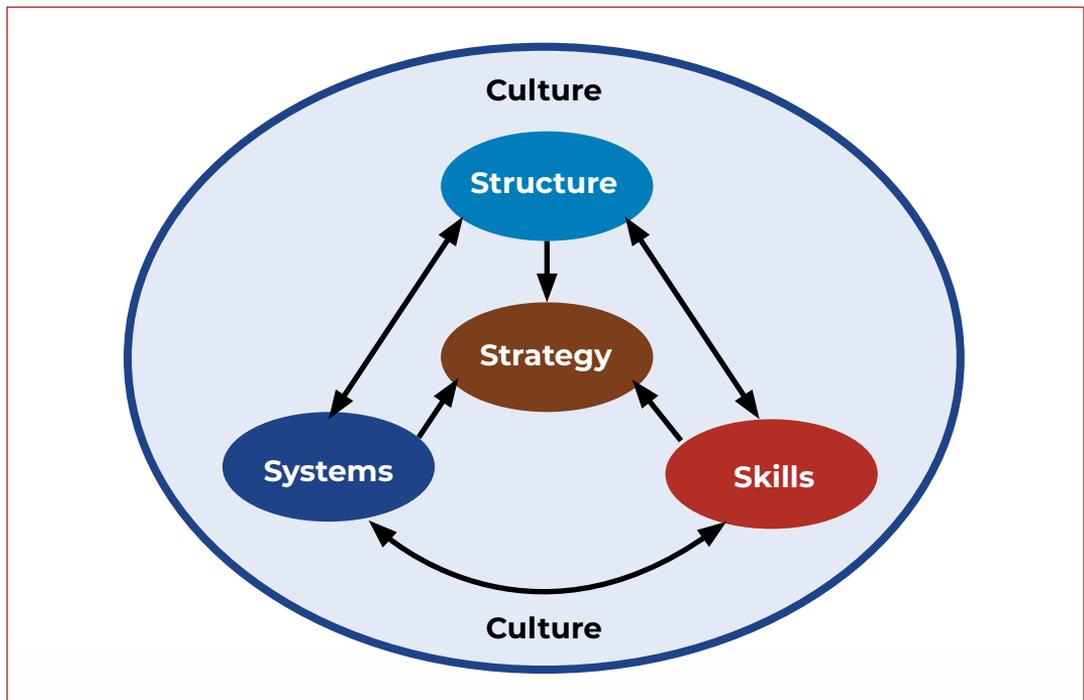


Figure 13: Elements of Organisational Architecture

Successful strategy execution follows a logical process of integrated activities that include the organisational structure, performance monitoring and evaluation, strategy review of long and short-term company goals, stakeholder engagement, change management as well as incorporation of performance-based incentives to drive the right performance culture in the organisation.

6.1 ORGANISATIONAL STRUCTURAL REVIEW AND ALIGNMENT

The organisational structure was informed by;

- a) The growth of the UEGCL Portfolio of Operating power plants with the retransfer of Namanve TPP, Nalubaale/Kiira and the commissioning of the 600MW Karuma HPP.
- b) The need to harness some of the opportunities presented to UEGCL for example the Direct Sale of Electricity to end consumers.
- c) The Changing business environment which necessitated UEGCL to leverage advancements in modern technologies to propel the organization into a data-driven decision-making organization.
- d) The need to fast track the upstream development of new generation projects in line with the UEGCL Business growth agenda

A detailed organizational structure aligned to the UEGCL growing portfolio shall be adopted within the 1st year of strategy implementation.

6.2 FINANCING MECHANISM

In light of the strategic undertakings under the five-year strategy 2023-2028, UEGCL will require a robust resource mobilization and management plan to cover O&M, Debt Service and future investment obligations. The key focus area will be enhanced; Operation and Maintenance of the existing generation plants, asset management, as well as capital investment for both core and non-core business undertakings. To ensure a sustainable service delivery, UEGCL will have to explore a wider range of financing options including,

- **Internally generated revenue** from energy sales,
- Engaging shareholders and other key stakeholders on **securing a stabilization CAPEX Fund** for deferred maintenance activities at NPS/KPS and Namanve Thermal Plant at takeover.
- Injection of **additional equity** into the company and **conversion of debt to equity** as a means to ensure financial recovery and business resilience
- **External grant support** and partnerships with development Partners
- Development of **non-core business lines** entailing the Professional

services Unit, Tourism exploration and sale of Carbon credits among others.

- Exploration of **borrowing from the domestic market** as a short run and backstopping avenue for strategy financing.
- Continued dialogue with shareholders to ensure that a **reasonable return on investment** (RoI) is incorporated within the Tariff to enable the financing of both short Term and long Term Investment needs.
- Finally, pursue **listing** on the securities exchange and integration of PPPs in financing, development and construction of power generating facilities mechanisms within the five-year period.

The **Table 18** below provides a summary of the Costed Corporate Workplan for the planning period 2023 – 2028. The detailed costed work plan is presented in **Annex 1** of this plan.

