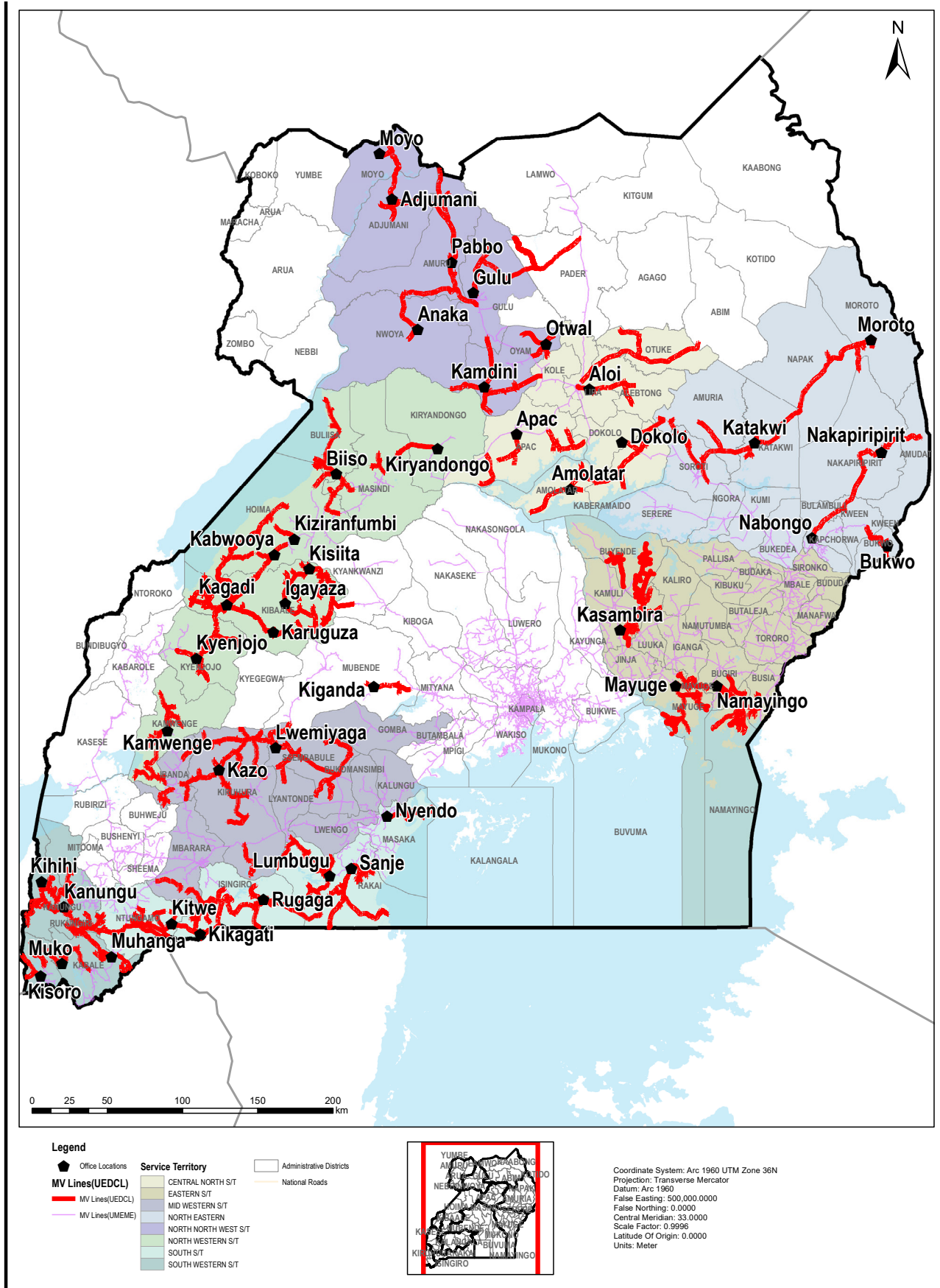




UEDCL
Lighting up your world

STRATEGIC PLAN 2020/21 - 2024/25

Where We Are!



STRATEGIC PLAN 2020/21 -2024/25

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LIST OF ACRONYMS

ABC	Aerial Bundled Conductor.
CPD	Continuous Professional Development
DOMC	Distribution Operation and Maintenance Costs
ECP	Electricity Connection Policy
ERA	Electricity Regulatory Authority.
ESI	Electricity Supply Industry
GIS	Geographical Information System
GOU	Government of Uganda
ICT	Information Computer Technology
Kv	Kilo Volts
LAA	Lease and Assignment Agreement
MEMD	Ministry of Energy and Mineral Development.
MoFPED	Ministry of finance, Planning and Economic Development
MYT	Multi Year Tariff
O&M	Operation and Maintenance
PKI	Key Performance Indicators
PPDA	Public Procurement and Disposal of Public Assets
QoS	Quality of Supply
REA	Rural Electrification Agency
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SCADA	Supervisory Control and Data Acquisition
SPCC	System Planning Coordination Committee
UEB	Uganda Electricity Board
UEDCL	Uganda Electricity Distribution Company Limited
UETCL	Uganda Electricity Transmission Company Limited
UNBS	Uganda National Bureau of Standards

DEFINITION OF KEY TERMS

Access: The number of premises connected to electricity or the grid.

Authority: The Electricity Regulatory Authority established pursuant to the provisions of the Electricity Act 1999 Cap. 145 Laws of Uganda.

Compliance: Means the tendency of conforming to the terms and conditions set by the Authority in licence, permit, certificate of Exemption or any other related instrument; the Electricity Act, Regulations made thereunder and best practice.

Concession: Contract between a company and a government that gives the Company the right to operate a specific business within the government's jurisdiction, subject to laid out terms and conditions.

Customer: Any person supplied or entitled to be supplied with electrical energy for personal, industrial or commercial use.

Distribution: It means to distribute electricity to a consumer's point of supply along a distribution network.

Efficiency: State in which every resource is optimally allocated to serve each stakeholder in the best way while minimizing waste.

License: Means a license issued under the Electricity Act, 1999, Cap 145 or as may be amended.

Mandate: An authorization to operate and monitor electricity distribution assets

Opportunities: The external elements that might be helpful in achieving the goals set by the Company.

Policy: A principle that hopefully better guides decisions, resulting in positive outcomes that enhance the operations of the Company.

Procurement: Acquisition of works, services, or supplies or any combination by purchase, rental, lease, hire purchase, license, tenancy, franchise or any other contractual means.

Reliability: The ability of a power system to provide adequate, stable, reliable power to customers connected on the grid.

Stakeholders: Individuals, groups or institutions that have interests or concerns in the state of affairs of the Company, and typically can affect or be impacted on by the Company's activities, targets or policies.

Strategic Plan: A high level plan defining the Company's direction, allocating resources to achieve its set objectives.

Strength: The attributes within the Company that are considered to be necessary to achieve its objectives.

Threats: The external factors that can gravely affect the success of the Company.

Weakness: Attributes that could prevent successful results within the Company.



An upstream view of UEDCL's distribution network in Kanungu district in Western Uganda



Francis Tumuheirwe
UEDCL BOARD CHAIRMAN

STATEMENT FROM THE CHAIRMAN

Electricity access is of critical importance to national social and economic transformation, as spelt out in the Vision 2040. Accordingly, Government considers increasing electricity access a priority, and a precursor to the achievement of the strategies laid out in the numerous strategic development plans for Ministries and Other agencies. Uganda Electricity Distribution Company Limited (UEDCL), as a major national distributor, has a central role to play as the country strives to achieve universal electricity access by 2040. It is important therefore that UEDCL appropriately positions itself to operate sustainably in order to deliver this national long term goal.

The Government has taken significant strides towards increasing electricity generation that currently stands at 1,167 MW. This is expected to grow to 1,800MW by the end of 2020. There is currently a perceived “excess” demand which is mainly due to significant suppressed demand as a result of capacity gaps in the distribution network. This will require deliberate efforts to plan and invest in the transmission and distribution segments in order to match the demands and pressures created by successes registered in the generation segment.

This UEDCL strategic plan (2020 /21 to 2024/25), is coming in at this very time to address the above teething challenges in power distribution. It is a rolling strategic plan has been formulated through an ALL-involving process within the organization. The plan presents the most suitable, researched and agreed strategies that will drive the organization to achieve strategic results in the identified three focus areas – business growth and sustainability, customer service excellence and operational efficiency. It is the conviction of the entire board and management that achieving strategic results in these focus areas will ultimately result in a stable and viable organization, draw the organization closer to its vision and mission, and address the identified distribution challenges as highlighted in the plan.

UEDCL board and management have the will and commitment to effectively implement this strategic plan, and are convinced that its success will have a tremendous contribution towards social – economic transformation of Ugandans through increased electricity access.



Francis Tumuheirwe
CHAIRMAN BOARD OF DIRECTORS



Mwesigwa Paul
UEDCL MANAGING DIRECTOR

STATEMENT FROM THE MANAGING DIRECTOR

Uganda Electricity Distribution Company Limited (UEDCL) was established on the 01st April 2001. This followed the unbundling of the defunct Uganda Electricity Board which had the mandate of electricity distribution across the county including off grid stations at the time. As part of Government of Uganda (GOU) privatization policy to attract foreign direct capital under the electricity distribution sub-sector, the operations of UEDCL in the urban and peri-urban areas except the off-grid stations were concessioned to a private operator; namely Umeme Limited from 01st March 2005 for a period of 20 years under a Lease and Assignment Agreement (LAA).

From 1st March 2005, the UEDCL mandate changed from operation to monitoring the Lease and Assignment Agreement (LAA) signed with UMEME with the main objective of making sure that the performance of the national electricity distribution assets improves in terms power reliability through investments by Umeme Ltd. However, UEDCL continued to operate all the off-grid stations most of which have so far been connected to the main grid in the eight (8) service territories now under a management agreement with the Rural Electrification Agency (REA). Additionally, UEDCL continues to operate an electricity pole plant as a vital business unit.

The company has registered consistent improved performance since 2005. Initially, UEDCL concentrated on managing the LAA and has overtime expanded its focus to the service territories. Following from the expanded mandate, the overall company revenues per annum for the last 5 years improved from Shs30.96 billion (2015) to Shs70.5 billion (2019) representing a 128% increase with the main increase arising from the 8 service territories that are contributing 52.4% against the total revenue. During the same period, the total asset value as per the statement of financial position has increased from Shs1,210.4 billion to Shs1,699.2 billion representing a 40.4% increase. The main increase arising from concession investment assets by Umeme Limited with a 77.2% contribution.

In order to sustain the improved performance, a 5-year strategic plan has been drawn to guide UEDCL business development. The main focus areas of the strategic plan are: - Business Growth and sustainability, Customer Service Excellence and Operation efficiency. These focus areas will see the company increase customer connections from the current 77,700 to 350,000 customers for all UEDCL operated areas (source; Electricity Connection Policy 2018 – 2027). And at the same time improving the monitoring of the LAA for all the concession assets in order to increase the performance of the distribution network and its monetary value. Electricity Pole production will also increase from the current annual average of 25,000 to 100,000 poles.

This plan is our commitment to improve the electricity distribution network, so that it can adequately distribute the increasingly more power generated with the ultimate objective of achieving efficient and effective customer service.



Mwesigwa Paul
MANAGING DIRECTOR

EXECUTIVE SUMMARY

The 5 year strategic plan for UEDCL has been prepared for the period 2020/2021 to 2024/2025 with the main focus to change the company from the current position to the distributor and national asset own of the electricity distribution assets while providing a quality service.

⚡ **Vision;**

To be a reliable, customer-focused and safety-oriented national electricity distributor.

⚡ **Mission;** To monitor and grow a reliable national electricity distribution network; ensuring safe, efficient and sustainable service delivery.

The current mandates of UEDCL includes;- ownership of the leased assets to Umeme Ltd and WENRECO, monitoring the performance of the Lease and Assignment Agreement in line with the GOU policy direction, operating the pole plant, power distribution in the rural service territories and maintaining state of readiness to takeover any private power distributor in case of contract termination or failure by the distributor to fulfil the required obligations.

This plan has been prepared on the assumptions that the current mandates will continue, and the expansions in business operations especially for pole plant productions, power distribution in the service territories will increase and the distribution asset growth in order to secure value for money of the national asset.

There are a lot of business opportunities in the distribution sub-sector due to the market availability for the product and the increased generation capacity, coped with the company strength of a strong shareholder (i.e GOU), good institution governance including internal controls and procedures this will assist UEDCL to turn the current threats like less investment, contingent liabilities of wayleaves & UEB pension claims into future opportunities at the same time exploring the weakness of limited visibility and limited financing into strength as the business turns around.

