

STRATEGIC PLAN



FY 2025/26 - 2029/30

Foreword by the Hon. Minister



It is my pleasure to present the Uganda Development Corporation (UDC) Strategic Plan for the period 2025/26–2029/30.



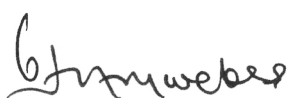
This Strategic Plan is anchored in the Government of Uganda's unwavering commitment to transform Uganda into a modern, industrialised, and export-oriented economy, as articulated under Vision 2040, the National Development Plan IV, and the Tenfold Growth Strategy.

I commend H.E. the President for his continued leadership in championing industrialisation, value addition, and domestic production, which remain central to Uganda's economic transformation.

As the Ministry responsible for policy formulation and oversight in trade, industry and cooperatives, we recognise the Uganda Development Corporation as a key instrument for translating national policy into concrete investment outcomes. UDC plays a strategic role in mobilising long-term capital, establishing and supporting strategic enterprises, and catalysing private sector participation in priority sectors. Over the past years, UDC has expanded its investment portfolio, supported domestic value chains, promoted local sourcing, and enhanced export-oriented production, demonstrating its growing role as a catalyst for industrialisation.

This Strategic Plan builds on these gains and provides a clear roadmap for deepening value addition, accelerating industrial growth, and reducing import dependence. It is aligned with key Government policy frameworks, including the National Industrial Policy, the Parish Development Model, the Buy Uganda Build Uganda strategy, and the African Continental Free Trade Area. The Ministry will continue to provide strong policy direction and oversight, prioritise resource mobilisation, strengthen institutional capacity, and operationalise financing mechanisms such as the Industrial and Economic Development Fund.

I commend the Board of Directors, Management, and staff of UDC, as well as all stakeholders who contributed to this Strategic Plan. I am confident that, with continued collaboration between Government, the private sector, and development partners, this Strategic Plan will significantly advance Uganda's industrialisation agenda, create sustainable employment, and drive inclusive economic transformation.



Hon. Francis Mwebesa

Minister of Trade, Industry and Cooperatives

Message from the Chairperson of the Board



Uganda's ambition to achieve sustainable economic transformation and prosperity requires deliberate and strategic investments that expand the country's productive capacity, strengthen domestic industries, and create meaningful employment opportunities.



Industrialisation remains central to this transformation, and the Uganda Development Corporation (UDC) continues to serve as the Government of Uganda's principal investment institution, mandated to promote and facilitate industrial and economic development.

The Board of Directors recognises that institutions entrusted with public investment responsibilities must operate with the highest standards of governance, accountability, and strategic discipline. As custodians of public capital, the Board remains committed to ensuring that UDC's investments are guided by sound commercial principles while delivering measurable national development impact. The Strategic Plan 2025/26–2029/30 provides a clear framework for strengthening the Corporation's ability to generate value from its investment portfolio while supporting Uganda's broader industrialisation agenda.

Over the coming years, the Board will place strong emphasis on enhancing the performance and sustainability of the Corporation's investment portfolio. This includes strengthening governance structures, improving monitoring, and balancing financial returns with development impact. The Board will also prioritise strengthening institutional effectiveness through better systems, risk management, and capacity building. As Uganda advances its industrialisation agenda, UDC will play an increasingly important role in mobilising investments for value addition, enterprise development, and balanced regional growth, while maintaining prudent and transparent governance.

On behalf of the Board of Directors, I extend sincere appreciation to the Government of Uganda, Management, staff, and all partners and stakeholders for their support and dedication. The Board is confident that the successful implementation of this Strategic Plan will strengthen the Corporation's role as a strategic investment institution and contribute meaningfully to Uganda's economic transformation and long-term prosperity.

Godfrey Ruhurira

Chairperson, Board of Directors

Message from the Executive Director



As the country advances toward achieving Vision 2040 and the Tenfold Growth Strategy, industrialisation has become the central pathway for transforming Uganda into a diversified, competitive and export-oriented economy.



The Uganda Development Corporation (UDC), as the Government of Uganda's principal investment arm for industrial development, has a unique responsibility to mobilise long-term capital, structure strategic investments, and catalyse private sector participation in priority sectors of the economy.

The UDC Strategic Plan 2025/26–2029/30 provides a clear roadmap for fulfilling this mandate. The Plan positions the Corporation to accelerate investments that expand value addition, strengthen domestic industries, and create productive employment opportunities for Ugandans. It aligns closely with the national development agenda, particularly the Fourth National Development Plan (NDP IV), the Tenfold Growth Strategy, and the National Industrial Policy, all of which emphasise industrialisation, private sector development, and export competitiveness as key drivers of economic transformation.

This Strategic Plan builds on the progress achieved during the previous plan, 2020 – 2030. Over the past years, UDC has expanded its investment portfolio across strategic sectors, including manufacturing, agro-industrialisation, tourism, infrastructure, and emerging industries. These investments have supported value addition, strengthened domestic value chains, and created employment opportunities across the country. At the same time, the experience gained has highlighted the need to strengthen institutional capacity, improve post-investment monitoring, expand capital mobilisation, and enhance the performance of investee companies. These lessons have informed the priorities and strategic direction of this new Plan.

Over the next five years, the Corporation will focus on four strategic objectives: attaining corporate financial sustainability; expanding and enhancing the developmental impact of the investment portfolio; strengthening institutional capacity to deliver on the Corporation's growing mandate; and leveraging research and knowledge to support evidence-based industrial investment decisions.

Patrick B. Birungi, PhD
Executive Director

Acknowledgement

The preparation of the Uganda Development Corporation (UDC) Strategic Plan 2025/26–2029/30 was made possible through the collective effort, commitment, and contributions of many individuals and institutions.

Special appreciation is extended to the Board of Directors of UDC for providing strategic guidance and oversight throughout the planning process. Their leadership and commitment to strengthening the Corporation's role as the Government of Uganda's principal investment arm for industrial and economic development were instrumental in shaping this Plan's strategic direction.

The Corporation also acknowledges the invaluable support and guidance provided by the Ministry of Trade, Industry and Cooperatives (MTIC), the Ministry of Finance, Planning and Economic Development (MoFPED), and the National Planning Authority (NPA) for their policy direction and technical input, which ensured that the Strategic Plan is aligned with Uganda's national development priorities.

UDC further appreciates the contributions of its Management and Staff, particularly the members of the Technical Working Group, whose dedication and professionalism ensured the successful coordination of the planning process. Their efforts in conducting analysis, coordinating stakeholder engagements, and synthesising the various inputs were critical to the development of this comprehensive Strategic Plan.

The Corporation extends special recognition to Joseph Kibuuka (PhD), who facilitated the Technical Working Session and provided valuable technical guidance during the strategic planning process. His facilitation helped stimulate critical reflection, align institutional priorities, and shape the strategic direction of the Corporation for the coming years.

Finally, UDC expresses sincere gratitude to all stakeholders who participated in consultations, including representatives from Government institutions, UDC investee companies, private sector partners, and development stakeholders. Their insights and perspectives enriched the planning process and strengthened the relevance and credibility of this Strategic Plan.

The Corporation looks forward to continued collaboration with all stakeholders in the successful implementation of this Strategic Plan as UDC works to advance Uganda's industrial and economic transformation.

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List of Abbreviations and Acronyms

AADFI	Association of African Development Finance Institutions
AfCFTA	African Continental Free Trade Area
ATMS	Agro-industrialisation, Tourism Development, Mineral Development, and Science, Technology & Innovation
BPR	Business Process Re-engineering
BSC	Balanced Scorecard
DFI	Development Finance Institution
EAC	East African Community
EDRMS	Electronic Data and Records Management System
ERP	Enterprise Resource Planning
ESG	Environmental, Social and Governance
FDI	Foreign Direct Investment
FY	Financial Year
GDP	Gross Domestic Product
ICT	Information and Communication Technology
IDC	Industrial Development Corporation of South Africa
IEDF	Industrial and Economic Development Fund
IFRS	International Financial Reporting Standards
ISO	International Organisation for Standardisation
JV	Joint Venture
KMS	Knowledge Management System
KPI	Key Performance Indicator
MDAs	Ministries, Departments and Agencies
MTE	Mid-Term Evaluation
MOFPED	Ministry of Finance, Planning and Economic Development
MTIC	Ministry of Trade, Industry and Cooperatives
NDP	National Development Plan
NPA	National Planning Authority
O&M	Operation and Management
PIAP	Programme Implementation Action Plan
PPP	Public–Private Partnership
PSFU	Private Sector Foundation Uganda
SDG	Sustainable Development Goals
SPV	Special Purpose Vehicle
SSA	Sub-Saharan Africa
SWOT	Strengths, Weaknesses, Opportunities, and Threats
TPM	Top Policy Management
TWG	Technical Working Group
UBOS	Uganda Bureau of Statistics
UDC	Uganda Development Corporation
UGX	Ugandan Shilling
UMA	Uganda Manufacturers Association
USD	United States Dollar

Executive Summary

The Uganda Development Corporation (UDC) Strategic Plan 2025/26–2029/30 provides the Corporation’s medium-term roadmap for advancing industrial and economic development in Uganda. The Plan positions UDC as the Government’s principal investment and development vehicle for mobilising capital, establishing strategic enterprises, and catalysing private sector participation in priority sectors of the economy. Through strategic public investments and partnerships, UDC plays a critical role in supporting Uganda’s transition toward a diversified, industrialised, and export-oriented economy.

The Corporation’s vision is “To be a leading catalyst for sustainable industrial and economic transformation in Uganda.” Guided by this vision, the Strategic Plan aims to strengthen UDC’s capacity to mobilise long-term development finance, promote value addition, and support the establishment and growth of strategic industries that can create jobs, increase exports, and improve Uganda’s trade balance.

The Strategic Plan aligns closely with Uganda’s national development priorities, particularly the Fourth National Development Plan (NDP IV), the Tenfold Growth Strategy, Vision 2040, the National Industrial Policy (2020), and the NRM Manifesto. These frameworks emphasise industrialisation, value addition, private sector development, and employment creation as central drivers of sustainable economic transformation.

The Plan also responds to opportunities presented by the African Continental Free Trade Area (AfCFTA), which provides an expanded market for Ugandan-manufactured products and agro-processed goods. By directing strategic investments toward agro-industrialisation, manufacturing, mineral beneficiation, tourism infrastructure, and other high-impact sectors, UDC will translate national policy priorities into practical investment interventions that strengthen Uganda’s productive capacity and competitiveness.