Table 18: Costed Corporate Workplan

Perspective	Strategic Objective	Strategic Initiative	Budgetary Estimate (UCX)	Percentage of Total Budget
Customer/ Stakeholder	Improve Customer Satisfaction	Design and implement a Stakeholder Engagement Plan aligned to the Strategy	1,472,380,000	
	Sub-Total		1,472,380,000	0.1%
Financial Stewardship	Enhance Financial Performance	Develop a resource mobilization plan to meet O&M, Debt Service and investment requirements	7,983,046,387	
	Sub-Total		7,983,046,387	0.3%

Perspective	Strategic Objective	Strategic Initiative	Budgetary Estimate (UGX)	Percentage of Total Budget
Internal Business Processes	Enhance Business Portfolio	Implement the UEGCL Business Growth and diversification strategy	339,830,316,055	
	Improve Asset Management	Implement the Strategic Asset Management Plan	1,432,307,545,644	
	Improve Governance	Develop and implement an ESG (Environment, Social & Governance) Strategy	42,942,360,000	
		Implement the Enterprise Risk Management Plan	190,927,324	
		Implement the Risk Based Compliance Management Plan	154,805,505,205	
	Strengthen Collaboration	Design and implement a Stakeholder Engagement Plan aligned to the Strategy	83,791,855,000	
	Sub-Total			
Organisational Capacity	Improve Knowledge & Skills	Implement a Talent Management Programme	309 293 130,656	
		Develop & implement a research and innovation strategy	4,033,178,262	
	Enhance Corporate Culture	Implement a culture change management program	4,030,000,000	
	Strengthen ICT Infrastructure and Technology	Implement the ICT enhancement program	19,427,000,000	
Sub-Total			336,783,308,919	14.0%
Grand-Total			2,400,107,244	100%

The financing plan for the entire 5-year strategy in **Table 19** below further provides a summary of funding sources and cash flow requirements for implementation of the UEGCL aspirations during the 2023-2028 period. The total income envelope projected over the period is UGX 3.324 trillion. This is expected to be raised from the electricity generation sales through the tariff at UGX 3.175 trillion (95.5%), project conditional grants at UGX 39.7 Billion (1.19%) and other revenues streams with UGX 109.641 Bn (3.3%).

The total expenditure over the entire period is projected at UGX 4.867 trillion. Of this, 20.8% (UGX 1.011 Trillion) will be committed to capital investments, entailing project infrastructural development initiatives for energy generation plants of Muzizi and Maziba as well as the floating solar. It will also include support to project development for Oriang, Kiba and Ayago HPP as well as Waste to Energy initiative. The investment will also include plant overhauls for Isimba hydro power plant (UGX 28.611 Bn), Nalubaale – Kiira overhauls & rehabilitation (UGX 577.611 Bn), Karuma overhaul components (13.4Bn) and Namanve Thermal power plant at UGX 45.314 Billion.

Further still 28.5% (UGX 1,389 Billion) will be used for operation and maintenance for the various plants covering both recurrent expenditure for wage and non-wage lines. The Non-wage expenditure (Operation and maintenance, licenses and permit obligations) shall take up a projected UGX 1.094 Trillion while the staff and administration costs are estimated at a total of UGX 294.8Bn over the 5-year period. A projected amount of UGX 2.468 trillion will be held in reserve towards meeting the loan repayment obligations for the Isimba and Karuma hydro power stations. This indicates that the projection of the resources for the period shall be sufficient to support the Strategic Plan including alignment of staff salaries within the company, with a surplus for the loan obligation, that shall be fully covered by the government of Uganda in line with the financing agreement.

Table 19 and **Table 20** below summarize the cash flow requirements for the 2023-2028 strategy period.

Table 19: UEGCL Revenue Projections for 2023 - 2028

#	EXPENDITURE PROJECTIONS	PROJECTIONS FOR PERIOD 2023/28						TOTAL UGX (Million)	Key Notes and Assumptions
		BASELINE	ANNUAL PERIOD						
		2022/23 UGX (Million)	2023/24 UGX (Million)	2024/25 UGX (Million)	2025/26 UGX (Million)	2026/27 UGX (Million)	2027/28 UGX (Million)		
A. INCOMES									
(i)	Concession fee	10,521	-	-	-	-	-	-	
	Administration fee	5,633							
	Karuma licence fees	4,888							
(ii)	Sales revenue (tariff)								
	Isimba HPP Revenue	139,161.94	162,960	99,698	133,295	145,292	158,368	699,613	* Plant will not operate at full capacity as Structural renovation works on spill way and all units shall be undertaken in a phased manner in second year
	Namanve TPP Revenue	52,376	52,376	57,090	62,228	67,828	73,933	313,454	
	Karuma HPP Revenue	-	313,468	341,680	372,431	417,957	530,610	1,976,146	3 units shall be running in the initial three years at a plant factor of 64% as per the PPA. Five (05) units shall be running fully by the final year of the strategic Plan period. Annual Indexation of 2% applied to the USD
	Nalubaale- Kiira HPP Revenue	9,430	33,218	33,218	38,473	38,473	38,473	181,854	Dispatched on Capacity in line with PPA for Initial three years
	Maziba HPP Revenue	-				2,029	2,212	4,241	COD for Maziba for FY 2026/2027 with tariff of USD 79.2 /MWhr (based on Renewable Energy Feed-in-Tariff; ERA 2021)
(iii)	GoU conditional grants								
	Isimba HPP	21,853.28	5,000	-	-	-	-	5,000	
	Namanve TPP	7,200	-	-	-	-	-	-	
	Karuma HPP	3,406.44	-	-	-	-	-	-	
	Nalubaale- Kiira HPP	-	5,255	5,255	-	-	-	10,509	
	Maziba HPP	5,000	5,010	274	274	274	274	6,108	
	Nyagak	10,000	18,120					18,120	
(iv)	Other revenue streams								
	Sundry Income (disposal of assets, sale of bids)	52.0	56.7	61.8	67.4	73.5	80.1	340	
	Interest receivable Income	974.1	974.1	1,061.7	1,157.3	1,261.4	1,375.0	5,829	
	Carbon credits	-	9,375	9,750	10,125	10,875	11,250	51,375	Annual revenue of USD 2.5m expected in initial year
	PSU (external services, resources centre, visitors centre)	-	200	250	500	500	500	1,950	
	Tourism potential	-	200	200	250	265	280	1,195	
	Donations and Grants	14.40	10,760	10,067	9,375	9,375	9,375	48,952	Grant funding expectation of atleast USD 2.5m annually
	TOTAL FINANCING SOURCES (INFL)	270,509	616,972	558,605	628,176	694,203	826,730	3,324,686	

An exchange rate of 1 USD to Ugx 3,750 has been considered

The following general assumptions on revenue streams were made:

- The direct sale of energy has not been considered in the projections since it shall only take effect after a robust policy and regulatory framework is instituted, and will also entail investment in the transmission lines.
- Revenues from Isimba HPP shall be impacted by the planned renovation works on Isimba Spill way and Generation Units, and this has been reflected within the financial projections.
- Protection of all evacuation transmission lines from vandalism shall be heightened.