Having explored the available opportunities in the distribution sub-sector, the key result areas of this strategy are:-

1. Business growth and sustainability,
2. Customer Service Excellence and
3. Operational efficiency.

It's on the basis of the key result areas that the 5 years strategic plan has come up with the company strategic objectives of:-

1. Increasing investments and asset value,
2. Reducing connection time, improving awareness of prospective customers and improve communication and marketing procedures and systems,
3. Improving supply chain management and internal efficiency and effectiveness,
4. Reducing commercial and technical energy losses on the grid,

5. Improving service delivery, Improving stakeholder management,
6. Promoting research and development,
7. Enhancing good governance, internal efficiency and sustainability of UEDCL,
8. Promoting compliance with Safety Health Environment and improve law and enforcement,
9. Enhancing knowledge, skills development and strengthen organizational culture
10. Improving use of tools, technology and promote optimal utilization of organizational resources.

The expected deliverables after a successful implementation of this strategy will mainly include:-

1. Increased asset useful life in light with international standards for both owned and leased.
2. Value for money expenditure for the Direct Operating and Maintenance costs for the leased assets.
3. Increase in customer connection by 50,000 customers per annum.
4. Decrease in energy losses from current 20% to 15% by 2024/2025
5. Power availability to increase from current 91% to 95%
6. To achieve 100% compliance on regulatory and statutory requirements.
7. Achieving Earnings Before Interest Tax & Amortization (EBITDA) at 10% of sales
8. Treated wood poles to increase from 25,000 to 100,000 p.a with 3 production lines.
9. Increase in staff numbers from 337 as at 2019/2020 to 567 in 2024/2025

This strategy has been formulated on a concept of full cost recovery in the tariff, this implies that all the operating expenditures and capital investment irrespective of the source of funding has to be incorporated in the end-user tariff for recovery either to pay back the loans for the borrowed funds or the re-invest for capital growth in case the funds are from other sources of funding.

Year	2020/2021 Shs'billion	2021/2022 Shs'billion	2022/2023 Shs'billion	2023/2024 Shs'billion	2024/2025 Shs'billion
Revenue	94.3	117.1	146.2	183.4	230.9
Operating Expenses	29.7	37.3	46.8	58.9	74.2
Capital Investment	64.6	79.9	99.4	124.5	156.7

Based on the above finance plan, detailed annual plans will be developed from this strategy taking into considerations actual circumstances at the time, this will makes this plan a live and moving strategy that has to be achieved even with changes in the previous assumptions at the inception of the plan.

It's our commitment as UEDCL that this strategy is achieved as planned.



With our technical teams across the country, UEDCL ensures to keep lights on!

1.0 INTRODUCTION

1.1 Background

Uganda Electricity Distribution Company Limited (UEDCL) was incorporated on April 1, 2001 as a successor distribution company following the unbundling of Uganda Electricity Board. It is fully owned by the Government of Uganda (GoU).

Operations of UEDCL are Governed by the Electricity Act, 1999 (Chapter 145 Laws of Uganda). It has an asset ownership License issued on March 1, 2005 from Electricity Regulatory Authority (ERA) to own facilities for the distribution network up to 33kV. Following the Government's need to operate power distribution more efficiently, UEDCL entered into a Lease and Assignment Agreement (LAA) with Umeme On May 17th 2004, for the purpose of investing, operating and maintaining the distribution network for a period of 20-years. But UEDCL continues to operate a continuously expanding and mainly rural electricity distribution network handed to it by REA from time to time.

The organization has been implementing a Strategic Plan 2014-2019 using running annual business plans that constitute initiatives for implementation of UEDCL businesses. This strategic plan is intended to build on the successes gained in the past strategic plan period and take advantage of the opportunities that currently exist. This 2020/21 – 2024/25 strategic plan stresses among other things, the following issues: -

1. Ensuring UEDCL regains its glory as the National Electricity Distributor through offering a distinguished quality service.
2. Fast-tracking customer connections to achieve Uganda's Vision 2040 and sustainable development goals;
3. Ensuring production of high quality and long-lasting poles that are environmentally (eco) friendly.
4. Enhancing the quality of service and quality of supply to facilitate a conducive investment climate desired by all investors in line with Vision 2040.
5. Ensuring financial capacity and long term sustainability through improved efficiency of operations.
6. Promoting the use of technology and research and tap into innovative and smart ways of doing business that make it easier and conducive to our customers.
7. Promoting customer service excellence through increased focus on the needs of the customer and making response time predictably quick.
8. Promoting operational excellence and efficiencies through performance management practices.

This strategic plan lays down strategies to achieve the above issues within the five (5) year period of 2020/21- 2024/25.



GoU Electricity access schemes are steadily changing the faces of many rural areas

1.2 Structure of the Electricity Industry

Following the enactment of the Electricity Act 1999, Government carried out major reforms that resulted in the unbundling of the defunct UEB into three utility service segments, namely, Generation, Transmission and Distribution. Three state-owned companies (Uganda Electricity Distribution Company Limited (UEDCL), Uganda Electricity Generation Company Limited (UEGCL) and Uganda Electricity Transmission Company Limited (UETCL) were incorporated and mandated to operate and manage each of the three segments.

The government further promoted and implemented a liberalization agenda which was meant to attract private sector participation in growing and developing the electricity infrastructure. This move has since introduced a number of concessions in both the generation and distribution segments. The private players received a mandate to invest, operate and maintain the assets in their respective territories. The transmission segment is still operated by UETCL, a state-owned company. All these utility players have a business relationship that is regulated by ERA who issues licenses with specific terms and conditions of service.

The distribution segment currently has eight (8) other distribution operators who are all privately owned. UEDCL is the second largest distribution operator after Umeme Limited.

1.3 Mandate of UEDCL

The government of Uganda concessioned the electricity distribution asset to a private operator, Umeme with an aim of attracting private investment capital that was required to refurbish the distribution network. The 20-year concession took effect on March 1, 2005. Under this arrangement, the distribution assets, especially in the urban and peri-urban centers were concessioned to Umeme Ltd under a GOU policy for Public Private Partnership. This changed the mandate of UEDCL to be a concession manager with a primary role of monitoring and overseeing the investment requirements for the assets and ensuring that Umeme implements best investment and operational practices that would enhance the asset integrity. Hence, UEDCL is mandated to monitor and guarantee that the asset is maintained as stipulated in the Lease and Assignment Agreement (LAA).

The other mandates of the post-concession UEDCL were: To operate and distribute electricity in the off-grid stations of Moyo, Moroto and Adjuman that were running on diesel generators at the time. These areas have since been connected to the main grid, and UEDCL continues to be a distribution operator. The company operates these areas along with other areas in the country, structured in eight (8) service territories. The pole treatment plant was not divested to Umeme Limited and as such remained under direct operation of UEDCL.

The company also implements project works that involve extension of electricity distribution grid to selected rural areas with funding from MEMD. Execution of these projects is governed by the existing Memorandum of Understanding between the Company and the Ministry.

The mandate of UEDCL is therefore spelt out in the license terms and conditions given by ERA, the Lease and Assignment Agreements between UEDCL and Umeme plus UEDCL with West Nile Rural Electrification Company Limited (WENRECo). Furthermore, UEDCL signed an Operation and Maintenance (O&M) agreement with Rural Electrification Agency (REA) for the operation of territories. The mandate of UEDCL among others, include the following;

1. Ownership and management of distribution assets consisting of substations and power line networks, land and buildings, tools and equipment, motor vehicles, management information systems, communication systems and furniture and fittings;
2. Monitoring lessee's compliance to the Lease and Assignment Agreement;
3. Managing the Pole Treatment Plant;
4. Maintaining a state of readiness to take over operations of electricity distribution business at the end of the concession period, or in case of early termination of the concession.
5. Power distribution in the service areas as constructed by REA outside Umeme Ltd concession footprint.

1.4 Major Assumptions

1. The operations of UEDCL will continue within the current mandate
2. The pole plant factory will be shifted from Lugogo to Kyampisi (Busunju) and three production lines will be installed including concrete poles.
3. The current management contract with the Rural Electrification Agency (REA) will continue
4. Financial support will be secured from ERA through the appropriate tariff and other support projects like ECP and EASP.
5. The impact of change in economic trends due to COVID-19 has been considered, with a projection of the slow start for 2020/2021 then a recovery by the beginning of July 2021.

1.5 Purpose of the Strategic Plan

The purpose of this five (5) year strategic plan is to catapult UEDCL to achieve its **Vision, "to be a reliable, customer-focused and safety-oriented national electricity distributor"**. This plan details the vision, mission into specific strategic objectives and interventions to be undertaken to achieve the strategic goals.

This plan incorporates specific strategies to be undertaken by UEDCL in order to achieve NDP goals, ERA and other stakeholders' aspirations. It lays down interventions to achieve customer connection targets, improve reliability, quality of service, supply and efficient implementation of activities.

It should be noted that for UEDCL to successfully achieve the strategic goals set out in this plan, an alignment of the strategic objectives and initiatives to the strategic goals has been made. The plan shall be implemented with a clear monitoring and evaluation approach that will emphasize quarterly reviews of achievement of targets and generation of corrective actions early enough

during the implementation phase.

The main objectives of this strategy are to guide the company on achieving the set goals, monitor performance and enhance sustainability for business expansions. The strategy has been informed by both the internal and external factors that affect or/and may affect the institution at operational, managerial and strategic levels. In that regard a SWOT (Strength, Weakness, Opportunity and Threat) analysis has been applied at both the company and section levels.

1.6 Strategy Development Process

UEDCL adopted a bottom-up approach in developing this strategic plan. The plan is based on a blend of balanced scorecard (BSC) and bottom-up consultative strategic planning approach. It stresses on the performance targets, their strategic performance measures and monitoring and evaluation frameworks and ways to continuously improve on performance. It covers the period 2020/2021 to 2024/2025 and has been developed using an all-inclusive approach, involving ALL employees in the organization, with the Managing Director and senior management taking the lead. The all-inclusive approach will enable easy implementation with clear knowledge and understanding by all the teams across the entire organization.

2.0 NATIONAL CONTEXT

2.1 Vision 2040

Uganda developed a national strategy for a period 2013-2040 under the vision “A transformed Ugandan society from a peasant to a modern and prosperous country within thirty years”. It envisages that the country will graduate to the middle income segment by 2017 and reach a per capita of USD 9,500 by 2040.

To achieve this vision, the country will depend on its capacity to strengthen the fundamentals so as to harness the opportunities. One of these critical fundamentals is infrastructure in energy. Specifically, Vision 2040 envisages to shift its electricity consumption per capita to 3,668kWh by 2040. It further highlights the need to increase access to the national grid to 80%.

To reach the national access of 80% to the national grid and electricity consumption per capita of 3,668kWh, new medium voltage and low voltage lines will be built, investment in connecting new customers and refurbishment of old feeder lines to improve the quality of supply will need to be made.

UEDCL has therefore aligned its vision and its strategies to achieve both the vision 2040 targets as well as its vision 2020/21 -2024/25. UEDCL has identified three ways to achieve the vision 2040 target and these are; 1). increase in the number of customers connected, number of poles sold and customers, 2). improved quality of supply indices (SAIDI, SAIFI) and 3). improved Quality of Service to Customers and reducing input cost from highly motivated staff and efficient service to customers.

2.2 National Development Plan III 2020/21 – 2024/25

The theme for the five (5) year NDP III that covers a period of 2020/21 – 2024/25 is “Increasing household incomes and Improve Quality of Life of Ugandans through sustainable industrialization for inclusive growth, employment and sustainable wealth creation”. One of its intended results is increase primary energy consumption; increase in the proportion of the population accessing electricity; reduction in the share of biomass energy used for cooking; increase in transmission capacity and enhance grid reliability; To achieve this strategic goal, the following objectives specific and relevant to electricity distribution segment, have been laid down;

1. Increase access and utilization of electricity;
2. Increase adoption and use of clean energy;
3. Build capacity in the energy sector.

Under this objective, specific interventions identified include;

1. Expansion and rehabilitation of the distribution network (grid expansion and densification, last mile connections, evacuation of small generation plants, quality of supply projects),
2. Develop renewable off-grid energy solutions (Construct 10,000 km of medium voltage networks and 15,000 km of low voltage network),
3. Develop and enforce standards on quality of service in the energy industry,
4. Review the existing Acts (Electricity Act, 1999 and Atomic Energy Act, 2008) and develop legislation for geothermal and energy efficiency to provide for emerging issues,
5. Construct 200 off-grid min-grids based on renewable energies,
6. Develop a framework for net metering, and;
7. Introduce Minimum Performance Standards for selected electrical appliances.