The Strategic Plan builds on lessons from the Mid-Term Evaluation of the previous Strategic Plan (2020–2030). During the review period, UDC made notable progress in strengthening governance systems, expanding its investment portfolio, and improving financial management and oversight. The Corporation increased its investment footprint across strategic sectors of the economy, contributing to job creation, increased utilisation of domestic raw materials, and strengthened domestic value chains.

However, the evaluation also highlighted several institutional constraints that must be addressed to enhance performance. These include: incomplete capitalisation of the Corporation, staffing gaps within the approved organisational structure, limited automation of key operational systems, uneven regional investment coverage, and the need to strengthen post-investment monitoring and portfolio management. Addressing these challenges forms a central focus of this Strategic Plan.

To deliver its mandate effectively over the next five years, UDC will pursue four mutually reinforcing strategic objectives;

1. To attain Corporate financial sustainability.
2. To expand and enhance the value and impact of UDC's investment portfolio to accelerate industrialisation, job creation and economic growth.
3. To strengthen institutional capacity to drive industrial and economic development.
4. To leverage research and learning to drive innovation and growth.

To operationalise these strategic objectives, the Plan prioritises several flagship interventions. These include: mobilising diversified long-term capital for industrial investments; operationalising the Industrial and Economic Development Fund (IEDF) to crowd in public and private capital; strengthening post-investment management systems to improve the performance of investee companies; implementing turnaround strategies for distressed enterprises; and expanding UDC's investment footprint across all regions of the country. The Plan also prioritises strengthening institutional systems, improving project preparation and appraisal capacity, and accelerating digital transformation to enhance operational efficiency and decision-making.

Implementation of the Strategic Plan will require an estimated UGX 4.2 trillion over the five years to finance strategic investments, project preparation activities, and institutional strengthening. Government capital injections will remain the primary source of financing, given UDC's role as the Government's strategic investment arm.

However, the Corporation will actively pursue alternative financing mechanisms to complement Government funding. These include: partnerships with development finance institutions, concessional financing arrangements, blended finance structures, and strategic co-investment with private-sector partners. The planned operationalisation of the Industrial and Economic Development Fund (IEDF) will play a central role in mobilising domestic and international capital to finance large-scale industrial projects.

Successful implementation of the Strategic Plan is expected to generate substantial economic, social, and fiscal benefits for Uganda. UDC investments will contribute to increased manufacturing value addition, expansion of export-oriented industries, and greater utilisation of domestic raw materials. These investments will support the creation of productive jobs, strengthen domestic entrepreneurship, and improve Uganda's trade balance by reducing reliance on imports of industrial products. The Corporation will also promote balanced regional development by ensuring that at least one strategic investment is established in each sub-region of the country, thereby expanding economic opportunities and supporting inclusive growth.

At the institutional level, UDC has committed to strengthening portfolio performance and improving financial sustainability. Key targets include increasing the number of profitable investee companies, reducing non-performing loans, strengthening internally generated revenues, and mobilising alternative financing equivalent to at least 20 per cent of the Corporation's total budget by the end of the plan period. These measures will enhance the Corporation's capacity to leverage public capital, attract private investment, and expand the scale of strategic industrial investments.

Overall, the UDC Strategic Plan 2025/26–2029/30 positions the Corporation as a catalytic development finance institution capable of mobilising capital, structuring strategic investments, and partnering with Government and the private sector to accelerate Uganda's industrialisation agenda. By strengthening institutional capacity, expanding its investment portfolio, and leveraging strategic partnerships, UDC will play a central role in driving sustainable industrial development and contributing to Uganda's long-term socio-economic transformation.

Chapter 1: Legal, Institutional and Policy Framework

1.1 Establishment and mandate of UDC

Uganda Development Corporation (UDC) is a statutory body established under the UDC Act, Cap. 208, with the mandate to promote and facilitate Uganda's industrial and economic development. It delivers this mandate by establishing subsidiary and associated companies in strategic sectors, entering into public–private partnerships, supporting the financing and management of undertakings that promote industrial and economic development, and facilitating research to advance industrial development.

With this mandate, UDC is the government's principal investment and development vehicle for advancing national industrialisation.

1.2 Institutional Framework, Governance and Organisational Structure

The Corporation operates within a governance framework designed to ensure effective oversight, accountability, and alignment with national industrial development priorities. The Corporation receives policy guidance from the Ministry of Trade, Industry and Cooperatives (MTIC), which leads the implementation of Uganda's industrialisation agenda through the National Industrial Policy and related strategies aimed at promoting value addition, employment creation, import substitution, and export growth. Through its representation on the Board of Directors, MTIC provides strategic policy direction to guide UDC's investment decisions and operational priorities.

In executing its mandate, UDC is also accountable to key Government oversight institutions, including the Parliament of Uganda, the Ministry of Finance, Planning and Economic Development (MoFPED), and the Office of the Auditor General. These institutions provide oversight through statutory reporting, budget approval processes, and independent audits, thereby strengthening transparency, financial discipline, and accountability in the management of public resources.

The Corporation is governed by a Board of Directors established under the UDC Act, which provides strategic leadership and oversight of the Corporation's operations. The Board comprises a Chairperson, representatives of the Ministries responsible for industry and finance, four eminent private sector representatives, and the Executive Director.

At the management level, the Executive Director serves as the Chief Executive Officer, responsible for the day-to-day operations of the Corporation and the implementation of the strategic direction approved by the Board. All directorates report to the Executive Director, except the Internal Audit Directorate, which reports functionally to the Board and administratively to the Executive Director to maintain independence and strengthen internal accountability.

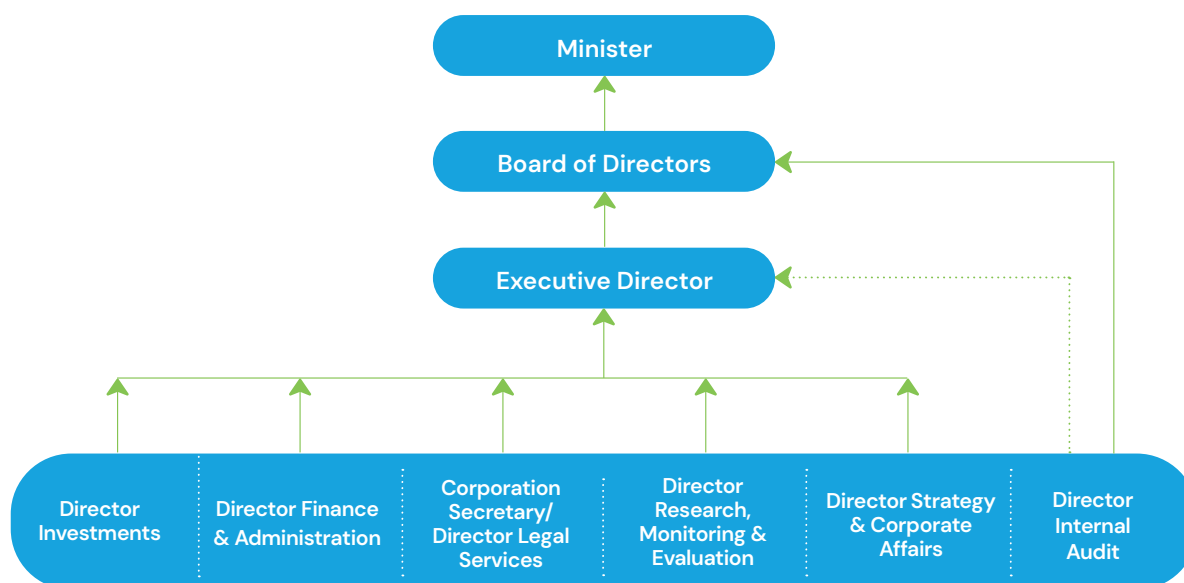


Figure 1: Governance and organisational macro structure of UDC

1.3 Alignment with key Policy Frameworks

1.3.1 National Development Plan (NDP IV)

NDPIV is the fourth in a series of National Development Plans aimed at actualising Vision 2040 and is the first of three Plans designed to deliver the Tenfold Growth Strategy. Its overarching goal is: *“to achieve higher household incomes, full monetisation of the economy, and employment for sustainable transformation” under the theme of “Sustainable Industrialisation for Inclusive Growth, Employment and Wealth Creation”*.

The UDC Strategic Plan 2025/26–2029/30 aligns directly with the NDPIV objectives and Programmes. Specifically;

Objective 1: Sustainably increase production, productivity and value addition in agriculture, minerals, oil & gas, tourism, ICT, and financial services

UDC anchors its investment portfolio within Agro-industrialisation, Sustainable Extractives, Tourism development, and Manufacturing, thereby expanding domestic value addition, export competitiveness, and productive employment.

Objective 3: Support the private sector to drive growth and create jobs

The plan positions UDC to strengthen private-sector development through catalytic co-investment, mobilisation of long-term capital (including through the Industrial and Economic Development Fund (IEDF)), and enhanced post-investment management to improve the performance of the UDC portfolio.

Objective 4: Build and maintain strategic sustainable infrastructure in transport, housing, energy, water, industry, and ICT

The plan aims to strengthen local contractors and engineering enterprises to competitively participate in national infrastructure development and also invest in infrastructure that directly supports value addition and industrial competitiveness.

The focus of this strategic Plan is therefore to contribute to programmes of Manufacturing, Agro-industrialisation, Sustainable Extractives Industry Development, Tourism Development, Private Sector Development, and Integrated Transport Infrastructure and Services as indicated in Table 1. As such, UDC is positioned as a leader in sustainable industrial development for Uganda's socio-economic transformation and prosperity.

Table 1: Alignment of the UDC Strategic Plan 2025/26–2029/30 with the Objectives and Programmes of NDP IV.