Table 20: UEGCL Expenditure projections 2023-2028

B. FINANCING REQUIREMENTS									
Recurrent expenditure									
(i)	Wage (Salary and staff related costs)	27,117	46,658	47,591	48,543	75,241	76,746	294,780	Licence renewal due in FY 2026/2027
(ii)	Operational expenditure (OPEX Non-wage)	57,034	210,253	214,458	218,747	223,122	227,584	1,094,164	
									2,400,107,244535040
Capital expenditure									
	Nalubaale Kiira	45,700	60,246	60,246	152,373	152,373	152,373	577,611	Plant rehabilitation and overhauls plan
	Isimba HPP	18,349	10,024	10,912	3,027	3,278	1,370	28,611	
	Namanve TPP	45,623	15,485	10,823	7,539	6,136	5,331	45,315	
	Karuma HPP	3,406	-	-	2,750	6,302	4,380	13,433	
	Maziba HPP (1 MW)	5,000	-	-	6,188	6,188	-	12,375	USD 3.3m in third & fourth year
	Oriang HPP (392 MW)			5,625	3,750	5,625	3,750	18,750	Support to project development and feasibility studies
	Ayago HPP (840 MW)				5,625	3,750		9,375	Support to project development and feasibility studies
	Kiba dam (400MW)					5,000	5,000	10,000	Support to project development and feasibility studies
	Waste to Energy - KCCA (50 MW)			5,625	3,750		45,000	54,375	Feasibility studies
	Nyagak	10,000	18,120					18,120	
	Muzizi HPP (48 MW)				59,400	59,400	59,400	178,200	30% contribution to PPP Special Purpose Vehicle has been assumed
	Floating Solar -10 MW (Isimba)				-	22,500	22,500	45,000	
(iii) Loan repayment									
	Exim Bank (Isimba)	<i>as per schedule</i>	142,257	140,040	137,673	135,381	133,088	688,438	to be handled by Government of Uganda in line with the loan agreement
	Exim Bank (Karuma)	<i>as per schedule</i>	368,190	361,976	355,950	349,924	344,021	1,780,061	

An exchange rate of 1 USD to Ugx 3,750 has been considered

The assumptions below on expenditure were made;

- Rehabilitation of the Nalubaale Kiira Plant shall commence in the third year of the strategy implementation and that the UEGCL investment plan projections for all plants shall be approved by the Regulator for the five-year strategy period.
- A standard rate of USD 1.3 Million per MW used for floating solar generation projects

Stringent optimization of the resources shall remain paramount and enforced through a risk-based implementation approach intertwined with effective rationalization of the resources on an annual basis, informed by the annual strategy reviews.

General assumptions were also made in the planned execution of the strategic Plan for completeness of the financing mechanism;

- The Strategy as approved by the Board of Directors for the initial year (Year 1) shall be fully resourced
- That the Capital investments shall receive support from the Government of Uganda and our implementation partners.
- The loan repayment shall be fully taken over by Government of Uganda in line with the financing agreements

6.3 CHANGE MANAGEMENT

UEGCL shall apply robust structured process & framework to manage and adapt to the new business processes, technological advancements, the fast-changing electricity generation landscapes and changes in organizational structure and culture, to achieve our strategy. With the completed re-transfer

process of Nalubaale-Kiira hydro power plant, the take-over of select Thermal power plants, UEGCL shall focus the staff to ensure they remain engaged in their day- to- day work. Having a versatile team with a pool of expertise shall also foster our preparation to effectively undertake new energy diversification strategies, with the 2040 agenda in focus, especially the clean energy generation portfolio and national level. Furthermore, a deliberate communication plan for the new strategy shall be effected across all levels of staff and stakeholders to facilitate effective transition and operationalization of the strategy. UEGCL has been deliberate on defining and streamlining culture within the organization through culture baseline assessment done in the previous strategic period. Harmonization of the recommendations shall be implemented at all the operational plants during the new 5-year strategy period.

6.4 STAKEHOLDER ENGAGEMENT

As UEGCL, we shall maintain and foster our stakeholder collaboration and engagement through the annual engagement plans. Profiling of our stakeholders at all levels and operation echelons shall be key to ensure transparency, ownership and ultimate satisfaction of the mandate and services delivered. The concept of upholding environmental safeguards, social inclusion and governance shall form a robust pillar in the stakeholder engagement strategy for the period. Further-to, the internal and external engagements as shall be outlined in the annual work plans will promote accountability, effectiveness of the company activities, build synergies, ease communication and increase the buy-in from the customers and stakeholders internally, country wide and internationally. The commitment to surpass the expectations, while meeting the needs of our various stakeholders remains high on the UEGCL agenda. The stakeholder management activities will be promoted at all levels of the company's interface with its stakeholders.

During the five-year (2023 – 2028) Strategy implementation period, UEGCL envisions to work with the planning and implementation arms of Government of Uganda, the regulators aligned to the business, our development and implementation partners locally and internationally, research institutions, media houses, the civil society as well as NGOs among others.

6.5 MONITORING AND EVALUATION

- The strategic plan is to be operationalized through Annual scorecards and operational plans and a strengthened M&E framework to monitor progress of execution of the strategic initiatives and ultimately achievement of the set objectives.
- The M&E framework shall be at 3 levels i.e Corporate, Departmental and Individual level. As part of the M&E mechanism, a robust feedback mechanism is to be instituted at individual level through the one on one performance conversations.
- Metric and process benchmarking shall be done to support learning and performance improvement across the powerplants.