NDPIII observes that “Electricity distribution is characterized by a dilapidated network, multiple and uncoordinated players and use of distribution network for transmission over long distances. As a result, electricity distribution accounts for the highest technical and commercial losses on the entire grid. NDPII acknowledges based on available data on the economic history of advanced economies, that growth and development are inextricably linked to the use of electricity as form of energy. The GoU has committed to improve electricity generation and supply (transmission) to support industrialization. However, the effort directed towards generation and transmission is not commensurate with the investment into the distribution segment and yet the final user picks power from the distribution point. This strategic plan outlines interventions that UEDCL will use to ensure that the generated energy finds a strong, robust, efficient and reliable system to give customers a memorable service.

2.3 ERA Strategic Plan 2014/15-2023/2024

UEDCL is a licensee of ERA and as such, ERA plays a critical role in the strategic direction of UEDCL. ERA's Strategic Plan ends in 2023/24 and outlines among others key strategic objectives. Key to note are the following;

1. Strengthening institutional and regional electricity distribution infrastructure; and,
2. Increase technical, commercial and operational efficiency in electricity distribution.

UEDCL's understanding of the above strategic objectives is that ERA pledges to work with/support UEDCL to strengthen distribution infrastructure through frameworks, policies and procedures that out turn value to the consumers.

2.4 National Energy Policy (Draft October 2019)

The National Energy Policy identifies four (4) general constraints affecting power supply subsector in Uganda. These are;

1. Cumbersome land acquisition processes for electrical power infrastructure,
2. Inadequate technical capacity to implement and supervise electric power projects,
3. Disintegrated planning, coordination and supervision in the electricity supply industry; and,
4. Suppressed demand especially in urban areas due to unreliable electricity supply.

At the distribution point, the policy identifies six (6) challenges that limit efficient implementation of projects at the distribution level.

These are;

1. High electricity distribution losses,
2. Poor reliability of the network,
3. High consumer tariffs,
4. Theft and vandalism of distribution electricity equipment,
5. Inadequate standardization and regulation of equipment, including energy meters and electricity poles, across distribution utilities and service providers,
6. Uncoordinated industrial investments hinder timely and adequate implementation of required distribution infrastructure.

This strategic plan has identified specific interventions to mitigate the identified challenges in its endeavor to achieve its overall strategic result.



This is an upstream view of UEDCL's distribution network connecting Kanungu & Rukungiri districts in Western Uganda.

3.0 SITUATIONAL ANALYSIS

3.1 General

The government considers the electricity subsector as the main driver of social-economic transformation of Uganda. This is well laid down in the various government development plans and programmes. Both Vision 2040 and the National Development Plan III (NDP III) recognize that reliable and clean energy is key to the transformation of the country from a largely peasantry to an industrialized and large urban society.

The government has in past prioritized investments in the electricity subsector and this has resulted in increased generation to current capacity of 1,167 MW which will grow to 1,800 MW when Karuma is commissioned in 2020. A number of other mini-hydro projects are lined up and the total generation capacity will grow above 2,000 MW. This is exerting pressure on the supply side with seemingly excess power that has cost implications to the national economy. It should be noted that both transmission and distribution segments are under pressure as a result of the need for the proportional upgrades to be able to evacuate and distribute this power downstream, to the final consumers.

3.2 The Distribution Segment

The distribution segment of the electricity industry is currently faced with insurmountable challenges ranging from low capacity infrastructure that is unable to cope up with the electricity distribution requirements, inability to create sufficient demand to consume the available electricity, high investment costs from the predominantly private sector (resulting in affordability challenges), and quality assurance challenges associated with infrastructure development projects. The government has, for the last fifteen years, promoted private sector-lead investments into the distribution assets through concessions that give return on investments made by the concessionaires. This has not only been an expensive option, but has also failed to generate sufficient investments to grow the distribution network well enough to handle increased generation.

The distribution segment is currently structured to have a number of distribution operators, each managing a distribution territory. The territories have been established without following a defined set of guideline and this has caused operational deficiencies. They have overlapping boundaries and this increases the overall distribution operational costs.

The use of other energy sources, especially solar has posed great competition to the main electricity in the rural areas. This is because solar is considered a much cheaper option that requires on a one-off initial investment, and is largely free of costs thereafter. Though the rural communities consume very little electricity, the main electricity grid will still miss any of these customers who will still prefer solar to grid electricity. There is hence need for a deliberate effort from all stakeholders to attract commercial consumers in the rural areas and create enough load centers in those areas. The government is addressing this issue through creation of industrial parks in various parts of the country which will act as load centers, but they are primarily created to boost the economic



**James Baanabe Isingoma-Board Member
UEDCL during the 1st quarter board appraisal
tour to Kinkizi tea factory in Western Ugnada**

3.3 Uganda Electricity Distribution Company Limited

Uganda Electricity Distribution Company Limited is one of the eight distribution operators in the country. We are the second largest operator, and provide electricity supply and service in eight different territories. Our current customer size stands at 77,700¹ located in 61 upcountry districts. The Company has the biggest part of its asset concessioned to Umeme under 20-year Lease and Assignment Agreement (LAA) that expires in 2025. The Government is currently involved in pre-negotiation arrangements aimed at forging a way forward for the post-concession period (after 2025).

The core role of UEDCL as an organization, currently serving 73,500 customers distributed in 61 districts of Uganda has clearly changed. The business of processing and trading in utility poles has grown and the local and regional demand is on an exponential rise. Besides, as a national distribution asset owner, UEDCL has a responsibility of guaranteeing sufficient supplies (volumes) of high quality poles that would end up into the national distribution network.

Being a state-owned company that owns the national distribution asset, UEDCL has a responsibility for carrying detailed national distribution system planning. Unfortunately, this has not received the desired emphasis in the past periods. It is important that the Company strengthens this function within its structures, acquire all the required inputs to ensure that proper system planning is properly executed. It is only then that UEDCL would be able to advise Government on priority areas of investment and policy formulation in the electricity subsector.

The Company also, commercially operates a utility pole treatment plant that produces utility poles that end up into the national electricity distribution network. The plant has, for the last fifteen years, supported the Government efforts in expanding the grid to the rural areas through various rural electrification programmes and, also supported the operators in general maintenance of the existing electricity distribution network. It should be noted that the commercial viability of the plant is critical and the company is laying all possible strategies to ensure it is self-sustaining amidst the currently many competing plants that are producing sub-standard poles. This calls for specific projects aimed at product diversification, plant expansion and technological upgrades in order boost efficient production.

Taking into consideration of the above mandate, UEDCL's strategic plan aims at redefining her vision, mission and strategic goals, and aligning all the organizational activities towards achieving the new mandate.

This strategy has been designed to deliver optimal organization performance that shall be measured through the following major outcomes / results:

1. Increase in the number of customers connected, tones of poles sold and retention of existing customers.
2. Improved quality of supply indices (SAIDI, SAIFI) and Improved Quality of Service to Customers.
3. A reduced input cost from highly motivated staff and efficient service to customers.

¹As at February 2020

3.4 The UEDCL Swot Analysis

As part of the strategy formulation process, the Company has conducted a SWOT analysis to determine and appreciate its strength, weakens, opportunities and threats. This analysis has been considered in developing the strategy that will best address the weaknesses and threats, and enhance the existing strengths and opportunities.

Table 1: The results of the SWOT Analysis

STRENGTH	WEAKNESS
<p>Good corporate governance. Qualified and competent staff. Strong Shareholder (i.e GOU). Control systems with Online ICT. Good internal controls and procedures. Own pole plant for quality assurance and available market.</p>	<p>Aging Distribution infrastructure without self-capital growth. Inadequate material stock levels. Limited visibility & Public Relations. Inability to split Commercial and Technical energy losses. Lack of an intelligent asset register. Lack of financing for business expansion e.g. pole plant.</p>
OPPORTUNITIES	THREATS
<p>Available power market. Increased power generation. Increased scope of UEDCL business to takeover other power distributors. Available funding for Energy from Development partners</p>	<p>Dwindling investment by the Government of Uganda in the Distribution Sector. Contingent liabilities; wayleaves and UEB successor pension claims. High technical losses Power theft and Vandalism. Tariff affordability Vs per Capita Income. Changes in technology on wooden poles Vs other products.</p>

3.5 Stakeholder Mapping and Analysis

A stakeholder analysis was considered a critical component of the strategy formulation process. A detailed analysis was made to determine the power and interest, and the interests and expectations of each stakeholder. Below is the stakeholder analysis matrix for those that the organisation considers to be strategic.

No.	STAKEHOLDER	INTERESTS & EXPECTATIONS	LEVEL OF POWER & INFLUENCE
1.	Government	Maintain readiness to take over from Umeme. Effective administration of the LAA. Quality & reliable supply. Value-for-money investments. Sustainability of the distribution business. Compliance to the relevant regulatory and statutory requirements. Increase electricity access to Ugandans.	High Power and Influence
2.	Shareholder (MoFPED)	Highest possible profitability. Limited liabilities. Accurate & timely reporting.	High Power, High Influence.
3.	MEMD (Parent ministry)	Increased number of connections. Effective monitoring of LAA. Sustainable management of the territories. Timely communication.	High Power, High Influence.
4.	Board of Directors.	Good management practices Reduction in operational costs. Accurate & timely reporting. High profitability. Increased number of customers. Accountability & responsibility. Enhanced stakeholder relations.	High Power, High Influence.
5.	Employees	Competitive remuneration Conducive work environment Job security Carrier growth Training & development	Low Power, High Influence.
6.	Electricity Regulatory Authority (ERA)	Compliance to the requirements of the Electricity Act, 1999. Increased number of customers connected. Compliance to the QS code. Timely & accurate reporting as per license terms.	High Power, High Influence.

7.	Regulatory Agencies (URA, PPDA).	Total compliance to all statutory obligations.	High Power, High influence.
8.	NEMA	Total compliance to all statutory obligations.	High Power, High Influence.
	Companies in Electricity Sector		
9.	UETCL	Timely payment for the bulk supply power. Integrated planning to match their plans. Timely reporting on the status of the metering nodes.	Low Power, High Influence.
10.	REA	Operating the network in line with O&M Agreement. Robust distribution network. Integrated planning to match their plans. Efficient management of the territories. Readiness to take on new territories.	Low Power, High Influence.
11.	UEGCL	Robust distribution network.	Low Power, High Influence
12.	Suppliers	Transparency in our contracting process. Timely payments for the supplies / services.	High Power, low Influence
13.	General Public	Timely & fair wayleaves compensation. Quick response to incidents reported. Guarantee public safety. Social Corporate responsibility projects.	Medium; Power and Influence
14.	Customers	Excellent quality of supply. Excellent customer care. Affordable connection costs. Affordable electricity unit cost. Simple and quick customer connection procedure. Environment free from electricity-related accidents. Shortest supply restoration time.	Low power, High Influence.

4.0 Highlight Of UEDCL Strategic Plan

4.1 Vision

To be a reliable, customer-focused and safety-oriented national electricity distributor.

4.2 Mission

To monitor and grow a reliable national electricity distribution network; ensuring safe, efficient and sustainable service delivery.

4.3 Core Values

- ⚡ **Integrity:** Doing the right thing according to the Company expectations without compromise.
- ⚡ **Trust:** Being reliable, dependable and respectful of each other.
- ⚡ **Commitment:** Dedication to one's duties and ability to take on challenges by putting heart and head to organizational goals.
- ⚡ **Teamwork:** Supporting each other to drive the company to high performance.

4.4 Our Commitment

Reliable power for all: We commit to connect every customer within 72 hours from the time he/she makes a complete application and ensure that all customers receive a reliable power supply.

4.5 Strategic Focus Areas

Uganda Electricity Distribution Company Limited (UEDCL) has identified three (3) strategic focus areas to concentrate on for the next five (5) years.



Through our customer care service centre, UEDCL now reaches everyone and any time.

4.5.1 Business Growth and Sustainability

Business Growth is achieved when the company connects as many customers on the grid and selling as many poles as possible. In this regard, UEDCL targets to connect as many customers as possible and sell as many poles as possible to remain financially sustainable in the next five (5) years. This will be done through improving our supply chain management , leverage on our internal efficiency and effectiveness in project implementation.