Programme	Programme Objective:	Programme Results	UDC Strategic Plan Alignment / Contribution
Agro-industrialisation	Improve harvest & post-harvest handling and storage;	Increased export value of priority commodities and their processed products from USD 2.5 million in FY2023/24 to USD 4.8 million;	UDC will support agro-industrialisation through strategic equity investments and PPP arrangements in agro-processing industries across key value chains such as coffee, cocoa, grains, tea, and potato processing. These investments will expand domestic value addition, reduce reliance on imports of agro-products, and create employment opportunities in agro-based industries.
		Reduced import value of agro-based products from USD 1,096 million in FY2023/24 to USD 600 million;	
		At least 60,000 jobs created by agro-processing industries/factories annually;	
Sustainable extractives industry development	Increase investment in extractive value addition;	Increased number of Ugandans employed in the minerals industry by 80,000 jobs per year;	UDC will promote investment in mineral beneficiation and downstream processing through equity participation and partnerships with private investors. The Corporation will prioritise projects that promote domestic mineral value addition such as iron and steel, cement
		Increased value of investment in value addition for selected minerals from UGX 200 Bn in FY2023/24 to UGX 1,850 Bn;	
Tourism development	Improve the stock and quality of tourism infrastructure;	Increased foreign exchange earnings from USD 1.0 billion in FY2023/24 to USD 10.0 billion;	UDC will invest in and support the development of strategic tourism infrastructure including hospitality facilities and related tourism services through partnerships with private investors. These investments will enhance the quality and capacity of Uganda's tourism offerings and contribute to increased foreign exchange earnings from the sector.

Programme	Programme Objective:	Programme Results	UDC Strategic Plan Alignment / Contribution
Private sector devt	Sustainably lower the cost of financing;	▪ DFI lending rates from 12% in FY 2023/24 to 8%;	UDC will strengthen private sector development by expanding its strategic investment portfolio and supporting the growth of investee companies. UDC will provide patient capital, support investee firms to meet international market standards, and promote market access for Ugandan products in regional and global markets.
	Increase market access, presence, and competitiveness of Ugandan goods and services;	▪ Increased value of exports from USD 7.9 billion in FY2023/24 to USD 10.3 billion; ▪ Increased proportion of public contracts and sub-contracts awarded to local firms from 64% in FY2023/24 to 70% in FY2029/30;	
Manufacturing	Enhance sustainable secondary and tertiary value addition in priority areas;	▪ Increased Manufacturing Value Added as a percentage of GDP from 16% in FY2023/24 to 20%;	UDC will facilitate the development and implementation of bankable industrial projects in priority secondary and tertiary value chains and undertake strategic investments in manufacturing enterprises such as textiles, ethanol, pharmaceuticals, The Corporation will also promote industrial research and innovation to strengthen domestic manufacturing capacity
		▪ Increased production capacity utilisation of industries from 30% in FY2023/24 to 60%;	
		▪ Increased ratio of the value of manufactured products to the value of the investment in manufacturing from 5% in FY2023/24 to 15%;	
		▪ Increased market share of manufactured products from 26% in FY2023/24 to 40%;	
		▪ Increased value of exports of manufactured products from 10.6% in FY2023/24 to 13.5%;	
Integrated Transport Infrastructure and Services	To develop an inter-modal and seamless transport infrastructure and services	▪ Increased proportion of paved national road network to total national network from 29.5% of FY 2023/24 to 33%;	UDC will support the development of strategic transport and logistics infrastructure that facilitates industrial development and efficient movement of goods and services. Through partnerships and targeted investments, the Corporation will contribute to improving connectivity and enabling industrial production and trade.
		▪ Increased proportion of paved urban roads to total urban roads from 11% of FY 2023/24 to 16%;	

1.3.2 Tenfold Growth Strategy

Uganda's Tenfold Growth Strategy is aimed at accelerating the realisation of the Uganda Vision 2040 by expanding the economy from approximately US\$50 billion (2023) to US\$500 billion by 2040. The Strategy prioritises increasing returns from Public investment and expanding the formal economy to strengthen the national revenue base. It seeks to de-risk the economy to crowd in private capital, enhance dividend contributions from state enterprises, and grow both the size and productivity of Uganda's entrepreneurial class.

The Tenfold Strategy identifies four (4) anchor areas referred to as the ATMS: Agro-Industrial Development; Tourism Development; Mineral-Based Development, including oil, gas and downstream industries; and Science, Technology, ICT and Innovation.

Within this transformation agenda, the UDC Strategic Plan 2025/26–2029/30 positions the Corporation as the state investment vehicle across the ATMS. Through innovative financing instruments in agro-processing, tourism infrastructure, mineral beneficiation and manufacturing, UDC operationalises the Strategy by emphasising de-risking priority sectors and crowding in private capital to drive industrial development.

The Plan further supports the Strategy by mobilising long-term development finance, enhancing post-investment management to improve enterprise performance, and strengthening dividend generation from investee companies.

1.3.3 National Industrial Policy

The National Industrial Policy (2020) provides the framework for Uganda's industrialisation with a vision of building a "fully integrated, competitive, high-value and productive industrial sector". It aims to increase manufacturing value added from 8.3% of GDP in 2018/19 to 16% by 2029/30. The policy identifies agro-based industries (coffee, tea, cassava, cotton, textiles, dairy, leather), extractive-based manufacturing (iron and steel, oil and gas derivatives, cement, fertilisers), and knowledge-intensive industries (pharmaceuticals, automotive and electronics assembly) as priority clusters due to their potential for employment creation, import substitution and export growth.

This Strategic Plan aligns with the National Industrial Policy by directing public investment towards these priority clusters. The Plan supports increasing manufacturing output, enhancing exports, promoting the adoption of research, and advancing environmentally sustainable industrial projects. Through improved governance, capital mobilisation, post-investment management and measurable performance targets, the plan translates the Policy's broad industrial objectives into finance-backed, implementation-driven interventions that expand manufacturing output and accelerate Uganda's industrial development.

Chapter 2: Planning Approach and Methodology

2.1 Thrust of the Strategic Plan

The thrust of this Plan is to position the Corporation as the leading driver of sustainable industrial development for socio-economic transformation and prosperity. It fulfils UDC's mandate under the UDC Act 2016, Cap. 208 by guiding resource allocation towards strategic investments in priority ATMS, institutional strengthening, portfolio expansion and enhancement for jobs and value addition, financial sustainability and research-driven innovation.

2.2 Planning approach and methodology

The formulation of the Strategic Plan 2025/26–2029/30 was guided by a participatory, consultative, and evidence-based approach to ensure alignment with national priorities, shareholder expectations, and institutional realities. As the Government's investment arm, UDC operates within a multi-stakeholder ecosystem; therefore, consultations were central to this Plan's credibility, ownership, and relevance.

The planning process was anchored in the overall Government direction for the foreseeable future, more specifically, Uganda's national development framework, including the National Industrial Policy, the Fourth National Development Plan (NDP IV), the Tenfold Growth Strategy, and Vision 2040.

It followed four (4) integrated stages: initiation and mobilisation; consultation and analysis; plan formulation; and validation and approval.

The process commenced with a comprehensive mid-term evaluation of the previous Strategic Plan (2020 – 2030) to assess achievements, challenges, and lessons learned. This was complemented by an independent evaluation of UDC conducted by the National Planning Authority (NPA) and a benchmarking study with the Industrial Development Corporation (IDC) of South Africa. These studies provided critical insights into governance enhancement, institutional strengthening, portfolio management models, and the governance of investee companies.

In light of the lessons learned from the above-mentioned studies, the Board recommended and approved the revision of the strategic plan (2020 – 2030). A cross-functional Technical Working Group (TWG) comprising representatives from all directorates was constituted to coordinate the process. The TWG was responsible for data collection and synthesis, stakeholder coordination, technical analysis, and drafting to ensure coherence and alignment throughout the planning process.

Environmental scanning using PESTLE and SWOT frameworks further informed the assessment of internal capabilities and the external operating environment.

2.3 Stakeholder engagement process

Stakeholder engagements were conducted at policy, institutional, and operational levels. Key stakeholders consulted included the Ministry of Finance, Planning and Economic Development (MOFPED) as the primary capital provider; the Ministry of Trade, Industry and Cooperatives (MTIC) and its agencies as sector policy leads; the National Planning Authority (NPA) as the lead planner for the country; the Board of Directors, Management and Staff; and UDC investee companies. Engagements were undertaken both before and during the strategy formulation process through desk reviews, high-level consultative meetings, structured technical sessions, and validation workshops.

At the policy level, UDC's participation in Top Policy Management (TPM) and Programme Implementation Action Plan (PIAP) processes ensured alignment with Government expectations and national programme objectives. Guidance from MOFPED top leadership, positioning UDC as the anchor institution for operationalising the Tenfold Growth Strategy, significantly shaped the ambition, scale, and investment focus of this Strategic Plan.

Internally, structured Board and Management engagements refined the proposed strategic direction, while consultations with investee companies provided operational insights on financing gaps, governance challenges, standards compliance, and market expansion needs. These insights informed strategies for portfolio optimisation, institutional strengthening, and performance improvement.

The plan development adopted a two-tier approach;

The initial stage involved articulating the high-level Strategic Direction comprising the proposed Vision, Mission, and Strategic Objectives, which was presented to the Board for review and approval. Upon endorsement, Management translated the approved direction into a detailed strategic plan with defined Key Performance Indicators (KPIs), initiatives, targets, and implementation frameworks.

The final stage focused on validation, approval, and institutionalisation. The draft Plan underwent validation with the Board and other key stakeholders to ensure feasibility and ownership. Following Board approval and endorsement by the Ministry of Trade, Industry and Cooperatives, the Plan was submitted to the National Planning Authority as required.

Through this structured methodology and inclusive stakeholder engagement process, UDC has developed a Strategic Plan that is evidence-based, nationally aligned, operationally grounded, and responsive to the shareholders' and stakeholders' expectations, hence strengthening its legitimacy and readiness for implementation.

2.4 Key assumptions

The successful implementation of this Strategic Plan is built on a number of critical assumptions regarding the external operating environment and broader institutional ecosystem within which UDC operates (Table 2). These assumptions, while largely outside the Corporation's direct control, are essential to achieving the intended strategic outcomes.