Table 21 below provides an overall summary of the results framework against which periodic strategic performance monitoring and evaluation shall be conducted during the period of the 2023 – 2028 Strategic Plan.

Table 21: UEGCL Results Framework highlighting the Annualized Targets for the Period 2023-2028

Strategic Objective	Intended Result(s)/ Outcome	Indicators	Baseline June 2023	Annualized Targets				
				2023/24	2024/25	2025/26	2026/27	2027/28
Customer/ Stakeholder								
Improve Stakeholder Satisfaction	Our Key Stakeholder expectations are fulfilled	Stakeholder Satisfaction Rating	79%	80%	85%	85%	90%	90%
Financial Stewardship								
Enhance Financial Performance	We meet our operational costs & investment obligations	Capital Investment Coverage	0	100%	100%	100%	100%	100%
				(USD 10.3M)	(USD 15.1M)	(USD 9.7M)	(USD 8.7M)	(USD 9.1M)
	We earn more income from our investments	Return on Investment	-	2%	3%	5%	7%	10%
	We earn more income from our assets	Return on Assets	0.565%	0.8%	1.2%	1.5%	1.8%	2%
Internal Business Processes								
Strengthen Collaboration	We derive social, strategic and financial benefit from working well with our stakeholders	Collaboration Effectiveness Index	75%	80%	80%	85%	85%	90%
Improve Governance	We record less statutory breaches and penalties	Statutory Breaches	0	0	0	0	0	0

Strategic Objective	Intended Result(s)/ Outcome	Indicators	Baseline June 2023	Annualized Targets				
				2023/24	2024/25	2025/26	2026/27	2027/28
%Market Share	More installed capacity from different energy sources	Installed Generation Capacity	613.2 MW	1219.8 MMW	1219.8 MMW	1269.8 MMW	1269.8 MMW	1317.8 MW
		Energy diversification Ratio	8.2%	4.1%	4.1%	7.8%	7.8%	7.6%
		Pipeline Generation Capacity Score	0	50MW	50MW	1,200MW	1,600MW	2,000MW
	Growing Market Dominancy	%Market Share (By Sales)	49.26% (3,381GWh)	54.64% (4,458GWh)	61.37% (4,614GWh)	62.18% (5,613GWh)	66.67% (5,820GWh)	67.47% (5,820GWh)
	Increased revenue from different sources	Non -Core Revenue	UGX 14 Bn	UGX 21.6 Bn	UGX 21.3 Bn	UGX 21.4 Bn	UGX 22.3 Bn	UGX 22.8 Bn
Improve Asset Management	Optimal cost of service for the desired performance	Unit Cost of Energy	TBD	TBD	TBD	TBD	TBD	TBD
Organizational Capacity								
Improve Knowledge and Skills	Staff get work done	Competence Gap Closure	TBD	5%	10%	15%	20%	25%
		Project Delivery Score	TBD	80%	80%	85%	85%	90%
Enhance Corporate Culture	Leaders model the desired behavior	Leadership Culture Score	TBD	80%	80%	85%	85%	90%
	More staff committed to the organization	Employee Engagement Score	81%	85%	85%	88.5%	90%	90%
		Employee Diversity Score	37.5%	39.0%	40.5%	42.0%	43.5%	45.0%
Strengthen ICT Infrastructure & Technology	Less disruption to ICT supported business services	ICT System Availability	98%	99%	99%	99%	99%	99%

Table 22 below defines all the key performance measures to be monitored during the period of the 2023 – 2028 UEGCL Strategic Plan

Table 22: Key Performance Measures Guide

#	Performance Measure(s)	Definition
Customer/ Stakeholder		
1	Stakeholder Satisfaction Rating	Average satisfaction rating of how UEGCL is responsive to key stakeholder needs (expectations), computed annually
Financial Stewardship		
2	Capital Investment Coverage	Percentage of funds set aside for capital investment (overhaul/ rehabilitation) to the total investment requirement, computed quarterly
3	Return on Assets	Ratio of the operating/net profit from operating the company assets to the total company asset value, computed quarterly
4	Return on Investment	Ratio of the operating/net profit to the total cost of investment, computed annually
5	Non-core Annual Revenue	Total revenue collection from non-core business activities including donations, grants, income from new business ventures (sale of carbon credits, PSU, Tourism) computed annually
Internal Business Processes		
6	Collaboration Effectiveness Index	Percentage of strategic engagements that yield the intended objective as derived from the strategy aligned corporate stakeholder plan reported quarterly
7	Percentage Market Share	Ratio of the net electrical energy sales from all company power plants to the total net electrical energy sales of the country, computed quarterly
8	Installed generation capacity	Total electricity generating capacity recorded, computed annually
9	Energy diversification ratio	Percentage total electricity generating capacity from non-hydro sources, computed annually
10	Pipeline Generation Capacity Score	Total bankable generating capacity with completed feasibility studies ready for financing, computed annually
11	Statutory Breaches	Total number of violations arising from noncompliance to PPA, Generation License, PPDA, NEMA), computed quarterly
12	Unit Cost of Energy (\$Cent per kWh)	Ratio of the total production costs (Opex & Capex) to the actual net electrical energy output from our plants, computed quarterly

#	Performance Measure(s)	Definition
Organisational Capacity		
13	Competence Gap Closure	Percentage of critical skills gap closed out in a given period as informed by the competence assessment output, computed bi-annually
14	Project Delivery score	Percentage of project (strategic initiatives) milestones achieved within a certain period, computed quarterly
15	Employee engagement index	The degree to which staff are committed to the organization assessed through employee engagement survey results, staff retention and grievance resolution rate
16	Employee Diversity score	Ratio of the total number of women in technical and leadership roles to the total number of employees in technical and leadership roles respectively, computed annually
17	Leadership culture index	Percentage of desired behaviour or traits exhibited by the UEGCL Leadership (Accountability: response to performance enhancement conversations and Board Actions, Collaboration: Effectiveness of Departmental Meetings, Innovation: Adaptation to defined digital solutions) computed quarterly
18	ICT System Availability	Ratio of the duration of time that the ICT critical systems are able to run seamlessly to the total amount of time in the period, calculated monthly