UEDCL will increase awareness of the potential customers to encourage and entice them to apply for connections. In the last five years, UEDCL had practiced a demand driven approach as opposed to supply driven connection approach by increasing awareness of the benefits of being connected to the grid. This will be done through enhanced communication of new connection procedures disseminated at the territory and area offices where UEDCL operates.

During these five years, UEDCL plans to connect every Ugandan within radius of one kilometer to the grid. This will be done through increasing network coverage and making timely connection of new customers. Investment in the grid will be a priority in these five (5) years to increase the scope of capturing potential customers' access to the electricity grid. Investment into the grid shall be done through savings from operations, the tariff as approved by the Authority, and Government Grants.

In the pole plant, UEDCL targets to put into operation and run the three production lines at Kyampitsi - Busunju. UEDCL will conduct research and development, market the products and diversify the products under the pole plant business. With increased demand for electricity connection given the numbers to achieve under Rural electrification strategy and plan (RESP); 51% access by 2030 (universal access by 2040), UEDCL will target to triple its production capacity introduce other utility pole technologies in order to match with the demand. . This will be done through purposeful saving and investment in the pole plant.

Further, we will aim at improving the restoration time of the connected customers, improve communication procedures and systems and reduce customer complaints from the existing customers. UEDCL will ensure its electricity systems are automated, provide timely maintenance and make maximum use of the assets on the network.

Strategic Outcome: Increase in the number of customers connected, tones of poles sold and retention of existing customers.

4.5.2 Customer Service Excellence

UEDCL recognizes that the number one need of our customers is an excellent service. Customers are interested in having a reliable supply of electricity and timely service to customers. The Authority has set standards to be achieved and it's UEDCL's strategy to surpass the set targets and give customers great value for their money.

Excellent service shall be enhanced through automation of critical systems that provide timely interventions and reliable data to facilitate quick response. UEDCL recognizes that information, Technology and Communication (ICT) is dynamic and provides an edge against the old processes/ technologies in use. Therefore, greater effort shall be made in areas of Research and Development to leverage on emergent technologies that communicates with the customer, call center, field teams and vice versa.

In these five years, UEDCL will continue to improve restoration time of power whenever it is off unexpectedly. We shall improve on our communication procedures, modes and systems through the provision of instant messages.

As the owner of the distribution assets in the Country, UEDCL will ensure that investments done by lessor (Umeme and WENRECO) return greater asset value. This will be achieved through constant monitoring of the network and appropriate action taken in line with the Lease and Assignment Agreement. In so doing, UEDCL is aware that such actions will improve the useful life of the assets, compliance with the regulatory requirements and providing reliable supply of electricity to the end users. We promise that power will be on every time the switch is pressed.

UEDCL appreciates the role various customers some of which double as stakeholders. Improving communication and constant feedback on their needs is critical in this electricity distribution business. We shall establish corroborative relationship with all stakeholders including Government and remain transparent and accountable to them. UEDCL shall provide accurate and relevant information timely to our stakeholders and partner with the communities particularly where we operate to render a hand as we give back to these communities.

Strategic Outcome: Improved quality of supply indices (SAIDI, SAIFI) and Improved Quality of Service to Customers.

4.5.3 Operational Efficiency

Operational efficiency provides the organization with a leading-edge against the competitors in the industry. It is our understanding that for UEDCL to provide a high quality service to the customers, achieve growth in number of connections, retaining old ones and increase on sale of poles, it needs to operate efficiently using the lowest input to generate maximum output. Operational efficiency is manifested in the quality of governance, human resources, infrastructure (tools and equipment). The ease with which processes are managed, resources are optimized and wastage eliminated, will determine UEDCL's intended level of efficiency.

Governance is critical to the success of UEDCL's strategic plan as it reflects the relationships, structure, systems and processes that support our operations. Our governance arrangements are reflected in the annual planning, performance management systems, audit activities, risk management, fraud prevention and control, policies and guidelines that are in place. UEDCL will ensure its governance systems are facilitated and equipped with the necessary information to undertake its work. It is against this background that UEDCL targets to be certified and compliant with International Standards Organization (F) 9001:2000. Strategies will be put in place to ensure that systems and processes help us to achieve this milestone.

UEDCL will target increasing investment in technology, staff and promote awareness of the need to achieve greater efficiency. Deliberate effort shall be made in the areas of planning, knowledge management, leadership and decision making, culture alignment as well as teamwork. We shall improve our record keeping systems, develop and maintain an organizational infrastructure with reliable working space, furniture and fittings, motor vehicles, tools and equipment and any other infrastructure to enable the staff deliver to their best.

The activities of regulation are predominantly managed by human capital/resources and therefore to effectively execute this strategic plan, deliberate plans shall be drawn to have competent, motivated staff equipped with knowledge to undertake their roles. We shall endeavor to build human capacity by ensuring that the structure is filled with qualified, competent and experienced staff ready to do their work. The recruited staff will be trained and equipped with the necessary tools to undertake his/her job. We will promote a corporate culture that enable efficient delivery of service thus staff will be rewarded based on their performance and others encouraged through continuous performance evaluations to improve. UEDCL will put in place policies that encourages performance and provides appropriate remedies to non-performers.

The operations of UEDCL require compliance with the various statutory regulations including ERA and NEMA. UEDCL shall ensure that its operations are compliant with the statutory provisions with regard to Safety, Health and Environment (SHE), ERA and other statutory requirements. This shall be done through regular compliance reviews/audits.

Strategic Outcome: A reduced input cost from highly motivated staff and efficient service to customers.

Summary of Strategic Focus Areas and Strategic Goals.

SNO	Strategic Focus Area	Strategic Outcome:
001	Business Growth and sustainability.	Increased in the number of customers connected, tones of poles sold and retention of existing customers.
002	Customer Service Excellence.	Improved quality of supply indices (SAIDI, SAIFI) and Improved Quality of Service to Customers.
003	Operational Efficiency.	A reduced input cost from highly motivated staff and efficient service to customers.

4.6 Strategic Objectives

UEDCL has identified strategic objectives to be done continuously the success of which will lead us to the intended outcome. These objectives will focus the organization to achieving the overall outcomes.

Table 2: Strategic Objectives

No	Strategic Focus Area	Strategic Objectives
1	Business Growth and sustainability	<ul style="list-style-type: none"> Reduce connection time, improve awareness of prospective customers and improve communication and marketing procedures and systems. Improve supply chain management and internal efficiency and effectiveness. Increase investments and asset value. Reduce commercial and technical energy losses on the grid.
2	Customer Service Excellence.	<ul style="list-style-type: none"> Improve service delivery. Improve stakeholder management. Promote research and development.
3	Operational Efficiency.	<ul style="list-style-type: none"> Enhance good governance, internal efficiency and sustainability of UEDCL. Promote compliance with SHE and improve law and enforcement. Enhance knowledge, skills development and strengthen organizational culture. Improve use of tools, technology and promote optimal utilization of organizational resources.

Table 3: Description of the Strategic Objectives

Strategic Objective 1.1	Improve connection time, improve awareness of current and prospective customers, improve marketing systems.
Description	<p>UEDCL will aim at improving the time taken for making a connection to customers. This will be done through improving our performance management systems and review of procedures taken to make a new connection. Communication and marketing strategies will be prioritised to sensitize the current and prospective customers. We will aim at intensifying on the level of communication to prospective, new and existing customers using various communication channels. This shall be done through regular educational and sensitization drives in areas where we work. The marketing of poles shall also be intensified through maintaining and updating new and existing customers of the various offers and partnership opportunities available from time to time.</p> <p>This initiative aims at connecting with prospective and new customers of both electricity and poles.</p>
Strategic Objective 1.2	Improve supply chain management.
Description	<p>UEDCL will automate stock monitoring and control systems plus develop Standard Operating Procedures (SOP) that govern the timelines of delivery of service. This will be done to improve the turn around time to improve the time taken to do a service. We will improve on timely procurement, delivery to stores and to the territories as well as doing timely accountability of these materials in line with the above procedures. UEDCL will maintain regular audit of these systems to ensure that its supplies are timely released and put to the right use. This initiative will guide our efforts in streamlining supply chain management and efficient service delivery to our customers (prospective and existing) through reduction/elimination of stock-outs and unnecessary delays in connection of customers.</p>

**Strategic Objective
1.3** **Increase investments and asset value.**

Description In corroboration with the Ministry of Energy and Mineral Development (MEMD) through Rural Electrification Agency (REA) and Electricity Regulatory Authority (ERA), UEDCL shall ensure that assets done are well monitored and their value is improved. The Government's plan to connect every household will require expansion of the network. UEDCL will put in place an investment strategy for both the pole plant, territories and also prioritise network planning capabilities. One pole connection service will be put ahead of no pole connection to increase the chances of the next customer. UEDCL shall ensure that the asset management systems are in place and a review of the asset register is done on a timely basis. This initiative aims at ensuring that investments undertaken add value to the customers and the general public.

**Strategic Objective
1.4** **Reduce commercial and technical energy losses on the grid.**

Description There will be investment done on the network to address commercial and technical energy losses on the grid. This will require improving the design, construction and material standards used in installation. Deliberate effort shall be done to improve system planning and network upgrades and promote incentives to report power theft. UEDCL in corroboration with ERA will ensure that all customers irrespective of consumption level, are connected to a prepayment metering system. We will facilitate campaigns aimed at curbing electricity theft and will also in corroboration with ERA work on modalities to address evacuation losses on the grid.

**Strategic Objective
2.1** **Improve service delivery.**

Description To improve service delivery, UEDCL will undertake automation of its processes to enable timely response. Investment into a study of the network status with an aim of identifying critical spots which cause disruptions through outages and possible faults on the network. Automation of these network operations will enable quick isolation and sectionalising of lines. This should reduce the power restoration time given that we operate a lengthy network. The initiatives are intended to provide a quality service to the customers.

Strategic Objective 2.2 **Improve stakeholder management.**

Description

Stakeholder management is critical in our operations and this will be prioritized through regular corroboration and coordination of activities. UEDCL will develop a stakeholder satisfaction survey which will inform it of the best way to corroborate with the different stakeholders. A stakeholder awareness and advocacy strategy, communication strategies will be developed. Active communication online via the social media and website shall be maintained with regular and timely updates given to the publics. Image is everything and as such UEDCL will endeavour to brand and keep its brand clear and not blurred. This initiative will aim at keeping in touch with our stakeholders and or customers giving them a new promise full of action with a fresh new look.

Strategic Objective 2.3 **Promote research and development.**

Description

Research and development is critical in electricity sector given the dynamism that exists in the industry. UEDCL will facilitate research into innovations in new software applications that make service delivery easier to customers. Research shall also be done in areas of product development especially in the pole plant business to establish the market needs/demands and needed product lines in the sector.

Strategic Objective 3.1 **Enhance good governance, internal efficiency and sustainability of UEDCL.**

Description

UEDCL shall improve and maintain internal control systems through undertaking effective, independent oversight, providing audit assurance, ensuring compliance with applicable statutory policies, Legislations, and improving law and enforcement while maintaining an effective governance structure.

We shall continue to ensure financial sustainability of UEDCL business units; keeping an eye on the operational costs, improve internal efficiency and effectiveness of operation. These initiatives aim at improving timeliness and quality of service to our stakeholders.

Strategic Objective 3.2 Promote compliance with SHE and improve law and enforcement.

Description UEDCL will improve compliance with the Safety Health and Environment regulations. This will be done through increased awareness of stakeholders, developing management systems and operating procedures across all operations of the Company to reduce number of reportable incidents. Incorporate SHE in project implementation and network operations. The above initiatives will reduce costs of all forms including time spent due to illness occasioned by accidents.

Strategic Objective 3.3 Enhance knowledge, skills development and strengthen organisational culture.

Description UEDCL will develop policies, systems and procedures that provide a conducive working environment that attract, develop and retain competent and motivated staff. UEDCL shall put in place capacity development for its staff and implement performance management systems. We shall undertake purposeful succession planning measures informed by continuous reviews/appraisals. The above initiatives are aimed at retaining competent and qualified staff with leadership capabilities and skill to execute their work in a timely manner.

Strategic Objective 3.4 Improve use of tools, technology and promote optimal utilization of organisational resources.

Description UEDCL shall increase its investment in Information Communication and Technology (ICT) and enhance the skills of the staff to use such technology. The above initiative aims at attaining greater operational efficiency and effectiveness in serving customers. Targeted planning, knowledge management and decision making will be made in areas critical to our operations. We shall leverage on the existing systems and upgrade them where necessary to meet the changing needs of customers.