Table 2: Key assumptions underpinning the UDC strategic plan implementation

	Assumption
Global and Macro level	1. Stability of geo-political tensions: The various tensions will converge towards a stability and avert policy uncertainty and a fragmented creditor landscape with no huddles in reaching agreements in multilateral forums. 2. Actualisation of national development agenda: The strategic investments in national policy plans (NDP IV and Tenfold Growth Strategy) will be supported and hence the anchoring of this plan. 3. Supportive Legal, Policy, and Regulatory Environment: The legal and policy framework will remain favourable to public investment, industrial development, and UDC's operational mandate.
Markets and competition	4. Market access for UDC investee companies: UDC will effectively support its investee companies to access domestic, regional, and international markets through targeted market development initiatives.
Financial	5. Full Capitalisation of UDC: Government of Uganda will progressively capitalise UDC to at least UGX 5 trillion through and additional 3.5 trillion by 2027/28 financial year. 6. Operationalisation of the IEDF: The IEDF will be established and operationalised to provide a sustainable financing mechanism for strategic industrial investments.
Stakeholder relations	7. Continued support: The multi-dimensional stakeholder support will continue will be optimised. 8. Effective Coordination: Relevant Government institutions and stakeholders will coordinate effectively to support industrial development initiatives. 9. The envisaged collaborations: The necessary funding and resources to cultivate and actualise collaborations will be provided.
Our current internal processes	10. Business Process re-engineering: That changes envisaged will be funded adequately and implemented successfully to support the growth agenda of the plan.
Staffing	11. Key technical staff availability: The projected availability, pay demands and turnover will remain as planned. 12. Filling the existing organisation structure: The entire structure will be filled and any additional staff required will be recruited to support the implementation of the plan.
Our operating system	13. "Background of shared obviousness": That our new cultural focus of <i>"bias for action"</i> will be nurtured as the foundation for internal efficiency and customer service

Chapter 3: Strategic Sectors of Intervention

3.1 Sectors of Intervention over the past period

UDC concentrated its investments in key strategic sectors of the economy to enable Uganda to tap into its productive potential, expand its participation in global markets, and drive industrial and economic development. These sectors included Agro-industrialisation, Manufacturing, Tourism, Minerals Beneficiation, Infrastructure and Services, as well as other emerging strategic sectors of the economy.

In implementing its mandate, UDC endeavoured to maintain a diversified investment portfolio by distributing its exposure across these strategic sectors in line with national development priorities.

UDC participated in both greenfield and brownfield projects. Investments in greenfield projects were guided by technical studies, including feasibility studies, prospecting and exploration, and appraisal and valuation. Participation in brownfield projects was informed by comprehensive due diligence, appraisal and valuation to assess commercial and financial viability, technical soundness, and strategic alignment.

The Corporation undertakes its investments through a range of instruments, including equity financing, shareholder loans, and lease financing.

3.2 UDC's current Investment Portfolio

The Corporation invested in strategic sectors of the economy, including Agro-industrialisation, Manufacturing, Tourism, Minerals Beneficiation, Infrastructure and Services, as well as other emerging strategic sectors.

In its effort to drive industrial development, UDC continues to invest in areas considered strategic based on the fundamental principles of job creation, utilisation of local raw materials/resources, improving Uganda's trade balance, development of local entrepreneurship, and balancing regional development in the country.

Since 2019, UDC has expanded its investments from one (1) commercially operational investment (Kalangala Infrastructure Services) to 24 investments.

The current UDC's investment portfolio is UGX 1.44 trillion. The portfolio is predominantly concentrated in manufacturing (62.8%), followed by tourism and hospitality (27.2%), with smaller allocations in infrastructure (5.8%), primary agro-industry (4.0%), and sustainable extractives (0.3%) (Figure 2).

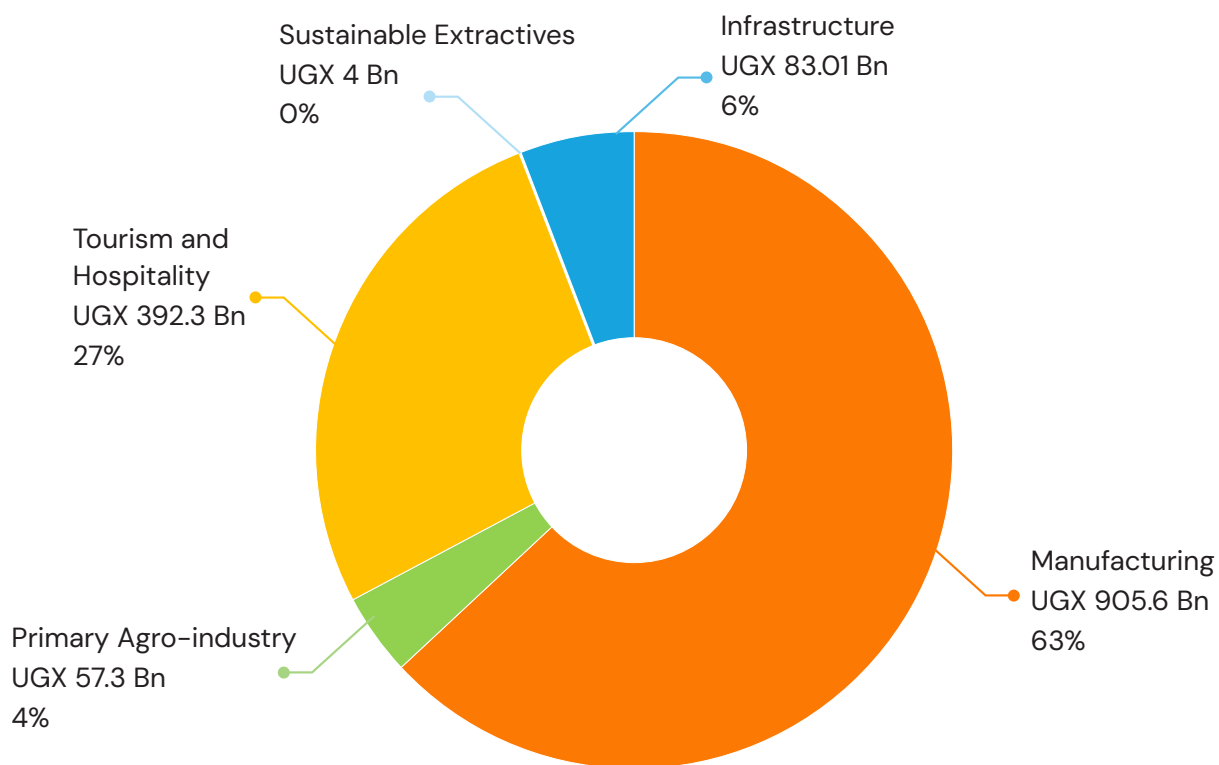


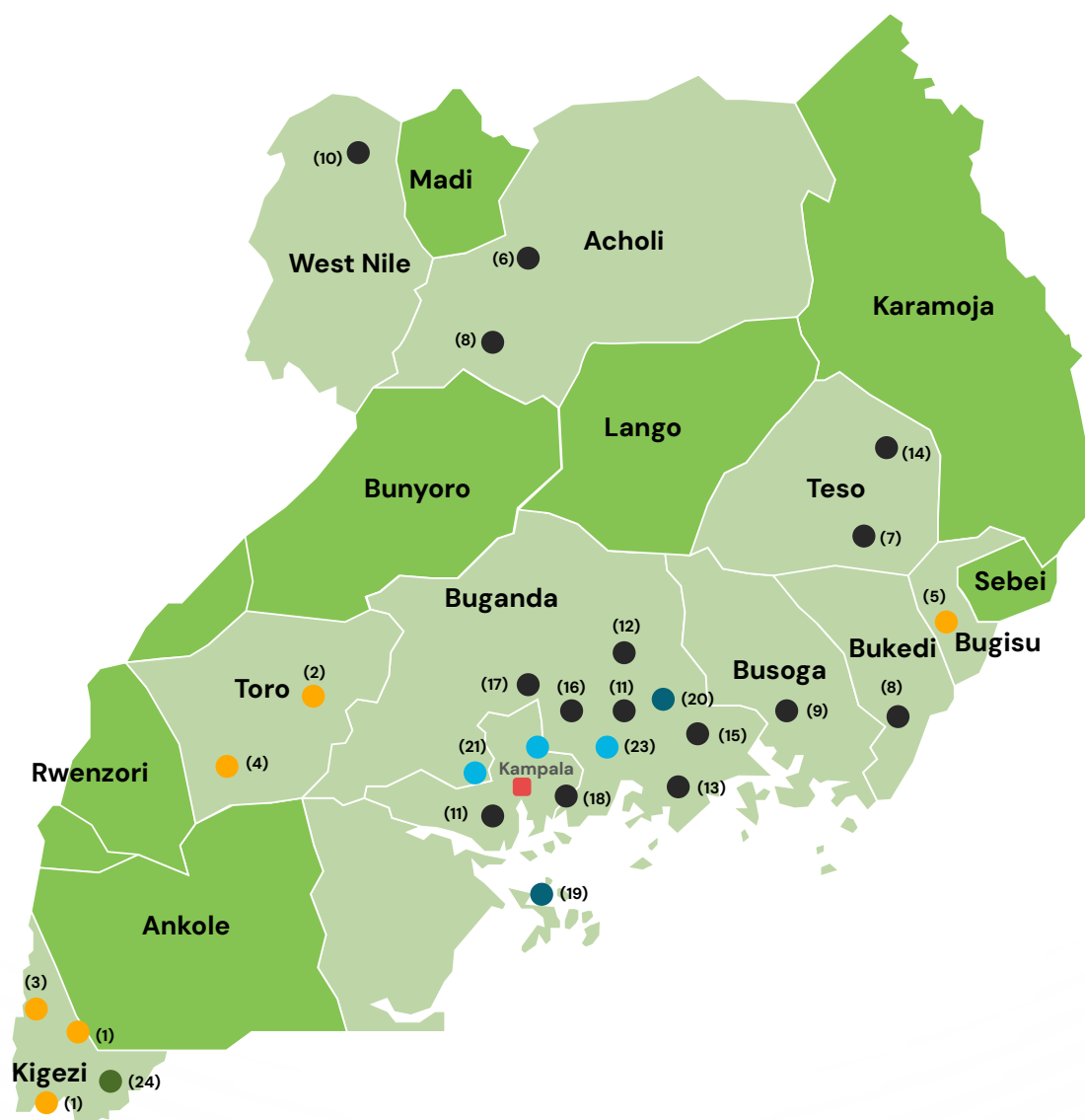
Figure 2: Sectoral Distribution of the UDC Investment Portfolio.