7 ANNEXES

Annex 1: Costed Corporate Operational Plan

Customer/ Stakeholder Perspective

Table 23: UEGCL Costed Corporate Operational Plan

UGANDA ELECTRICITY GENERATION COMPANY LIMITED - COSTED INITIATIVES							
Strategic Objective(s) Impacted		Strategic Initiative(s)		Key Action(s)		Key Deliverable / Milestone(s)	
Improve Customer Satisfaction	1	Design and implement a Stakeholder Engagement Plan aligned to the Strategy	1.1	Conduct a brand and reputational survey	1.1.1	Stakeholder Satisfaction levels established	

Financial Stewardship Perspective

Strategic Objective(s) Impacted		Strategic Initiative(s)		Key Action(s) / Milestone(s)		Key Deliverable(s)	
Enhance Financial Performance	2	Develop a resource mobilization plan to meet O&M, Debt Service and investment requirements	2.1	Prepare Grant proposals for financing of the 5 year Strategic Plan	Capacity & Business growth		
					2.1.1	Joint proposal with UTB for financial support	
					2.1.2	Technical support & Capacity Development	
					2.1.3	Proposal for Waste to Energy	
					Projects & Rehabilitation		
					2.1.4	Proposal for Floating solar	
					2.1.5	Namanve conversion from HFO to gas engines	
					2.1.6	Complex refurbishment	
					Operations & Maintenance		
					2.1.7	Plant improvement studies	
2.1.8	Atleast USD 3 Million secured						
			2.2	Develop and engage stakeholders on a sustainable financing mechanism (covering O&M, debt, RoEI) for the sector	2.2.1	Approved financing decision matrix	

FOR 2023-2028 STRATEGIC PLAN

Responsible personnel/ Team	By When	Budgetary Estimates (UGX)					TOTAL Initiative Cost
		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	
HCCA	Every 2 years	404,500,000	-	485,400,000	-	582,480,000	1,472,380,000
Subtotal C&S		404,500,000	-	485,400,000	-	582,480,000	1,472,380,000

Responsible personnel/ Team	By When	Budgetary Estimates (UGX)					TOTAL Initiative Cost (UGX)
		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	
CSBDO	Jun-24	491,940	491,940				7,983,046,387
	Annually	-	6,500,000	12,500,000			
	Jun-24	2,500,000					
	Jun-25	5,430,000	17,000,000				
	Jun-26	9,500,000		10,600,000			
	Jun-28	10,750,000			10,750,000		
	Jun-25	10,750,000	10,750,000	10,750,000	10,750,000		
CFO	Annually						
CFO	Dec-24						

Strategic Objective(s) Impacted	Strategic Initiative(s)	Key Action(s) / Milestone(s)	Key Deliverable(s)		
		2.3	Develop framework for direct electricity sale	2.3.1	Approved direct electricity sale framework in place
		2.4	Establish and resource the commercial services and sales function	2.4.1	Treasury function in place
				2.4.2	Investment decision matrix
		2.5	Establish and resource the regulatory function	2.5.1	Regulatory function in place
		2.6	Initiate the quantification and sale of Carbon credits contributing to reduction of emissions to the environment	2.6.1	Carbon credit sales agreement for plants in place

Internal Business Processes Perspective

Strategic Objective(s) Impacted	Strategic Initiative(s)	Key Action(s) / Milestone(s)	Key Deliverable		
			Non-Core Business Ventures		
Enhance Business Portfolio	3	3.1	◆ Implement Tourism Potential Project	3.1.1	Approved Business Plan in place
				3.1.2	Functional Tourism Facility
				3.1.3	Annual Average Income worth UGX 200 M
		3.2	◆ Implement the Professional Services Unit	3.2.1	Approved PSU Framework
				3.2.2	Functional PSU
				3.2.3	Annual Average Income worth UGX 200 M
		3.3	◆ Operationalise Phase II of the Hydro power Resource Centre	3.3.1	• Resource centre Administration team
				3.3.2	• Resource Centre Training Guide (Training Program Needs Assessment, Objectives, Design, and Performance Evaluation)
				3.3.3	• Annual Average Income worth UGX 500 M
					Power Generating Projects
3.4	Develop and implement power generation infrastructural projects	3.4.1	Nyagak III 6.6MW SHPP Commissioned		
		3.4.2	Validated F/S and Financing Report for Muzizi 48MW HPP		
		3.4.3	Groundbreaking for Muzizi 48MW HPP		
		3.4.4	F/S report for Waste to Energy Project		

	Responsible personnel/ Team	By When	Budgetary Estimates (UGX)					TOTAL Initiative Cost
			FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	(UGX)
		Dec-27	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	
		Jun-24	514,000,000	560,260,000	610,683,400	665,644,906	725,552,948	
		Jun-25						
		Dec-24	514,000,000	560,260,000	610,683,400	665,644,906	725,552,948	
		Jun-25	562,500,000	-	562,500,000	-	562,500,000	
		Sub total FS	1,632,671,940	1,158,011,940	1,820,466,800	1,355,539,812	2,016,355,895	7,983,046,387