Working with Local leaders and the Media partners has seen UEDCL deliver projects in time & within cost

4.7 Strategy Map

Vision

To be a reliable, customer-focused and safety oriented national electricity distributor

Mission

To monitor and grow a reliable national distribution network; ensuring safe efficient and sustainable service delivery

S/Focus areas

Business growth and sustainability

Customer Service Excellence

Operational Efficiency

S/Results

Increased in the number of customers connected, tone of poles and retention of existing customers

Improved quality of supply indices (SADI,SAIFI) and improved quality of service to customers.

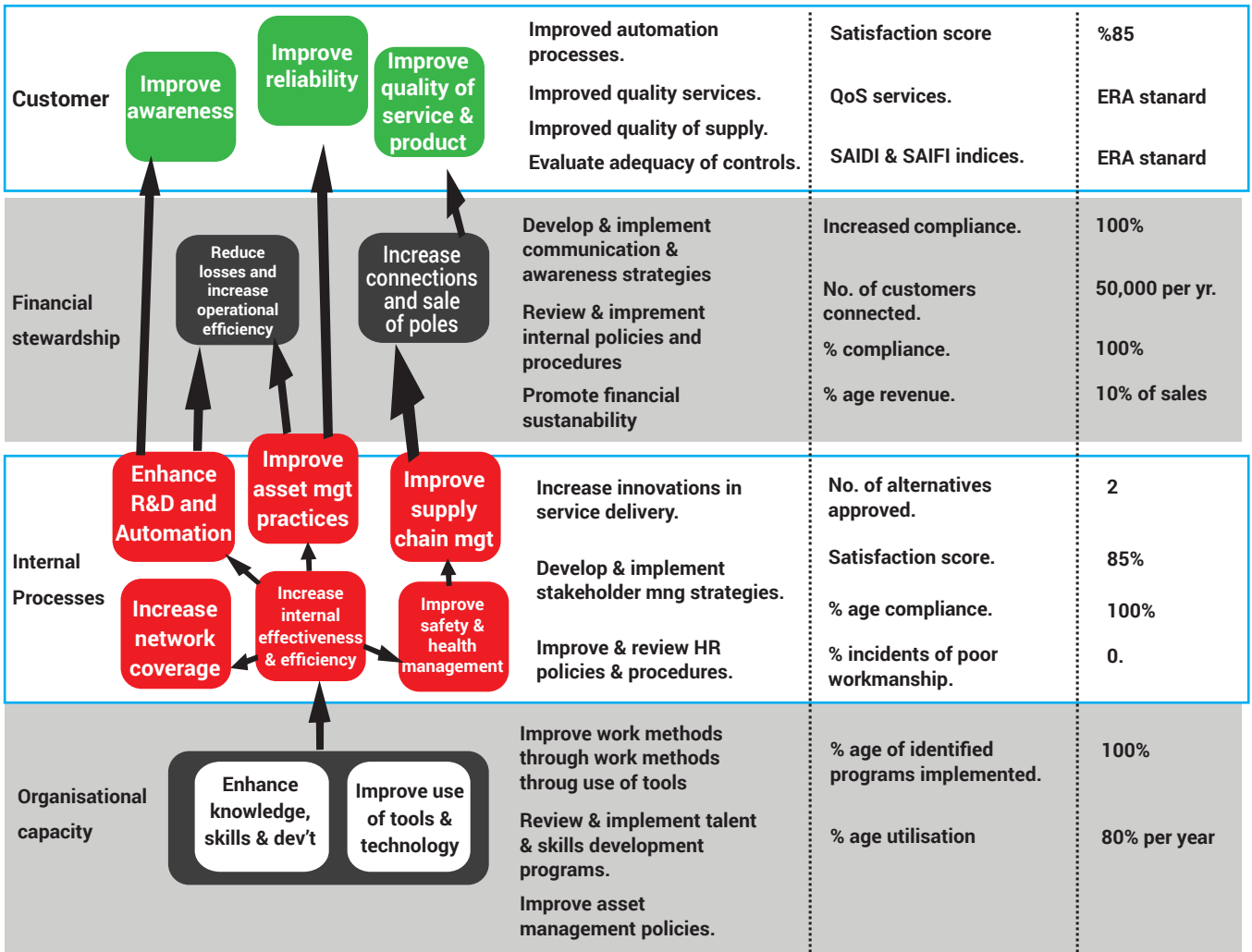
A reduced input cost from highly motivated staff and efficient service to customers.

S/Objectives & Strategy Map

Initiatives

Measures

Target



4.8 Strategic Initiatives

Table 4: Description of the Strategic Objectives

No	Strategic Objective	No	Strategic Intervention/ Initiatives	Time frame
	Business Growth and Sustainability			
1.1	Improve connection time, improve awareness of current & prospective customers, improve marketing procedures and systems.	1.1.1	Enhance performance management systems	2020/21
		1.1.2	Review customer connection procedures.	2020/21
		1.1.3	Review communication and marketing strategies	2021/22
		1.1.4	Improve supplier development and relationship management.	2021/22
1.2	Improve supply chain Management.	1.2.1	Review automation of stock monitoring and controls.	2020/21
		1.2.2	Review supply chain management procedures.	2020/21
		1.2.3	Improve procurement turnaround time.	2020/21
		1.2.4	Improve material accountability systems.	2020/21
		1.2.5	Review alternative supply of electric poles.	2021/22

1.3	Increase investments and asset value.	1.3.1	Improve asset performance monitoring processes.	Y on Y
		1.3.2	Improve network planning capabilities.	Y on Y
		1.3.3	Develop an investment strategy.	2021/22
		1.3.4	Regularly review the compliance requirements in the agreements and prudent utility practices.	Y on Y
		1.3.5	Review and maintain an accurate asset register.	Y on Y
		1.3.6	Integrate asset management systems with other utility operators.	Y on Y
1.4	Reduce commercial and technical energy losses on the grid.	1.4.1	Improve design, construction and material standards.	2022/2023
		1.4.2	Improve line commissioning and acceptance procedures.	2021/22
		1.4.3	Increase on the system improvement plans and network upgrades.	Y on Y
		1.4.4	Intensify meter audits.	Y on Y
		1.4.5	Promote incentives for reporting power theft.	Y on Y
		1.4.6	Intensify prosecution of illegal consumers.	Y on Y
	Customer Service Excellence			
2.1	Improve service delivery.	2.1.1	Improve automation of processes.	Y on Y
		2.1.2	Improve on the quality of service.	Y on Y
		2.1.3	Improve quality of supply.	Y on Y

2.2	Improve stakeholder management.	2.2.1	Develop & implement stakeholder management strategy.	Y on Y
		2.2.2	Improve compliance & reporting with various stakeholder requirement (regulatory and statutory).	Y on Y
		2.2.3	Promote transparency and accountability.	Y on Y
		2.2.4	Improve the customer satisfaction.	Y on Y
2.3	Promote research and development.	2.4.1	Increase innovations in service delivery.	Y on Y
		2.4.2	Explore behaviour and customer preferences for utility poles.	2023/2024
		2.4.3	Increase collaboration with institutions and professional bodies.	Y on Y
		2.4.4	Develop and rollout a research and development strategy.	2021/2022
Operational Efficiency				
3.1	Enhance good governance, internal efficiency and financial sustainability of UEDCL.	3.1.1	Evaluate the adequacy of controls and safeguards in the capacity.	Y on Y
		3.1.2	Review the strategic risks and evaluate their probability of occurrence.	Y on Y
		3.1.3	Improve on the standard operating procedures for all operations.	Y on Y
		3.1.4	Promote financial sustainability of UEDCL.	Y on Y
		3.1.5	Review internal policies and procedures.	Y on Y

3.2	Promote compliance with SHE and improve law enforcement.	3.2.1	Review SHE policies and procedures.	Y on Y
		3.2.2	Improve safety culture.	Y on Y
		3.2.3	Improve enforcement of SHE procedures.	Y on Y
		3.2.4	Promote automated incident and regulatory reporting.	Y on Y
3.3	Enhance knowledge, skills development and change organisational culture.	3.3.1	Improve and review Human Resource policies and procedures.	Y on Y
		3.3.2	Improve succession planning processes and performance management system.	Y on Y
		3.3.3	Review & update automation of HR & Administration processes.	Y on Y
		3.3.4	Review the talent & skills development programs for UEDCL staff.	Y on Y
3.4	Improve use of tools, technology and promote optimal utilization of organizational resources.	3.4.1	Improve asset management policies & communication of asset usage.	Y on Y
		3.4.2	Improve existing online & e-platform based on research.	Y on Y
		3.4.3	Improve work methods through use of appropriate tools.	Y on Y

A photograph of a street scene in a developing urban area. In the foreground, a tall wooden utility pole stands on the left, with several power lines extending across the sky. A man in a green shirt is sitting on a red motorcycle parked on the grass. To the right, a white pickup truck is parked on the road, and a stone wall is visible. In the background, there are trees, a road with people walking, and a sign that reads "HOME OF KIGEZI MUSEUM". The sky is overcast.

Electricity is one of the main urban development drivers.

4.9 Evaluation of Strategic Initiatives

In line with the strategic initiatives, intended result from the initiative and its possible measures. The measures have been presented in the Key Performance Indicators and targets.

Strategic Focus Area	Strategic Objectives	Strategic Initiatives	Strategic Result	Key Indicators	Target
Business Growth and Sustainability	Increase customer numbers	Improve performance management systems. Improve connection turnaround time	Reduced connection turnaround time	Number of days taken to connect customers	10 days – no pole; 15 days – one pole 30 days – commercial scheme.
		Review customer connection procedures.	Reduced number of pending connections.	Customers pending connections for greater than 10 / 15 days.	0 (Zero)
		Develop and implement communication and awareness strategies.	Increased number of connections.	#Connected customers per year.	50,000
		Improve supplier development and relationship management.	Improved stock availability.	% age availability of materials.	100
	Improve supply chain management and internal efficiency and effectiveness	Review automation of stock monitoring and controls.	Reduced stock replenishment turnaround time.	% age of stock items below the minimum levels .	0 (zero)

	Review procurement management procedures.	Improved turnaround times for supplies and services	The turnaround time for procurement transactions.	Time frames as per the PPDA regulation
	Review the internal material distribution procedures.	Timely delivery of materials.	Days taken to deliver.	7-days
	Improve material accountability systems.	Timely and accurate accountability.	Number of days taken to account.	2 days after connection.
Increase investments and asset [useful] value.	Improve asset performance monitoring processes under LAA and Territories	Increased asset useful life.	Lived life against design life.	Equal or greater than design life.
	Monitor implementation of DOMC under LAA	Managed costs within budget	Number of items replaced before life expectancy.	All assets to serve their life time.
	Improve network planning.	Versatile network	Availability	95%
	Develop and implement an investment strategy.	Investment strategy	Strategy	Approved 2020/21.
		Increased investments	Number of signed MoU and Partnerships with financial value.	\$100 million.
	Regularly review the compliance requirements in line with Prudent Utility Practices.	Compliance with all utility requirements.	% level of compliance.	100%
	Develop and maintain an electronic asset register.	Electronic asset register system.	Electronic asset register	By July 2021.
		An accurate distribution asset register.	An accurate asset register.	100%

		Integrate asset management systems with other utility operators.	Integrated system	Level of integration	100% by 2025
Reduce commercial and technical energy losses on the grid.		Carry out a distribution loss study.	Loss study report.	Loss report.	By Dec. 2020.
		Improve design, construction and material standards.	Reduced technical losses.	%age loss reduction.	By 2%
		Improve line commissioning and acceptance procedures.	Line commissioning procedure booklet. Reduced technical and commercial losses.	%age loss reduction	By Dec 2020.
		System improvement and network upgrades.	Reduced technical and commercial losses.	% total loss	19%
		Continuous meter auditing.	Increased meter integrity. Reduced commercial losses.	%age reduction of commercial losses	Y on Y 5%
		Enforce laws on power theft and promote incentives for reporting power theft.	Reduced commercial losses.	%age loss reduction	5%

Customer Service Excellence	Improve service delivery.	Improve automation of processes.	Satisfied customer.	Satisfaction score	85% Y2
		Improve on the quality of service.	Satisfied customer.	QoS service scores	As per ERA standard.
		Improve quality of supply.	Satisfied customer.	SAIDI and SAIFI indices	SAIDI-SAIFI-
	Improve stakeholder mgt.	Develop & implement stakeholder management strategy.	Stakeholder Management Strategy. Stakeholder satisfaction.	Satisfaction score	85% Y2.
		Develop and implement a corporate brand strategy.	Improved corporate reputation and image.	Brand awareness rating. Brand manual.	80% Dec. 2020.
		Develop and implement an annual accountability strategy.	Increased visibility.	No. of CSR activities executed.	Quarterly
		Improve media relations (TV, Radio and online).	Increased visibility and reputation.	No. of media appearances both print and electronic. Online response time.	24 Y on Y. 90%