3.3 Investments by sub-region

The corporation has generally gained a nationwide presence, with a presence in 10 of the 17 sub-regions so far. The sub-regions are in line with Uganda Bureau of Statistics (UBOS) statistical sub-regional categorisation, namely: Acholi, Ankole, Buganda, Bugisu, Bukedi, Bunyoro, Busoga, Kampala, Karamoja, Kigezi, Lango, Madi, Rwenzori, Sebei, Teso, Tooro, and West Nile.

Current concentration is significantly in Buganda and the central sub-regions. The sub-regions (7) yet to be reached include Bukedi, Bunyoro, Karamoja, Lango, Madi, Rwenzori and Sebei (Figure 4). Over the strategic plan period, UDC will establish at least one (1) investment entity in each currently unreached sub-region of the country.

Figure 3: Regional Distribution of UDC Investments



KEY

- Sub-regions with Investments
- Sub-regions without Investments

● **Primary Ago-Industry (5)**

- 1 Kigezi Highland Tea Factory limited
- 2. Mabale Growers Tea Factory Ltd
- 3 Kanyonza Growers Tea Factory Ltd
- 4 Mpanga Growers Tea Factory Ltd
- 5 Budadiri Coffee Ltd

● **Manufacturing (13)**

- 6. Horyal Investments Holding Company Ltd (Atiak Sugar Factory Ltd)
- 7. Soroti Fruit Factory Ltd
- 8. Bukona Agro-processors Ltd
- 9. Mutuma Commercial Agencies Ltd
- 10. Nilezilla Limited
- 11 Fine Spinners (U) Ltd

12 Biyinzika Enterprises Ltd

13 Masheda Foods Ltd

14. Teso Grain Hub Ltd

15 East African MMedical Vitals

16 Sanga Vet Chem Ltd

17 Alfasan Uganda Ltd

18 Pamoja Packaging and Industrial Solutions

● **Infrastructure (2)**

19 Kalangala Infrastructure Services Ltd

20 Abubaker Technical Services & General Supplies

● **Tourism & Hospitality (3)**

21. Nile Hotel Ltd

22. Munyonyo Commonwealth Resort

23. Speke Resort Convention Centre

● **Sustainable Extractives (1)**

24 GLISCO

Figure 4: Geographic Distribution of UDC Investments Across Sub-Regions

Chapter 4: Situational Analysis

4.1 Mid-Term Evaluation Performance (FY2019/20 – FY2023/24)

The Corporation commissioned an independent Mid-Term Evaluation (MTE) to assess progress achieved during the first five years of its Strategic Plan 2020–2030. The key achievements, challenges and lessons learned are summarised in Table 3.

Table 3: Key Achievements, Challenges, and Lessons Learned from the Mid-Term Evaluation of the UDC Strategic Plan (2020–2030)

Strategic Objective 1: Strengthen Internal Capacity and Processes to Deliver the UDC Mandate		
Key Achievements	Key Challenges	Lessons Learned
- Developed and operationalised key governance instruments including the Investment Policy, Human Resource Policy, Finance Policies and Procedures Manual, Project Appraisal Manual, and Board Committee Charters. - Strengthened governance oversight and institutional accountability mechanisms. - Established the Internal Audit Directorate, reinforcing internal controls and financial oversight. - Maintained consistent quarterly and annual performance reporting, adherence to IFRS standards, and sustained unqualified audit opinions. - Improved budget absorption, increasing from 44% in FY2021/22 to 79% in FY2022/23. - Implemented Enterprise Resource Planning (ERP) systems to enhance operational automation and financial reporting.	- Several key governance instruments including the Enterprise Risk Management Policy, Monitoring and Evaluation Framework, Communication Strategy, and Stakeholder Engagement Plan remained in draft form. - Staffing gaps persisted, with only 54 out of 98 approved positions filled. - ERP system functionality remained limited and required further upgrades. - Post-investment monitoring system was weak and inconsistently implemented. - Enterprise-wide risk management systems had not yet been fully institutionalised.	- Full institutionalisation of risk management, monitoring and evaluation, and stakeholder engagement frameworks is essential to strengthen accountability and performance management. - Adequate staffing and specialised technical capacity are critical to support investment appraisal, portfolio management, and project execution. - Digital systems and integrated data management platforms are necessary to enhance operational efficiency and decision-making.
Strategic Objective 2: Leverage Partnerships and Networks to Optimise Resources and Foster Collaboration		
Key Achievements	Key Challenges	Lessons Learned
- Conducted pre-feasibility studies in strategic sectors including packaging and minerals. - Implemented Operations and Management (O&M) partnerships in selected investee companies including Soroti Fruits Ltd.	- Limited structured co-investment arrangements with development finance institutions and private investors. - Some studies were not systematically translated into investment prospectuses.	- Structured partnerships with DFIs and private investors are critical for mobilising additional capital and scaling investments. - Investment opportunities must be packaged into bankable projects to attract co-financing.

Strategic Objective 2: Leverage Partnerships and Networks to Optimise Resources and Foster Collaboration *(continued)*

Key Achievements	Key Challenges	Lessons Learned
- Strengthened collaboration with private sector platforms including the Private Sector Foundation Uganda (PSFU) and the Uganda Manufacturers Association (UMA). - Maintained engagement with Ministries, Departments and Agencies (MDAs) and development stakeholders. - Strengthened international collaborations through membership in organisations such as the Association of African Development Finance Institutions (AADFI).	- The Fund of Funds and other planned financing mechanisms were not operationalised. - Sector coordination mechanisms such as regional industrial clusters remained underdeveloped.	Strengthened sector coordination and industrial ecosystem development are critical in maximising value chain integration and industrial growth.

Strategic Objective 3: Invest in Strategic and Sustainable Investments for Uganda's Economic Transformation

Key Achievements	Key Challenges	Lessons Learned
- Deployed over UGX 577 billion in agro-manufacturing and value-addition investments. - Supported key strategic projects including tea processing factories, Soroti and Yumbe fruit processing plants, Bukona cassava processing, Mutuma cotton processing, Fine Spinners Uganda, and Atiak Sugar Factory. - Generated 4,388 direct jobs and approximately 13,560 indirect jobs across the investee companies. - Increased local raw material utilisation and supported export growth of USD 4.85 million. - Diversified investments into infrastructure (e.g. Abubaker Technical Services), hospitality (e.g. Speke Resort Convention Centre), and medical manufacturing (e.g. East African Medical Vitals) sectors. - Strengthened regional industrial participation, particularly in Northern and Eastern Uganda.	- Mineral beneficiation investments remained significantly below target, with only UGX 4.36 billion invested against a planned UGX 251.66 billion. - Implementation of several planned investments (including cocoa processing in Bundibugyo and pineapple processing in Luwero) had not yet commenced. - Regional investment distribution remained uneven, with some sub-regions such as Karamoja, Bunyoro, and Sebei not reached. - Some operational facilities were yet to reach optimal capacity utilisation.	- Balanced sectoral diversification is necessary to maximise economic transformation. - Stronger project preparation and pipeline development are required to accelerate implementation of strategic investments. - Expanding investments across all sub-regions is critical for inclusive regional development. - Strengthening post-investment support and operational management can improve portfolio performance and development impact.

4.2 External Environment

4.2.1 Global Outlook

Global economic growth is projected at 2.6% in 2026, driven by a notable slowdown in demand for traded goods and softening domestic demand in many major economies. This growth is expected to increase slightly to 2.7% over the immediate term (World Bank, 2026). In low-income countries (LICs), growth reached 5% in 2025 and is projected to rise to 5.7% in 2026, then slightly decline to 5.6% in 2027. However, the prevailing geopolitics, marked by the Ukraine–Russia conflict, the Iran–USA–Israel conflict, among others, means the risk to growth prospects remains heightened.

Global supply chains are shifting towards efficient, sustainable, and low-cost markets. Supply chains have become increasingly globalised, with companies relying on intricate networks spanning multiple countries and continents. This includes diversifying away from overdependence on China, reshoring to Europe and the US, and using additional regional locations to create greater flexibility and reduce overexposure to any individual market. A shift towards regionalisation and near-shoring is gaining traction as companies seek to mitigate risks associated with lengthy and complex global supply chains.

4.2.2 Africa Continent

Africa's GDP growth averaged between 3.5 and 4.0 per cent during 2023 and 2024. Foreign direct investment to Africa increased in 2024 to approximately USD 97 billion, driven by infrastructure projects, renewable energy investments, and industrial development initiatives.

Despite this improvement, structural transformation across the continent remains gradual. Manufacturing contributes less than 12 per cent of GDP in most African economies, and intra-African trade accounts for less than 20 per cent of total exports, even with the ongoing implementation of the African Continental Free Trade Area (AfCFTA). Infrastructure financing requirements across the continent are estimated at USD 100 billion annually, with financing gaps ranging between USD 30 and 40 billion. African development finance institutions (DFIs) are increasingly expected to mobilise private capital alongside sovereign resources and to operate on commercially sustainable principles.

In this setting, UDC has placed emphasis on preparing a pipeline of bankable projects, co-investment structuring, and strong performance accountability to attract investment and scale up industrial development initiatives.

4.2.3 Sub-Saharan Africa

Economic growth in Sub-Saharan Africa (SSA) is projected at 4.3% in 2026, rising slightly to 4.5% in 2027, supported by strengthening investment and export performance across several economies. Nevertheless, the region continues to face significant macroeconomic challenges, including high global interest rates, declining donor support, and limited fiscal space, which constrain public investment and economic recovery. Countries with limited access to concessional financing or those exposed to high international borrowing costs remain particularly vulnerable to rising debt-servicing pressures and tightening global financial conditions, which may heighten financial stress and slow investment momentum in the region.

4.2.4 East African region

The East African region remains one of the fastest-growing in Africa, with economic growth averaging 4.5%–6% in recent years, supported by expanding regional trade, infrastructure investments, and growth in services and industry. However, rising public debt levels and fiscal consolidation measures across several East African Community (EAC) partner states have constrained governments' ability to finance large-scale investments. Inflation trends remain mixed across the region due to exchange rate movements and global commodity price fluctuations, while increasing regional integration through initiatives such as the EAC Common Market and the African Continental Free Trade Area (AfCFTA) is expected to strengthen cross-border trade, industrialisation, and investment opportunities.

4.2.5 National

Uganda's economic performance has strengthened in recent years, with GDP growth increasing from 5.3% in FY 2022/23 to 6.1% in FY 2023/24, and further rising to 6.3% in FY 2024/25, supported by increased domestic demand, investment, and export growth. The industrial sector recorded robust growth of about 7.0%, while manufacturing expanded by 5.5%, reflecting gradual progress in industrial development and value addition. Inflation has remained relatively stable, averaging around 3.5% in 2025, supported by prudent monetary policy and relatively stable exchange rates.