	Responsible personnel/ Team	By When	Budgetary Estimates (UGX)					TOTAL Initiative Cost
			FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	(UGX)
		Jun-24						339,830,316,055
	CSBDO	Jun-25	514,000,000	560,260,000	610,683,400	665,644,906	725,552,948	
		Annually after Jun-24						
	CSBDO	Dec-23	75,000,000					
		Jun-24	514,000,000	560,260,000	610,683,400	665,644,906	725,552,948	
		Annually after Jun-24						
	CSBDO	Dec-23	714,000,000	714,000,000	514,000,000	514,000,000	514,000,000	
		Jun-24	408,024,173	155,000,000	155,000,000	155,000,000	155,000,000	
		Annually after Jun-24						
	CPO	Jun-24	18,120,000,000	125,000,000	-	-	-	
		Jun-25	-	5,000,000,000	-	-	-	
		Jun-27	-	-	59,400,000,000	59,400,000,000	59,400,000,000	
		Jun-25	-	5,625,000,000	3,750,000,000	-	45,000,000,000	

Strategic Objective(s) Impacted		Strategic Initiative(s)		Key Action(s) / Milestone(s)		Key Deliverable	
						3.4.5 F/S report for Floating Solar Project	
						3.4.6 Floating Solar Plant commissioned	
						3.4.7 F/S & Financing report for Oriang HPP	
						3.4.8 Groundbreaking for Oriang HPP	
						3.4.9 F/S & Financing report for Ayago HPP	
						3.4.10 F/S report for Nuclear PP (Buyende)	
Improve Asset Management	4	Implement the Strategic Asset Management Plan	4.1	Identify and track closure of outstanding plant defects	4.1.1	Plant defects closure	
			4.2	Conduct plant lifecycle condition assessment	4.2.1	Plant condition assessment report	
			4.3	Prepare and implement plant capital investment plans	4.3.1	Capital Investment Plans for all Plants	
					4.3.2	Functional restoration (overhaul & rehabilitation) of NPS/KPS, Isimba and Maziba SHPP	
			4.4	Conduct plant asset valuation and impairment	4.4.1	Asset Valuation Reports	
			4.5	Adopt utilisation of maintenance management systems	4.5.1	Asset information for decision support	
			4.6	Prepare and implement Asset Maintenance Strategies	4.6.1	Asset Maintenance Strategies in place	
4.7	Establish a centralised maintenance facility	4.7.1	Functional centralised maintenance facility				
Improve Governance	5	Develop and implement an ESG (Environment, Social & Governance) Strategy	5.1	Prepare an ESG Strategy		Approved ESG Strategy	
			5.2	Review and update company policies in light of the changing laws, business environment and emerging trends	5.2.1	Updated company policies (policy work practices)	
					5.2.2	Gender supportive policies	
	5.3	Implement the Environment and Social Management Plan	5.3.1	ESMP in implemented			
	6	Implement the Enterprise Risk Management Plan	6.1	Review and update the corporate risk profile	6.1.1	Approved Corporate Risk profile	
			6.2	Update and test business process continuity plans	6.2.1	Actualised business process drills	
			6.3	Undertake an independent assessment of Enterprise Risk Management System	6.3.1	ERM Assessment Report	
	7	Implement the Risk Based Compliance Management Plan	7.1	◆ Develop and implement an integrated entity wide Compliance framework	7.1.1	Compliance Management Plan	
					7.1.2	Compliance sensitization and communication plan	
Strengthen Collaboration	8	Design and implement a Stakeholder Engagement Plan aligned to the Strategy	8.2	Update and implement the stakeholder engagement plan	8.2.1	Stakeholder engagement plan in place	
			8.3	Prepare and implement the CSR plan	8.3.1	CSR plan in place	
			8.4	Establish strategic partnerships for business growth, capacity building	8.4.1	Atleast one strategic partnership	

	Responsible personnel/ Team	By When	Budgetary Estimates (UGX)					TOTAL Initiative Cost
			FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	(UGX)
		Mar-24	-	5,000,000,000	-	-	-	
		Dec-26	-	22,500,000,000	-	22,500,000,000	-	
		Jun-24	-	5,625,000,000	3,750,000,000	5,625,000,000	3,750,000,000	
		Jun-25	-	35,000,000	-	-	-	
		Jun-25	-	-	5,625	3,750	-	
		Jun-28	-	-	2,500,000,000	2,500,000,000	-	
	COO	Quarterly	49,071,148,373	62,933,392,394	39,035,000,000	39,035,000,000	39,035,000,000	
		Jun-24	535,000,000					
		Jun-24						
		Jun-28	85,755,200,944	93,230,525,225	244,402,125,947	270,551,585,439	299,104,507,323	
		Annually	1,800,000,000	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000	1,432,307,545,645
		Annually						
		Annually	30,963,812,000	30,963,812,000	30,963,812,000	30,963,812,000	30,963,812,000	
		Jun-26		12,000,000,000	35,000,000,000			
	CSHEQ	Jun-24						
	CS/CSHEQ	Annually	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	42,942,360,000
		Jun-25	85,000,000	85,000,000	35,000,000	35,000,000	35,000,000	
	CSHEQ	Annually	8,383,472,000	8,383,472,000	8,383,472,000	8,383,472,000	8,383,472,000	
	HoR	Annually						190,927,324
		Annually	25,000,000	26,500,000	28,090,000	29,775,400	31,561,924	
		Jun-25	-	50,000,000	-	-	-	
	CS/CSHEQ/ CAO	Annually	32,561,101,041	30,561,101,041	30,561,101,041	30,561,101,041	30,561,101,041	154,805,505,205
		Annually						
	HCCA	Annually	1,500,000,000	2,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000	
	HCCA	Annually	15,038,371,000	15,038,371,000	15,038,371,000	15,038,371,000	15,038,371,000	83,791,855,000
	CSBDO	Annually	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	
	Subtotal IBPs		246,233,129,531	303,341,693,660	477,907,344,413	489,793,410,442	536,592,931,183	2,053,868,509,229