		Conduct an annual satisfaction survey.	Improved satisfaction score	Satisfaction index.	80%
	Promote research and dev't.	Increase innovations in service delivery.	Online self-service alternatives	No. of alternatives approved.	Y on Y
		Explore behaviour and customer preferences for utility poles.	Product diversification.	No. of products available.	Three in 5 years.
		Increase collaboration with institutions and professional bodies.	Increase credibility/ authenticity of findings.	No. of research projects undertaken.	Y on Y
		Develop and rollout a research and development strategy.	Research and development strategy.	No. of approved and published.	Dec. 2020.
			Research reports		Y on Y
Operational Efficiency					
Operational Efficiency	Enhance good governance, Internal efficiency and sustainability of UEDCL.	Evaluate the adequacy of controls and safeguards at UEDCL.	Increased performance of systems.	Increased compliance.	Y on Y
		Review the strategic risks and evaluate their probability of occurrence.	Updated strategic risk matrix. Increased risk awareness	No of avoided/ mitigated risks	Y on Y

		Develop and implement standard operating procedures on all operations.	Approved Standard operating procedure Manual. Efficiency in operations.	%age compliance with SOP Manual.	Dec. 2020 80% Y2.
		Promote financial sustainability of UEDCL.	Approved tariff applications and budgets. Positive EBITDA on all business units and territories.	Budget %age of revenue.	Approved budget Greater than 10% of sales revenue.
		Review and implement internal policies and procedures.	Revised internal policies and procedures. Efficiency in operations.	%age compliance with policies and procedures.	Dec. 2020 and after every 3 years. 100% Y on Y.
Promote compliance with OHSE and improve law and enforcement.		Review OHSE policies and procedures.	Safe Environment.	Approved OHSE policies and procedures Manual.	Dec. 2020.
		Improve safety culture.	Safety consciousness.	No. of un reported incidents.	Zero un reported.
		Improve enforcement of OHSE procedures.	Compliance with the OHSE procedures.	%age compliance.	100% compliance.

Enhance knowledge, skills dev't and improving organisational culture.	Improve and review Human Resource policies and procedures.	Approved Human Resource policies and procedures Manual. Operational efficiency.	%age compliance.	Dec. 2020. 100% compliance.
	Improve succession planning processes and performance management system.	Approved succession plan. Robust positioning system.	Complementary skills per position.	Dec. 2020. Min 2.
	Review & update automation of HR & Administration processes.	Automated HR & Business processes. Operational efficiency.	% of automated processes.	80%
	Review & implement talent & skills development programs for UEDCL staff.	Approved talent and skills development training manual. Approved talent and skills development training programme.	Approved manual. % of identified programmes implemented .	Dec 2020 100% Y on Y

Improve use of tools, technology and promote optimal utilization of organizational resources.	Improve asset management policies & communication of asset usage.	Optimal utilisation of assets.	% utilisation of assets.	80%.
	Improve existing online & e-platform based on research.	Use of new approved and recommended technologies.	% increase of new technologies.	20% Y on Y.
	Improve work methods through use of appropriate tools.	Improved quality of work.	Incidents of poor workmanship.	0 (Zero).

4.10 Implementation, Monitoring and Evaluation Mechanisms

Implementation of the Strategic Plan shall follow a rolling format/arrangement. The individual departments shall cascade these strategic plans into the individual/personal plans. Each of the plans shall indicate what will be done, when, how and who will undertake what activity. This will serve as the checklist that will be regularly updated, monitored and shared among the stakeholders. The plans will also help coordinate and integrate planned actions, support coordinated and collaborated efforts, minimize duplication, and promote synergies.

Monitoring and evaluation of the strategy will be implemented with the aid of tracking key strategic outcomes and outputs as detailed under Section 5.1.

Critical success factors required to implement the strategic plan;

1. Ownership of the strategy by staff, Management and the Board of UEDCL.
2. Effective annual implementation planning and commitment of resources.
3. Behavioural and cultural change, institutional cohesion, teamwork and harmony.
4. Regular monitoring and evaluation of the strategy.
5. Effective control of expenditure through, among other things, reduction and/or elimination of resource wastage;
6. Effective stakeholder engagement.

5.0 Implementation of the Strategic Plan

Implementation of this strategy will be carried out by the governance structures of UEDCL. i.e the Board of Directors, the Heads of Departments and the Units. Effective implementation of this strategy will necessitate change of the organisational structure, systems, and procedures to improve efficiency and effectiveness.

UEDCL will purpose to harness synergies, ensure holistic and sequenced approach to implementation of the strategic interventions. The entity will further facilitate the coordination of cross cutting issues and establishment of a Corporate Performance Management Unit. This unit will coordinate the development of annual plans and work with the relevant stakeholders to develop relevant budgets for the year.

5.1 Progress Reporting and Review of Results

UEDCL management will develop and put in place work plans, Monitoring and Evaluation framework to provide tracking performance against set targets. The Heads of Departments and units shall report monthly and quarterly on key actions, outputs and progress registered outcomes. This will guide production of a quarterly performance reports as well as annual reports.

Staff performance management systems shall be aligned with the institutional work plans to help translate the strategy into every staff member's job work plans. Staff performance contracts at all levels shall be developed and signed off by the unit heads aligned to departmental work plans as well as UEDCL rolling out the strategic plan 2020/21-2024/25.



6. Resource Requirements

The engine of a strategic plan is dependent on the ability of the sponsors to raise the necessary resources to implement it. This strategic plan upon successful implementation, will result into three strategic outcomes, namely; Increase in the number of customers connected, tones of poles sold and retention of existing customers, Improved quality of supply indices (SAIDI, SAIFI) and Improved Quality of Service to Customers, and reduced input cost from highly motivated staff and efficient service to customers.

A summary of this Strategic Plan is presented under Annex 1. It comprises of three strategic goals, eleven (11) strategic objectives and various initiatives, performance indicators and targets.

6.1 Budget Assumptions

The resource requirement is based on the following financial assumptions.

1. Electricity Regulatory Authority (ERA) will provide resources to implement the strategic plan.
2. Rural Electrification Agency (REA) will renew the operation and maintenance Agreement for the operation of the territory lines.
3. The current Government projects in new connections will continue for the next 5 years.
4. An annual inflationary increment of 5% has been provided for all activities.
5. There will be increased emphasis and focus on staff performance and monitoring systems.
6. The Authority and where applicable the MEMD will approve investments into the distribution network to expand the grid and improve the existing distribution network system.

6.2 Resource Requirements

Implementation of the strategic plan will require human and financial resources. This translates into optimal level of staffing in numbers, skill and experience. Annex II shows the organizational structure to facilitate UEDCL to achieve its Vision and mission.

A budget for the five (5) years is Ushs 771,986 million. This amount will be financed through its operations as approved by the Board and the Regulator through the tariff. The main expenditure being investment into the network which is projected to start effective July 2020 for the next five (5) years.

UEDCL will do what it takes to ensure that the projected revenues are realized. In the event that these revenues are not realized, UEDCL shall approach the Authority for funding especially where we are on course to achieve the set targets towards realization of the strategic results.

Annex II: Five (5) Year Revenue and Expenditure Forecast

	2017/18(A)	2018/19(A)	2019/20(B)	2020/21(B)	2021/22(B)	2022/23(B)	2023/24(B)	2024/25(B)
DESCRIPTION	Ushs, Mns	Ushs, Mns	Ushs, Mns	Ushs, Mns	Ushs, Mns	Ushs, Mns	Ushs, Mns	Ushs, Mns
REVENUES								
Lease Rental Revenue	6,047	6,642	5,996	7,075	8,491	10,189	12,226	14,672
Rental Income - UEDCL Towers	1,708	800	1,636	1,472	1,325	1,193	1,073	966
Grid Energy Sales - Territories	29,913	38,806	48,343	62,846	81,700	106,210	138,073	179,495
Sales of Poles - Other/ UMEME	6,661	15,710	19,998	22,397	25,085	28,095	31,467	35,243
Sundry Income	184	368	492	507	522	538	554	571
	44,514	62,327	76,465	94,298	117,123	146,225	183,394	230,946
EXPENSES								
Staff Costs	8,568	11,928	13,291	15,949	19,138	22,966	27,559	33,071
Other Related Costs	1,939	2,408	2,823	3,811	5,145	6,946	9,377	12,659
Transport Costs	815	960	1,272	1,654	2,150	2,795	3,633	4,724
Repair & Maintenance	4,641	4,617	2,633	3,423	4,450	5,785	7,521	9,777
Umeme Monitoring Costs	243	373	68	88	115	149	194	252
Administrative Costs	3,283	3,556	3,705	4,817	6,262	8,141	10,583	13,758
	19,489	23,842	23,792	29,742	37,261	46,782	58,867	74,241
Capital Investment	25,024	38,485	52,673	64,556	79,862	99,442	124,526	156,705

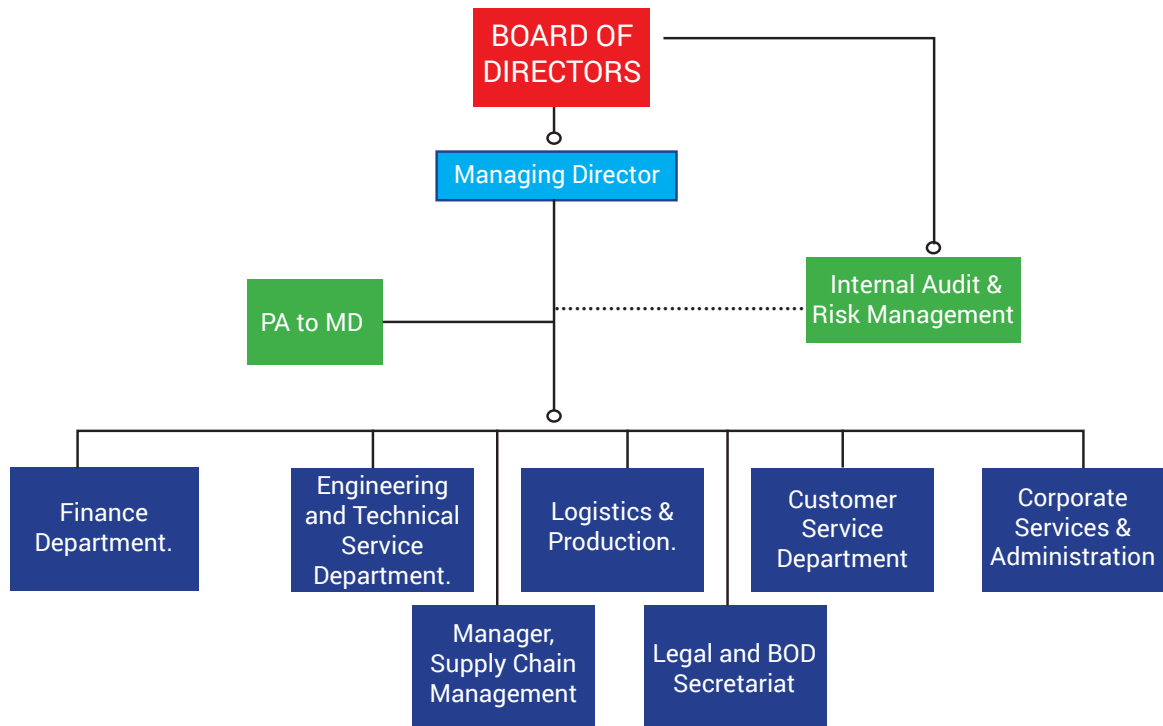


Teamwork being one of UEDCL's core values is demonstrated at all levels of leadership in the organisation