However, structural challenges persist, including low agricultural productivity, limited industrial capacity utilisation, and continued dependence on primary commodity exports. Looking ahead, the anticipated commercialisation of Uganda's oil and gas sector around FY 2026/27 is expected to stimulate growth in infrastructure, logistics, manufacturing, and services, presenting significant opportunities for industrial expansion, investment, and job creation.

Overall, while the external environment presents uncertainties arising from global economic volatility, geopolitical tensions, and tightening financial conditions, it also offers significant opportunities for industrial investment, regional trade expansion, and value addition. These dynamics underscore the importance of UDC's strategic role in mobilising long-term capital, de-risking priority sectors, and catalysing investments that support Uganda's industrialisation and economic transformation.

4.3 Drivers of change and Implications for UDC

4.3.1 Key drivers of change

The key strategic drivers of change for UDC are based on Uganda's ambitious National Development Plan (NDP IV), Tenfold Growth Strategy and the Vision 2040. More specifically, these drivers include the country's commitment to increasing integration into regional and international markets, fostering private sector growth, transforming the country into upper-middle-class status, and global technological and environmental changes.

As a result, UDC has adapted this strategy (2025/26–2029/30), its operations, and service offering to meet these evolving demands.

4.3.2. Regional and international integration

1) African Continental Free Trade Area (AfCFTA):

As AfCFTA seeks to create a single African market, for the UDC this means promoting export production and market access initiatives within its investee companies to facilitate intra-African trade and remove technical barriers.

Over the plan, UDC will support its investee companies to produce for the export market and access the regional markets to improve their financial performance.

2) Global market access:

To access international markets and compete effectively on the global stage, Ugandan products must meet the requirements of international standards.

Over the plan period, UDC has prioritised support towards existing investments (investees) to upgrade their processes and products to meet the global demand.

3) Regional economic blocs:

As an active member of the East African Community (EAC), Uganda's development agenda is interwoven with the regional development agenda.

This strategic plan prioritises a stronger industrial and manufacturing focus in alignment with the region's growth agenda, particularly by increasing value addition to ensure the competitive advantage of Uganda's products in regional markets.

4.3.3. National policy and economic development

1) National Development Plan IV:

As a key contributor to national goals, UDC has aligned its strategy with the pillars of economic, social, and governance transformation outlined in the NDP IV.

UDC's role is to invest in strategic sectors to accelerate industrial development, drive socio-economic transformation, and support Uganda's Tenfold Growth Strategy and Vision 2040.

2) National Industrial Policy 2020–2030(NIP):

To accelerate industrial development, the NIP aims at increasing public investment and nurturing of industrial development projects in strategic areas, and to accelerate development, use of research innovations and adoption of appropriate technologies in industry, among other objectives.

In this strategic plan, UDC specifically aims to undertake investments in ATMS making it a crucial player in Uganda's industrial development agenda.

3) Private sector growth and promotion of local entrepreneurs:

As Uganda pursues private sector-led growth with emphasis on promoting local entrepreneurs, UDC has prioritised investments with local entrepreneurs in strategic sectors.

Over the plan period, UDC aims to strengthen its own institutional capacity to effectively help its investee companies become more competitive and hence enhance their survival and growth in order to compete effectively in the market.

4.3.4. Technological innovation

1) Digital transformation:

The government of Uganda, through NDP IV, has prioritised the digital transformation of its economy and public services, creating a structural framework for innovation.

UDC has embraced this shift through its planned business process re-engineering (BPR) of key internal processes to enhance operational efficiency and service delivery.

2) Emerging technologies:

The emergence of new technologies such as artificial intelligence (AI), the Internet of Things (IoT), and cloud computing, and the rapidly growing 'bio-circular' economy, continues to impact how organisations work and hence how UDC should leverage these technologies to reposition itself for greater impact.

In building institutional capacity, UDC shall leverage these technologies in optimising its processes, monitoring performance of its portfolio and improving operational efficiency.

4.3.5. Environmental change

1) Climate change and resilience:

The growing concerns over sustainability and climate change necessitate a deliberate focus on embedding sustainability aspects in all investments.

Over the plan period, UDC has committed to promoting climate resilience and risk management across various investments and sectors of intervention with a focus on green growth.

2) Circular economy:

The shift toward the circular economy as integrated in NDP IV requires UDC to focus its investment while having regard to creating green jobs, promoting sustainable growth by strengthening Agro-processing and manufacturing, while enhancing environmental resilience and reducing poverty.

3) Ecosystem and natural resource protection:

Uganda's emphasis on managing natural resources and protecting ecosystems creates a demand for investments that promote environmental sustainability and align with green economy principles. UDC's investment portfolio is aligned with the principle of sustainability.

4) Sustainable energy:

UDC is aware of the energy transition toward renewable sources, including solar systems, biogas, and other low-carbon, environmentally sustainable technologies.

As an industrialisation catalyst, the Corporation shall promote sustainable energy solutions in manufacturing entities and industries to align with this shift.

4.3.6. Societal change

1) Sustainable Development Goals (SDGs):

As the Investing arm of government, UDC has aligned its strategic plan 2025/26–2029/30 and its goals with the UN's SDGs.

This has meant developing initiatives and objectives that address key social issues, such as employment, clean energy, and the promotion of green skills.

2) Consumer behaviour change:

Consumers are increasingly demanding more personalised products and services and expect high levels of transparency and collaboration from organisations. The establishment of an internal training academy and a focus on employee training are born out of the need to address this behavioural change.

In addition, the operationalisation of the post-investment department shall enhance engagement with the Corporation's investee companies, by increasing focused assistance in both technical and operational areas of performance.

4.4 Internal Environment

4.4.1 Capitalisation

The current government-approved capital of the Corporation is UGX 5 trillion, following an increase from UGX 500 billion, as provided for under the UDC Act. This increase reflects the Government's commitment to strengthening UDC's capacity to undertake strategic investments and play a central role in advancing Uganda's industrialisation agenda.

As of January 2026, UDC had been capitalised to a total of UGX 1.54 trillion, primarily through Government funding, with no external financing mobilised to date. This leaves a capitalisation gap of UGX 3.46 trillion relative to the approved capital. Addressing this gap will be critical for enabling the Corporation to expand its investment portfolio, support strategic industrial projects, and effectively deliver on its mandate.

4.4.2 Human resource and institutional capacity Review

During the immediate past plan period, UDC recorded several achievements despite the institutional challenges encountered. These achievements and challenges have provided invaluable lessons and insights into the development and planned implementation of the Strategic plan for the period 2025/26–2029/30.

4.4.2.1 Key Achievements

a) Strengthened Corporate Governance and Institutional Policies

During the strategic period under review, UDC made significant progress in strengthening its corporate governance framework and internal operational policies. The Corporation developed and approved several policies and operational manuals aimed at improving decision-making processes, enhancing institutional accountability, and supporting efficient service delivery.

A total of nine key institutional policies, which have now become operating manuals, were developed during the period, including:

- (i) Investment Policy and Guidelines Manual,
- (ii) Finance Policies and Procedures Manual,
- (iii) IT Policy and Procedures Manual,
- (iv) Research and Publications Policy,
- (v) Project Appraisal and Investment Manual,
- (vi) Human Resource Policy, Asset Management Policy, and
- (vii) Inventory Management Policy.

4.4.2.1 Key Achievements *(continued)*

These policies have helped standardise internal processes, strengthen investment appraisal and oversight procedures, and enhance accountability in the management of corporate resources.

In addition, UDC strengthened its Board governance framework through the development of key governance instruments, including:

- i. Board Charter,
- ii. Finance and Administration Committee Charter,
- iii. Investment Committee Charter, and
- iv. Audit and Risk Committee Charter.

These governance instruments have clarified the roles and responsibilities of the Board and its committees and strengthened oversight of the Corporation's investment decisions and operations.

However, several institutional frameworks remain under development and will need to be completed during the new strategic plan period. These include: Comprehensive Risk Management Policy, Monitoring and Evaluation (M&E) Framework, Communication Strategy, Stakeholder Engagement Plan, and Revised Investment Policy. Completion and operationalisation of these frameworks will further strengthen institutional performance, risk management, and stakeholder engagement.

b) Stronger Board Governance and Oversight

During the strategic period, UDC experienced leadership transitions across multiple Boards of Directors. The second and third Boards completed their terms of office, while a fourth Board was appointed and inaugurated to guide the Corporation through the next phase of its institutional growth.

The Boards have consistently comprised professionals with diverse expertise in finance, banking, law, governance, engineering, academia, and entrepreneurship. This diversity of professional expertise has strengthened the Board's oversight role, enabling informed decision-making and strategic guidance of the Corporation's investment portfolio.

To further enhance governance effectiveness, Board members participated in targeted capacity-building initiatives covering emerging issues relevant to development finance institutions, including: Environmental, Social and Governance (ESG) principles, Audit and Risk, and structuring and managing equity investments. These initiatives strengthened the Board's capacity to provide effective oversight of UDC's expanding portfolio of strategic investments.

c) Appointment of a New Board of Directors

In April 2025, a new Board of Directors comprising six competent members was appointed. The Board includes representatives from both Government and the private sector, ensuring a balance of commercial expertise and policy insight that is critical in guiding UDC's strategic investments.

d) Organisational Restructuring and Human Resource Capacity

As UDC's investment portfolio expands, the Corporation requires increased technical and managerial capacity to effectively originate, structure, and oversee investments.

The value of UDC's investment portfolio is projected to grow from approximately UGX 1.2 trillion in June 2024 to about UGX 5.1 trillion by June 2030, reflecting a significant increase in the scale and complexity of the Corporation's operations.

To align its institutional capacity with this growth trajectory, UDC undertook a comprehensive organisational restructuring exercise aimed at strengthening technical capacity, improving operational efficiency, and supporting effective implementation of its strategic plan.

The revised organisational structure was approved by the Board in December 2024. The new structure expands staffing levels from 47 positions to 98 positions (Table 4), introducing additional technical expertise across key functional areas, including business development and advisory, post-investment management, Risk management, treasury management, and Corporate services, among others.