Organisational Capacity

Strategic Objective(s) Impacted	Strategic Initiative(s)	Key Action(s) / Milestone(s)	Deliverable(s)
Improve Knowledge, Skills & Abilities	9 Implement a Talent Management Programme	9.1 Review the staff orientation program for adequacy	9.1.1 Comprehensive staff orientation program
		9.2 Undertake competence assessment to enable staff alignment to their job expectations	9.2.1 Completed competence assessment reports
		9.3 Develop a Talent decision matrix to inform succession planning, staff development, job rotation, remuneration and promotion.	9.3.1 Approved Talent decision matrix
		9.4 Review and validate the job evaluation framework; and carry out a re-assessment of the job roles.	9.4.1 Approved Job Evaluation Report
		9.5 Review the Organisational structure in light of the evolving business environment	8.5.1 Revised Organisational Structure
		9.6 Roll-out of the improved Staff Performance Management System	9.6.1 Approved Staff Performance Management Framework
		9.7 Develop a staff capacity development program	9.7.1 Capacity Development plan(3-5)years (Training Needs Assessment/Analysis)
			9.7.2 Approved Capacity Development M&E Framework in place (Training Objectives, Evaluation Criteria and Impact Analysis)
	9.8 Implement the O&M Strategy	9.8.1 Competent staff that handle O&M and overhaul/modifications	
	10 Develop & implement a research and innovation strategy	10.1 Prepare and implement a research and innovation strategy	10.1.1 Updated research agenda
10.1.2 Approved Research and innovation strategy			
10.2 Develop and rollout a Knowledge Management System to strengthen documentation, dissemination and utilisation		10.2.1 Documented knowledge products	
	10.2.2 Knowledge Sharing Platforms (Portal, Seminars, Workshops)		
10.2.3 Atleast 3 knowledge products implemented			
Enhance Corporate Culture	11 Implement a culture change management program	11.1 Define the UEGCL desired culture	11.1.1 UEGCL desired culture established
		11.2 Prepare and rollout the desired culture M&E Framework	11.2.1 Desired culture M&E Framework rolled out
Strengthen ICT Infrastructure and Technology	12 Implement the ICT enhancement program	12.1 Design, install, test and rollout High speed WAN(Wide Area Network) integration at the power plant	12.1.1 High speed WAN in place
		12.2 Design, install, test and commission an intergrated risk compliance and contract management system	12.2.1 Risk compliance Management System in place
		11.3 Design, install, test anf rollout a remote site monitoring system for the plants	11.3.1 Remote site monitoring system in place
		11.4 Prepare and rollout a data analytics and business intelligence strategy	11.4.1 Data analytics for real-time and better decision making
		11.5 Implement the cyber security capabilities framework	11.5.1 Lower/No data security breaches

	Responsible personnel/ Team	By When	Budgetary Estimates (UGX)					TOTAL Initiative Cost
			FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	(UGX)
	CHRO	Sep-2023	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000	309,293,130,657
	CHRO	Every 2 years	-	258,000,000	-	258,000,000		
	CHRO	Dec-24	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000	
	CHRO	Jun-24	220,000,000	220,000,000	-	-	-	
	CHRO	Jun-26	46,657,906,149	47,591,064,272	48,542,885,557	75,241,472,613	76,746,302,066	
	CHRO	Sep-23	450,000,000	450,000,000	450,000,000	450,000,000	450,000,000	4,033,178,263
	CHRO	Dec-23	21,500,000	21,500,000	21,500,000	21,500,000	21,500,000	
		Quarterly	900,000,000	900,000,000	900,000,000	900,000,000	900,000,000	
			1,270,000,000	3,270,000,000	1,270,000,000	270,000,000	270,000,000	
	CSBDO	Jun-24	596,600,000	632,396,000	670,339,760	710,560,146	753,193,754	
		Jun-24	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000	4,030,000,000
	CHRO/CSBDO	Jun-24	43,700,000	43,700,000	43,700,000	43,700,000	43,700,000	
		Annually	28,000,000	29,680,000	31,460,800	33,348,448	35,349,355	
	CHRO/CSBDO	Jun-24						4,030,000,000
		Annually	650,000,000	2,450,000,000	310,000,000	310,000,000	310,000,000	
	HICT	Dec-24	1,100,000,000	1,300,000,000	1,100,000,000	800,000,000	1,100,000,000	19,427,000,000
		Dec-24	500,000,000	800,000,000	500,000,000	-	-	
		Jun-25	-	2,385,000,000	-	-	-	
		Jun-26	864,000,000	864,000,000	864,000,000	-	-	
		Jun-28	1,450,000,000	1,450,000,000	1,450,000,000	1,450,000,000	1,450,000,000	
	Sub total -OC		54,880,456,149	62,794,090,272	56,282,636,117	80,617,331,207	82,208,795,175	336,783,308,919

Annex 2: Risk Management Plan

Table 24: Risk Management Plan

#	Strategic Objective	#	Emerging Risk	Driving Factors	Ranking
1	Enhance Financial Performance	1.1	Revenue shortfalls	<ul style="list-style-type: none"> ◆ Prolonged outages due to defects rectification works at Isimba and possibly Karuma, unit overhauls at Isimba & Namanve and modification projects at NKPS. ◆ Inadequate growth in grid demand causing cannibalisation between the running plant revenues (Karuma & Isimba) ◆ Ammendements in the electricity act providing for the direct energy purchases and sales from generating plants. ◆ Project delays. ◆ Changing priorities of development partners in response to recovery from the Ukraine/Russia war and passing of the anti homosexuality bill in Uganda. 	HIGH
		1.2	Climate change risk	<ul style="list-style-type: none"> ◆ Hydrological risks could affect production at the hydro plants, negatively impact the company's anticipated revenues and the viability of conducted / ongoing feasibility studies. 	MEDIUM
2	Enhance Business Portfolio	2.1	Inadequate resources for Business Development (New Projects and ventures)	<ul style="list-style-type: none"> ◆ Lack of retained earnings as a company. ◆ Competing government obligations and priorities. ◆ MoFPED's constraints to borrowing in view of the debt ceiling. 	MEDIUM
		2.2	Competing players in project development for new large generation projects	<ul style="list-style-type: none"> ◆ Uncertainty in UEGCL's role in the development of the large hydro projects of Oriang and Ayago. 	MEDIUM
3	Improve Asset Management	3.1	GoU funding shortfalls for continued obligations for projects under DLP	<ul style="list-style-type: none"> ◆ GoU budget cuts and reduced revenue collections. ◆ GoU's removal of projects from the PIP. ◆ MoFPED's initiative to reduce borrowing as debt ceiling was exceeded. ◆ Project delays. 	HIGH