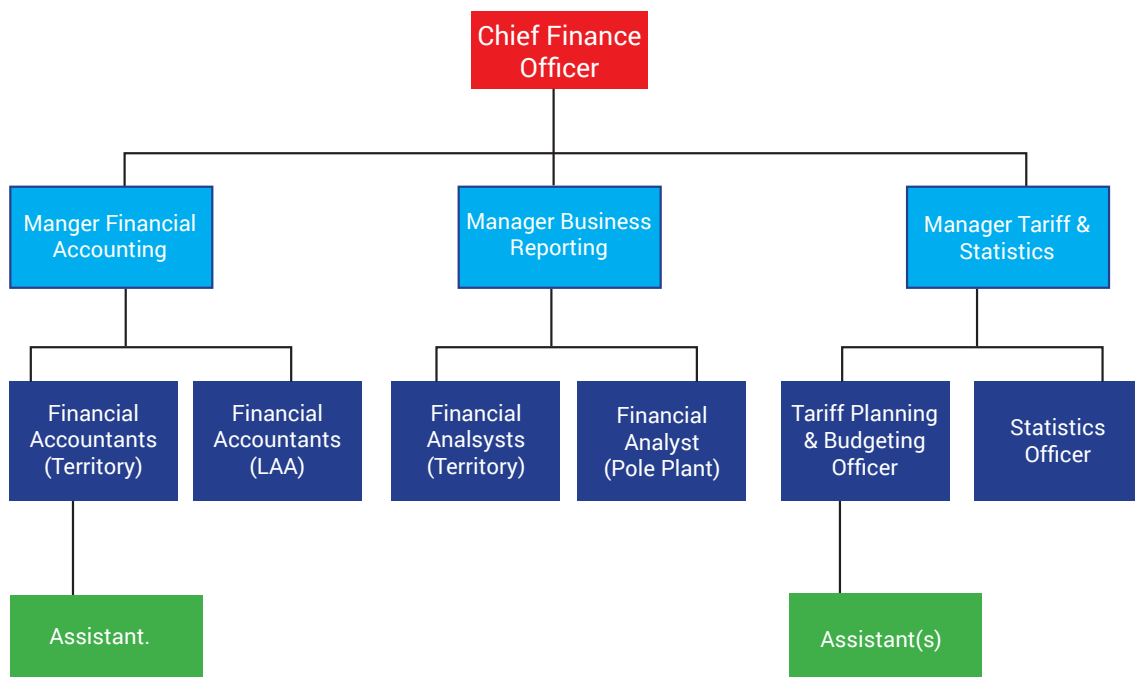


At UEDCL, we celebrate and reward all our outstanding employees. Mr. Delta Karuhaga emerged as the employee of the year 2019

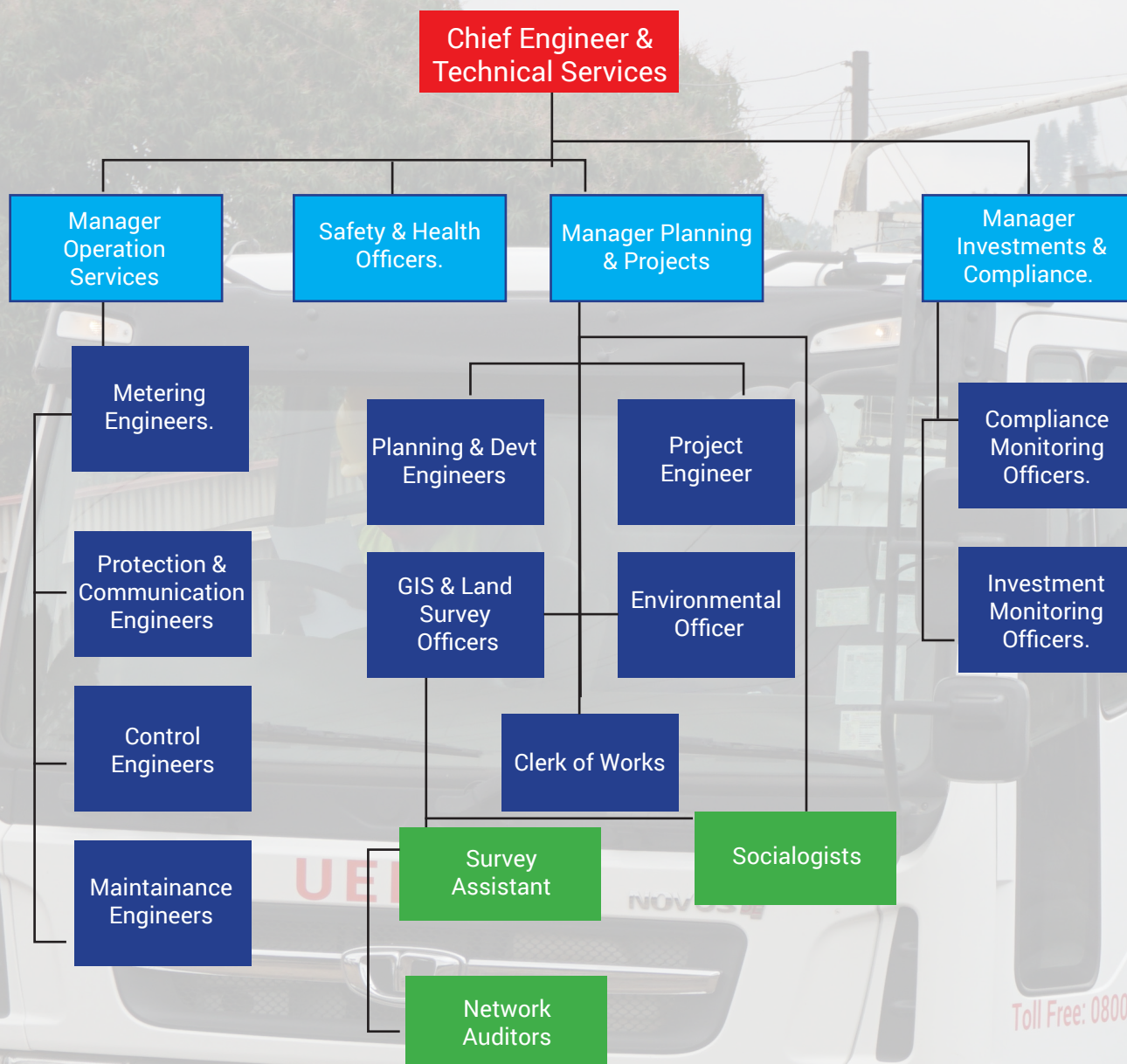
6.3.1 Managing Director's Office



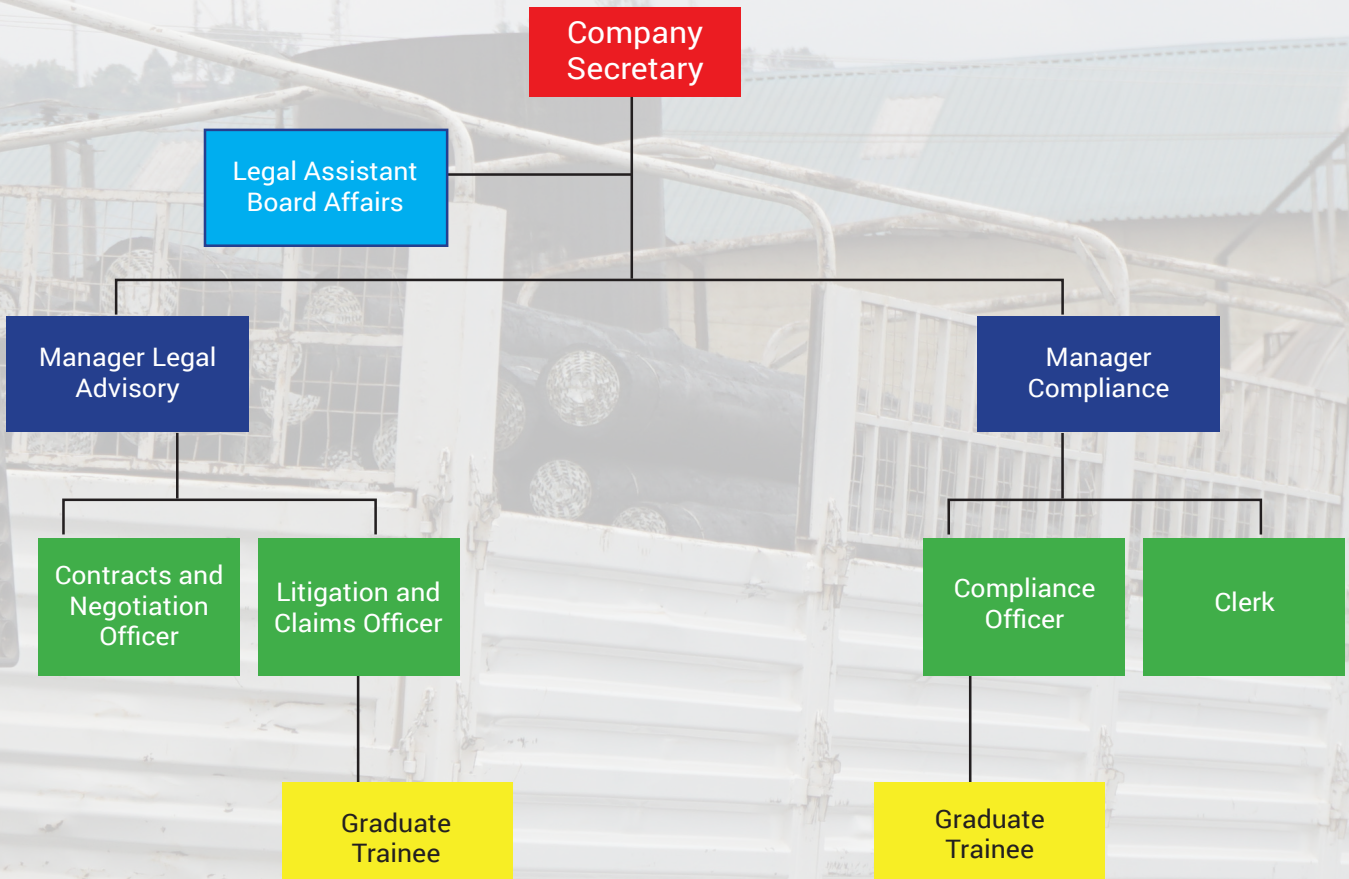
6.3.2 Finance Department



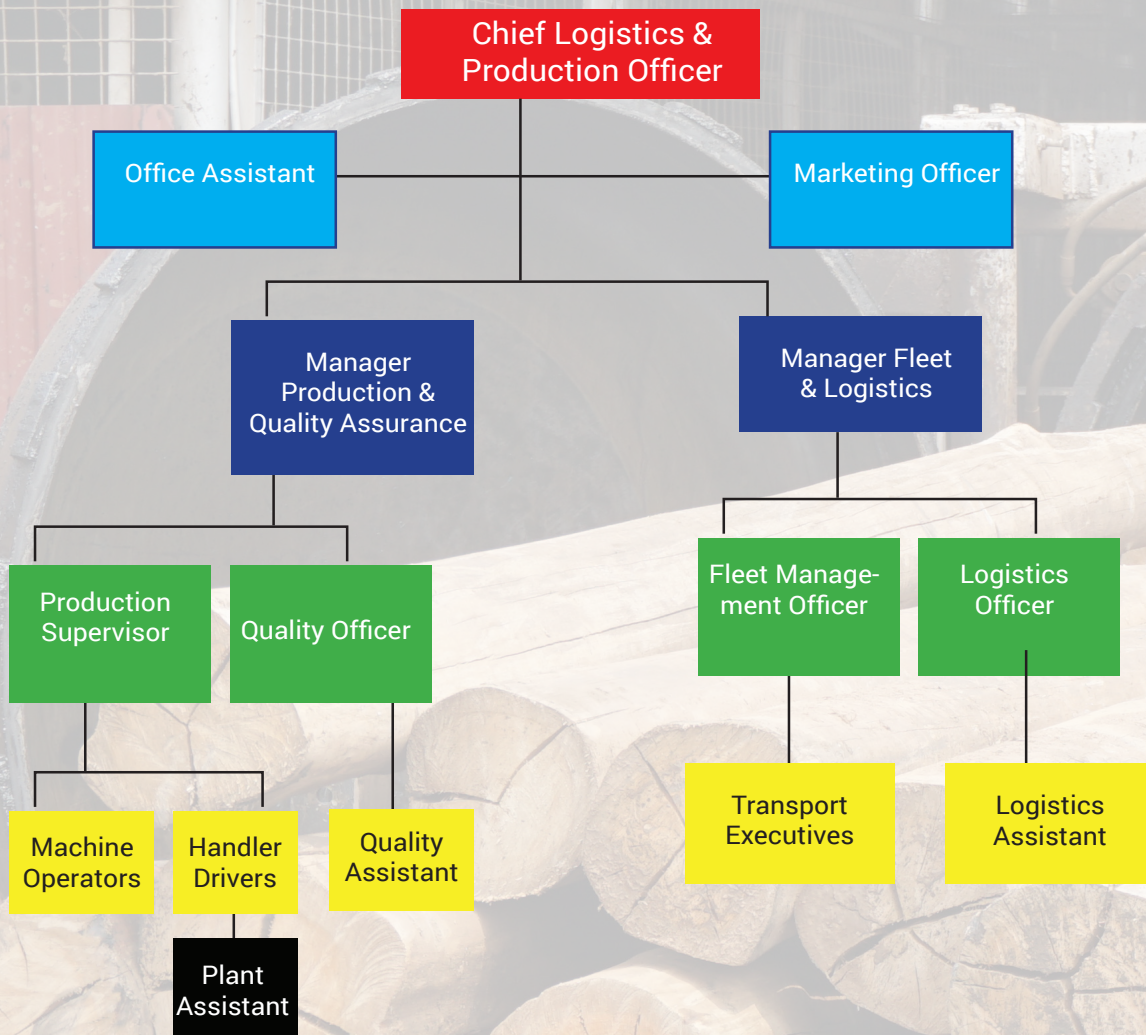
6.3.3 Engineering and Technical Services