Implementation of the new structure is being undertaken through a phased recruitment process to ensure sustainability, alignment with available financial resources, and responsiveness to UDC's business growth over the plan period. The restructuring exercise also recognises the importance of internal staff development through promotions and lateral transfers, which support career progression, institutional continuity, and staff motivation.

Table 4: Organisational Structure and Phased Staffing Plan (2023/24–2029/30)

	Structure/ Staffing at 2023/24	Approved structure as of 2024/25	Current enrolment of the approved structure	Cumulative recruitment over the plan period				
				2025/26	2026/27	2027/28	2028/29	2029/30
ED	1	1	1	0	0	0	0	0
Directors	4	6	6	0	0	0	0	0
Managers	7	16	8	3	4	1	0	0
Senior Officers	9	22	11	9	2	0	0	0
Officers	11	37	16	6	8	6	1	0
Asst. Officers	11	7	6	0	1	0	0	0
Other Support staff	5	9	6	0	3	0	0	0
Total	47	98	54	69	85	97	98	98

d) Organisational Restructuring and Human Resource Capacity *(continued)*

To date, 54 positions are filled, leaving a staffing gap of 44 positions. The staffing gap is particularly pronounced at the technical levels of the organisation, including managers, senior officers, and officers.

The phased recruitment plan provides for a gradual increase in staffing levels over the strategic plan period, with full operationalisation of the approved organisational structure expected by FY 2028/29.

e) Digitisation and Operational Systems

To improve operational efficiency and strengthen institutional systems, UDC adopted an Enterprise Resource Planning (ERP) system to automate and integrate key operational functions, including finance, procurement, and human resource management.

The ERP system has improved internal coordination, strengthened financial management processes, and enhanced information management within the Corporation. However, full optimisation and integration of all system modules is yet to be realised and will remain a priority under the next strategic plan period.

f) Strengthening Communication and Stakeholder Engagement

UDC has made progress in strengthening both internal and external communication systems.

Internally, the Corporation established official institutional email accounts for all staff and introduced structured digital communication platforms for departments, management teams, and specific assignments. These measures have improved internal communication, coordination, and operational responsiveness.

Externally, UDC has strengthened its public communication through multiple platforms, including the UDC corporate website, X (formerly Twitter), LinkedIn, Instagram, and Corporate newsletters.

The Corporation has continued to participate in radio and television programmes to increase public awareness of its mandate and investment activities.

In addition, UDC regularly submits quarterly performance reports to the Ministry of Trade, Industry and Cooperatives (MTIC) and disseminates annual reports to key stakeholders. This has enhanced transparency and accountability.

g) Strengthening Financial Management and Internal Controls

UDC has strengthened its financial management framework by implementing key internal control mechanisms and oversight structures. These include: establishment of an Internal Audit Directorate, operationalisation of an Audit Committee of the Board, Monthly bank reconciliations, and strengthened adherence to financial procedures and controls.

The Corporation's financial statements consistently receive unqualified audit opinions, reflecting adherence to accounting standards and sound financial management practices.

These achievements have strengthened stakeholder confidence and enhanced UDC's credibility as a Government investment vehicle.

4.4.2.2 Key Institutional Challenges

Despite the progress made, some institutional challenges remain;

- a) Budgetary constraints:** Limited financial resources have constrained the Corporation's ability to fully operationalise the approved organisational structure and recruit the technical personnel required to effectively implement its strategic goals.
- b) Limited automation of operational processes:** Several processes remain partially manual, affecting efficiency, information management, and institutional responsiveness.

4.4.2.3 Lessons learnt

The implementation of the previous strategic plan generated several important lessons that will inform institutional strengthening during the next planning period.

- a) Knowledge management systems are essential for institutional continuity:** Institutional memory should not reside solely with individuals. Establishing robust Knowledge Management Systems (KMS) will help capture, store, and share institutional knowledge and best practices across the entire organisation.
- b) Talent management and succession planning are critical:** Early identification and development of high-potential staff is necessary to sustain institutional performance. Structured mentorship programmes that pair junior staff with experienced professionals across different professional fields will support leadership development.
- c) Board composition should reflect strategic investment priorities:** Future Board appointments should, among other considerations, adopt a skills-based approach that reflects a balanced mix of expertise across priority sectors, including agro-industrialisation, mineral beneficiation, manufacturing, digital infrastructure, and capital markets.

- d) Stakeholder engagement must be continuous and structured:** Formal engagement mechanisms with Parliament, ministries, development partners, and private sector stakeholders are critical to ensuring alignment and mobilising support for UDC investments.
- e) Performance management systems must be more responsive:** Periodical performance reviews will enhance institutional agility and ensure a timely response to emerging operational challenges.
- f) Continuous learning and professional development are essential:** Investment in staff training and professional development is necessary to ensure the Corporation possesses the technical skills required to manage complex development finance investments.

Overall, the lessons learnt from implementing the previous strategic plan provide a strong foundation for strengthening UDC's institutional capacity and positioning the Corporation to play a more effective role as the Government's principal investment vehicle in driving Uganda's industrial and economic development.

4.4.3 Systems, processes, and digital readiness

The Corporation has made notable progress in strengthening its internal systems and processes, particularly in financial management and planning. The deployment of Enterprise Resource Planning (ERP) systems has improved operational efficiency across HR, procurement, and finance functions. In addition, an online project appraisal system has been developed to provide a centralised platform for the submission, evaluation, and tracking of project proposals. Once fully optimised, the appraisal system will improve efficiency in project appraisal, enhance transparency in decision-making, and enable better monitoring of projects throughout the review process.

The Corporation has also implemented key systems, including an Electronic Data and Records Management System (EDRMS) and a biometric attendance and access control system, among other digital solutions. These initiatives have strengthened information management, improved record security and accessibility, and enhanced administrative oversight.

Collectively, these improvements provide a solid foundation for the Corporation's broader digital transformation agenda.

However, further digital transformation is required across core operational areas, including investment appraisal, portfolio management, internal audit, risk management, and data management. While automation potential exists, adoption of emerging technologies such as data analytics, artificial intelligence, and workflow automation remains in its early stages. This Strategic Plan, therefore, prioritises leveraging technology and institutional knowledge to address these gaps, improve operational efficiency, and strengthen evidence-based decision-making as part of broader institutional capacity enhancement.

4.4.4 SWOT Analysis

To better understand the Corporation's internal capabilities and the external environment within which it operates, a SWOT analysis was undertaken. The analysis identifies the key strengths and weaknesses within the institution, as well as the opportunities and threats arising from the broader operating environment, which informed the strategic priorities and interventions outlined in this Plan. The results of the SWOT analysis are summarised in Table 5.



Table 5: Results of the SWOT Analysis

STRENGTHS	WEAKNESSES
1. Clear legal mandate under the UDC Act, CAP 208 to promote and facilitate Uganda's industrial and economic development. 2. Strong governance framework characterised by an experienced Board, leadership, and internal established policies and procedures. 3. Highly qualified and competent staff with multidisciplinary expertise relevant to industrial investment and project management. 4. Diversified investment portfolio across key strategic sectors of the economy. 5. Balanced investment approach that combines development impact with commercial viability. 6. Demonstrated development impact through job creation, value addition, and support to domestic industries. 7. Low staff turnover, promoting institutional stability and retention of institutional knowledge.	1. Staffing levels below the approved establishment, limiting the Corporation's operational capacity. 2. Underperformance of some investee companies, affecting overall portfolio performance. 3. Approved capital not fully realised, limiting the scale of investments the Corporation can undertake. 4. High sectoral concentration in parts of the investment portfolio, increasing exposure to sector-specific risks. 5. Low levels of automation in key business processes, affecting operational efficiency. 6. Continued reliance on Government funding, with limited alternative financing sources. 7. Lack of a permanent corporate headquarters, affecting institutional identity. 8. Corporate culture that requires strengthening to enhance performance, accountability, and innovation.

OPPORTUNITIES	THREATS
1. Strong Government backing and policy support for industrialisation and strategic public investments. 2. Partnership opportunities with credible local and international institutions. 3. Relatively stable macroeconomic environment that supports investment and economic growth. 4. Peace and political stability, providing a conducive environment for long-term investments. 5. Growing national demand for industrialisation and value addition across key economic sectors. 6. Well-articulated national development policies and plans that prioritise industrial development. 7. Access to regional and global markets through frameworks such as AfCFTA and other bilateral and multilateral trade agreements. 8. Emerging global investment opportunities, including ESG financing and climate finance. 9. Availability of abundant natural resources and raw materials with significant potential for value addition. 10. Emerging technologies that offer opportunities to improve productivity, efficiency, and innovation.	1. Exposure to underperforming industries, which may affect overall portfolio performance. 2. Competing political interests and pressures that may influence investment decisions. 3. Tariff and non-tariff trade barriers that may restrict access to regional and international markets. 4. Global geopolitical conflicts and instability that may disrupt trade, investment flows, and supply chains. 5. Perceptions of overlapping mandates with other government institutions. 6. Volatility in global commodity markets, affecting prices and export earnings. 7. Heightened media scrutiny, which may affect institutional reputation and public perception. 8. Weak inter-government coordination, which may limit the creation of an enabling environment for investments. 9. Challenges in acquiring suitable land for establishment of strategic investments, which may delay project implementation.

Chapter 5: Strategic Direction

Vision



To be the leader in driving sustainable industrial development for socio-economic transformation and prosperity of Uganda.

Mission



To establish sustainable investments in areas strategic to Uganda's social-economic transformation and prosperity.

Core Values

- 1) **Sustainability:** We are committed to investing in strategic, sustainable ventures that balance financial returns with positive social impact.
- 2) **Teamwork:** We embrace team spirit, togetherness, and collective responsibility for all actions, including their intended and unintended outcomes.
- 3) **Adaptability:** We are innovative and flexible, open to new ideas in pursuit of our work and mandate.
- 4) **Integrity:** We subscribe to high ethical and moral standards.
- 5) **Reliability:** We strive to meet and exceed the expectations of our stakeholders.
- 6) **Excellence:** We strive for perfection and continuous improvement in our processes and systems.

5.1 Strategic Priorities

Over the plan period, the Corporation will focus on four (4) mutually reinforcing strategic priorities aligned to the Balanced Scorecard (BSC) framework to ensure financial sustainability, stakeholder impact, operational excellence, and long-term institutional growth.