	Mitigation	Responsible Persons	Opportunities	Responsible Persons
	<ul style="list-style-type: none"> ◆ Harmonization of the contractors defects rectification schedules with plant availability and reliability requirements to ensure takeover of a fit-for-purpose facility while honoring the obligations under the licenses and permits ◆ Training of the O&M teams by the Original Equipment Manufacturers to enhance competencies and technical know-how for maintenance regimes. ◆ Improve procurement planning for spares & tools to ensure adequate stock levels. ◆ Adequate resource allocation for plant O&M activities and cost optimization of non-core organisation activities. ◆ Improved planning and analysis of the annual revenue projections including planning for significant capital projects. ◆ Pursue and engage alternative development partners for continued support of capacity building and O&M improvement initiatives 	<p>COO CPO CFO</p>	<p>Increased demand and revenue through direct contracting to consumers</p>	<p>CSBDO</p>
	<ul style="list-style-type: none"> ◆ Improve production planning and incorporate climate change research in the utilization of the cascade water level monitoring and forecasting technology. ◆ Engagement at the bi-lateral level and of other civil society organisations (e.g. Nile Basin Initiative) to leverage climate data and other environmental factors to improve water resource management and contingency planning. 	<p>COO CSHEQ</p>	<p>Presents UEGCL the opportunity to explore other options for energy generation and diversify the energy mix portfolio of the company and country at large.</p>	<p>CSBDO</p>
	<ul style="list-style-type: none"> ◆ Explore alternative resourcing strategies e.g. commercial borrowing, capitalization of UEGCL, etc. 	<p>CSBDO</p>	<p>Reduced reliance on GoU's treasury for financing of the new strategy following the transition to O&M at UEGCL.</p>	<p>CFO</p>
	<ul style="list-style-type: none"> ◆ Engagement of key stakeholders to ensure UEGCL's involvement in these projects to enable UEGCL implement its mandate. 	<p>CSBDO</p>	<p>Opportunities to showcase UEGCL's role in the 2 flagship projects and the value UEGCL brought to project development and implementation on behalf of government</p>	<p>CEO</p>
	<ul style="list-style-type: none"> ◆ Improved planning for the annual budgeting and continued engagement of GoU and possible development partners 	<p>CFO</p>		

#	Strategic Objective	#	Emerging Risk	Driving Factors	Ranking
4	Improve Knowledge & Skills	4.1	Human Capital Risk - failing to attract, retain and engage the right competencies to deliver the strategy.	<ul style="list-style-type: none"> ◆ Significant recruitment drive in competing sectors e.g Oil & Gas. ◆ Training objectives and impact lacking clarity & alignment. ◆ GoJ's planned initiatives under the merging and rationalisation of MDA's. 	MEDIUM
5	Strengthen ICT Infrastructure and Technology	5.1	Cyber security risk	<ul style="list-style-type: none"> ◆ Increased reliance on automation to drive efficiency in internal business processes. ◆ The expanding of the Operational technology at the different plants and integration in a centralized heirarchy 	MEDIUM
		5.2	Changing technology	<ul style="list-style-type: none"> ◆ Rapid advancements in operational and communications Technology as more innovative products and systems emerge 	LOW
6	Enhance Corporate Culture Improve Governance	6.1	Changes to the Board and Senior management structure leading to possible change in strategic direction	<ul style="list-style-type: none"> ◆ GoJ's planned initiatives under the merging and rationalisation of MDA's could have the leadership structure changed significantly during the course of the strategy 	LOW
7	Improve Customer Satisfaction Strengthen Collaboration	7.1	Stakeholder loss of confidence in UEGCL's capability to undertake efficient O&M of the existing portfolio and develop additional capacity	<ul style="list-style-type: none"> ◆ Perception that Private Players are more efficient ◆ Past incidents that resulted in bad press ◆ Failure to create and preserve political buy-in ◆ Non-Performance of operational plants in regards to availability and reliability" 	MEDIUM

	Mitigation	Responsible Persons	Opportunities	Responsible Persons
	<ul style="list-style-type: none"> ◆ Implementation of the Talent Management framework at UEGCL to drive retention of the right competencies at the company. ◆ Review of the organisational structure in view of the new strategic plan to ensure adequate resourcing towards achieving the new strategic objectives & goals. 	CHRO		
	<ul style="list-style-type: none"> ◆ Business Impact Analysis for all automated operating technologies on all sites. ◆ Increased awareness and training of the cyber security risks and protection mechanisms. ◆ Improve detection & intrusion protection mechanisms in the existing ICT architecture/infrastructure. 	HICT		
	<ul style="list-style-type: none"> ◆ Proactive review of existing technology and update of the same to avoid obsolescence 	HICT COO		
	<ul style="list-style-type: none"> ◆ Annual reviews of the strategy in consideration of the changes in the operating environment 	CSBDO		
	<ul style="list-style-type: none"> ◆ Robust maintenance Regime to ensure that the reliability and availability targets are always met ◆ Intentional participation in policy development, improved publicity and stakeholder engagement to ensure that UEGCL's role and capabilities are well appreciated 	COO CSBDO HCCA	Capitalise on successful operations and delivery of projects moreover at a tariff that is way below that of Private competitors	HCCA



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