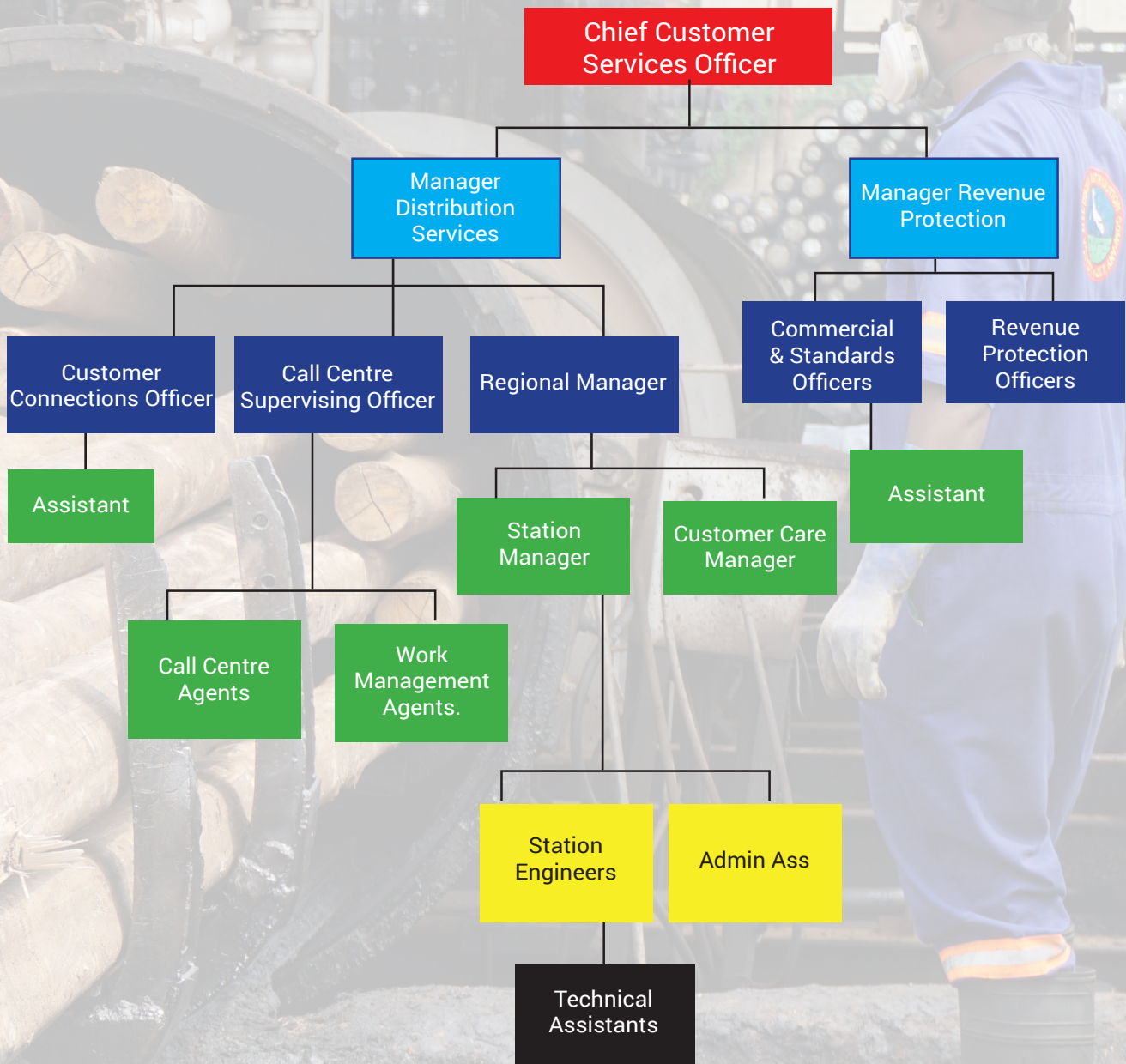
6.3.4 Legal and Board Of Directors Secretariat Department



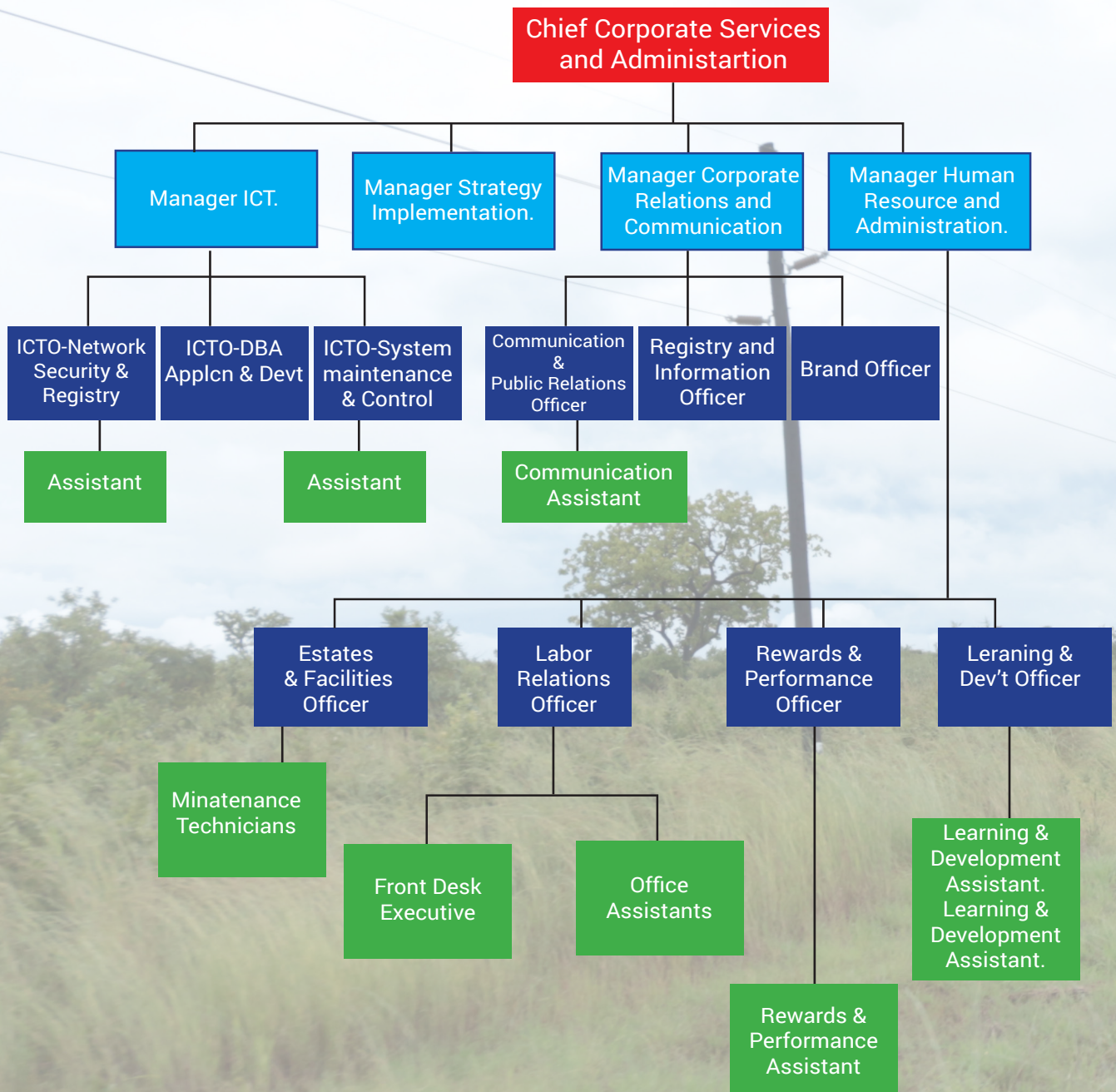
6.3.5 Logistics & Production



6.3.6 Customer Services

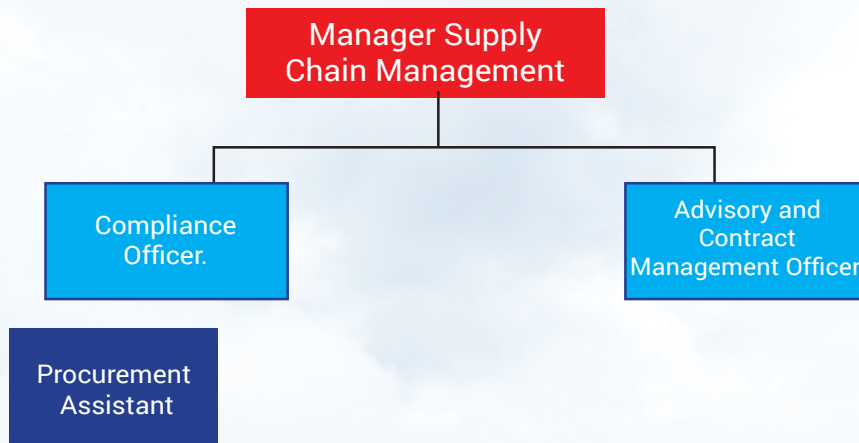


6.3.7 Corporate Services and Administration



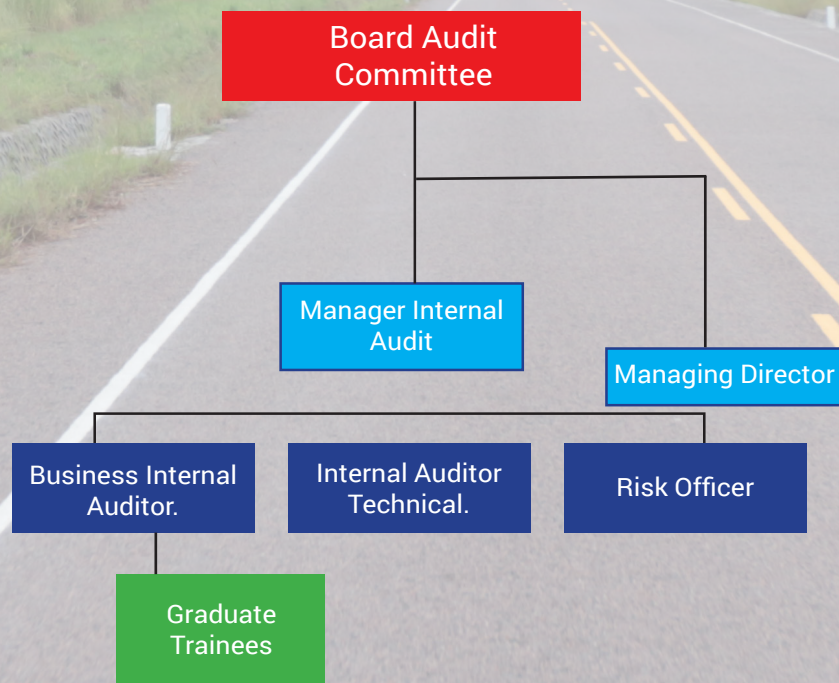
6.3.8 Units under Managing Director

(a) Supply Chain Management Unit



6.4 Units Reporting to the Audit Committee of the Board of Directors

(a) Internal Audit Unit



“The UEDCL board of directors every quarter appraises the service territories to strategically guide management on customer concerns.”
Photo: Luxury Guerrilla Heights Nkuringo -Bwindi







UEDCL strategically contributes to national environmental conservation measures as well grant financial assurance to thousands of Eucalyptus farmers across the country. Over 10 BN shillings is paid annually by the entity to procure mature **Eucalyptus poles** to be used in the distribution network.





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UEDCL



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