The priorities are;

i. **Expand capitalisation by way of resource mobilisation:**

Special emphasis will be put on mobilising diversified long-term capital to finance strategic industrial investments. The Plan aims to operationalise the Industrial and Economic Development Fund (IEDF), accelerate full Government capitalisation, mobilise financing from other Development Finance Institutions (DFIs), attract co-investment partners, strengthen treasury management, and enhance the Corporation's creditworthiness.

ii. **Improve Financial and Development Performance:**

The Plan focuses on enhancing the value, profitability, and developmental impact of the Corporation through rebalancing the investment portfolio towards high-impact ATMS sectors, turnaround strategies for distressed companies, strengthened post-investment management, and support for export competitiveness and industrial growth.

iii. **Enhance Institutional Capacity:**

Initiatives to enhance governance, risk management, operational efficiency, and decision-making systems have been prioritised to improve execution of its mandate. Key interventions include: strengthening ethical leadership, embedding enterprise risk management, improving turnaround time for investment decisions, digitising key processes, strengthening post-investment monitoring, and filling critical staffing gaps.

iv. **Focus on Research for Industrial Development:** Pursuant to our mandate, this Plan aims to generate and apply evidence-based research to inform investment decisions, unlock new industrial opportunities, and guide policy direction. The Corporation will develop a Research Agenda, establish strategic research partnerships, operationalise a knowledge repository, and strengthen institutional learning and innovation systems.

5.2 Our Commitments

To translate this Strategic Plan into measurable outcomes, the Board, Management, and Staff of UDC collectively commit to a set of bold, time-bound and outcome-oriented undertakings that will drive institutional performance, portfolio optimisation, and national industrial transformation.

These commitments, which reflect our shared accountability to the Government, stakeholders, and the citizens of Uganda, include:

- 1) We will generate returns from our investment portfolio.
- 2) We will complete and operationalise at least one (1) mineral-based project.
- 3) We will diversify our investments and rebalance the portfolio.
- 4) We will fill up to 100% of the current approved organisational structure.
- 5) We will mobilise alternative (non-government) financing of up to 20% off the total UDC budget by year 5.
- 6) We will increase the number of profitable investee companies by 50% by year 5.
- 7) We will reduce non-performing loans by 10% annually.
- 8) We will establish at least one (1) investment in every sub-region of the country.

5.3 Strategic Objectives and Key Initiatives

In line with its strategic priorities and guided by the Balanced Scorecard (BSC) framework, UDC will pursue four mutually reinforcing strategic objectives that collectively address the critical performance areas required for successful implementation of this Strategic Plan. These and their corresponding key initiatives to be implemented are presented in Table 6.

Table 6: Key Initiatives Supporting the Achievement of Strategic Objectives

Strategic Objective	Initiatives
Financial perspective	
1. To attain Corporate financial sustainability.	1. Prioritise funding for undercapitalised investments and investee companies to enhance operational stability and performance. 2. Strengthen engagement with key stakeholders to co-create shared value, transparency, and long-term legitimacy. 3. Build and promote a pipeline of bankable and innovative projects. 4. Mobilise resources from diverse non-government sources. 5. Operationalise the Industrial and Economic Development Fund (IEDF). 6. Obtain an international credit rating to improve investor confidence. 7. Implement a quality assurance system. 8. Rebalance and diversify the portfolio to include investments that generate short- to medium-term financial returns while supporting long-term projects with high development impact. 9. Promote proactive dividend policies among investee companies. 10. Operationalise the Treasury Unit. 11. Continue efforts to support Boards of investee companies. 12. Develop and implement joint turnaround strategies for distressed companies. 13. Strengthen performance management frameworks for investee companies. 14. Build capacity for loan management.
Stakeholder/customer perspective	
2. To expand and enhance the value and impact of UDC's investment portfolio.	1. Allocate at least 60% of the investment budget to strengthening and expanding existing investments. 2. Leverage turnaround strategies to improve the performance of distressed investee companies. 3. Attract strategic investment partners to participate in co-investment opportunities. 4. Support investee companies to diversify their product portfolios to enhance competitiveness and market reach. 5. Facilitate investee companies to obtain relevant quality, safety, and standards certifications to improve compliance and market access. 6. Enhance the visibility of the Corporation and its investee companies.

Strategic Objective	Initiatives
Internal business Processes perspective	
3. To strengthen institutional capacity to drive industrial and economic development.	1. Implement the proposed recruitment Plan to strengthen institutional capacity. 2. Secure additional office space to accommodate organisational growth and operational needs. 3. Undertake targeted capacity-building programmes to address identified staff competency gaps. 4. Strengthen talent management and succession planning across the organisation. 5. Accelerate project appraisal and clearance processes to improve operational efficiency. 6. Undertake an organisation-wide business process review to streamline operations and enhance service delivery. 7. Adopt an integrated performance reporting framework aligned with the four Balanced Scorecard perspectives. 8. Promote a culture of “bias for action” to support timely and informed decision-making and implementation. 9. Adopt and implement ISO Quality Management Systems to institutionalise internationally recognised standards for efficient and high-quality service delivery.
Innovation, Learning and Growth perspective	
4. To leverage research and learning to drive innovation and growth.	1. Develop and implement a corporate research agenda aligned with UDC's strategic priorities. 2. Mobilise and secure adequate budgetary resources to support research and knowledge generation. 3. Build and maintain a pipeline of research projects ready for execution. 4. Establish strategic partnerships to promote collaborative research and knowledge exchange. 5. Adopt and implement thematic publications. 6. Promote the dissemination and uptake of research findings among target stakeholders. 7. Design and operationalise a Research and Information Centre to support data and information management, knowledge generation, and dissemination. 8. Continuous competency-based capacity building across all levels of the organisation. 9. Strengthen talent development and succession planning within UDC.

5.4 Expected Outcomes and Key Results

Successful implementation of this Strategic Plan is expected to deliver the following transformative outcomes for the Corporation and the nation:

- 1) Improved performance across all dimensions of UDC, notably financial sustainability, stakeholder perceptions, operational excellence, and innovation, learning and growth.
- 2) A demonstrable national industrial footprint characterised by an increase in productive jobs, local value addition, trade balance and strengthened local entrepreneurship.

Other expected key results are presented in Table 7.

Table 7: Strategic Outputs and Outcomes Aligned to Each Objective

Strategic Objective	Expected Results
1. To attain Corporate financial sustainability	UDC capitalised by Government to the tune of additional UGX.3.5 Trillion by Year 5
	At least 5% annual increase in funding from external (non-government) sources.
	At least 5% annual growth in internally generated revenue
	At least 10% Annual increase in profitable investee companies.
	At least 10% annual reduction in non-performing loans.
2. To expand and enhance the value and impact of UDC's investment portfolio to accelerate industrialisation, job creation and economic growth	At least 5% annual growth in the value of UDC's investments.
	At least 60% of the development budget committed to existing investments that require additional funding.
	At least 40% of annual budget allocated to new strategic investments (ATMS)
	Transitioning of at least three (3) investee companies annually from distressed to financially sound and operationally stable status.
	Growth in contribution to national GDP from UDC-supported investee companies
	Growth in contribution to the total value of national export earnings from UDC-supported investee companies.
	Direct and indirect jobs created through UDC-supported investee companies.
	Increase in utilisation of locally sourced raw materials, technologies, and labour across UDC investee companies.

Strategic Objective	Expected Results
	At least one project/ investment established in each of the sub regions.
	Reduction in import value in targeted industries through UDC investments.
	Additional local entrepreneurs supported through UDC investments and partnerships.
	At least 85% stakeholder perception rating by FY 2029/2030
3. To strengthen institutional capacity to drive industrial and economic development.	100% of the current approved organisational structure filled by the end of FY2029/2030.
	At least 80% of identified staff competence gaps covered annually.
	At least 20% annual improvement in the turnaround time from formal proposal submission to investment decision (excluding promoter waiting time).
	At least 20% annual improvement in the turnaround time from formal investment approval to disbursement of funds (excluding promoter-related delays).
	Achieve 70% automation of key processes and systems by planned period.
	At least 80% optimisation of automated processes.
	At least 70% of planned strategic initiatives achieved annually.
4. To leverage research and learning to drive innovation and growth.	At least 1% of UDC's annual budget earmarked for execution of research initiatives.
	At least 80% budget absorption rate on approved research initiatives.
	At least one (1) active collaboration/ partnership for research annually.
	At least one (1) publication bi-annually.
	A functional research and information centre.
	At least one product or process or protocol or technology or project in strategic areas to be rolled out annually.
	Full (100%) staff participation in job-related trainings annually.

Chapter 6: Cross-Cutting and Enabling Themes

The Corporation will prioritise projects and investments that contribute to the achievement of sustainable development goals (SDGs), including gender equality and climate action towards green industrialisation. In conformity with the government's agenda and in concurrence with the SDGs, specifically **SDG 1** and **SDG 9**, the Strategic Plan has been aligned to make effective contributions by mainstreaming cross-cutting issues such as climate change and social and gender inclusivity in its investments. Through a commitment to investment while balancing regional development, the Corporation has, through this plan, committed to creating jobs for young people and women, as well as improving and increasing household income to realise socio-economic transformation.

6.1 Environmental, social and governance

UDC will focus on Sustainability through the integration of environmental, social, and governance (ESG) pillars into project appraisal, development, implementation, and investment. Investment prioritisation will consider ESG components and/or performance, with preference given to projects that demonstrate strong environmental safeguards, responsible resource use and good governance.

The Corporation will promote environmentally sustainable and climate-resilient industrial development by integrating green growth principles into its investment decisions, project design and portfolio management. This approach will support the transition to low-carbon, resource-efficient and environmentally responsible industries while safeguarding long-term productivity, competitiveness and national development outcomes.

In this Strategic Plan, UDC is committed to attracting and leveraging alternative financing, including blended and green finance, to enhance commercial viability and mobilise investments that promote sustainable industrial development.

Sustainability reporting will also be progressively institutionalised within statutory reporting in line with Internationally recognised Reporting frameworks.

In pursuit of inclusiveness, the plan will ensure that investment decisions consider diversity, inclusiveness, employment creation and regional development.

6.2 Digital transformation and innovation

Looking ahead to the opportunities presented by digital transformation, rapid technological advancement, and emerging technologies such as artificial intelligence (AI) and blockchain, this Strategic Plan prioritises the integration of modern software systems, adoption of emerging technologies, and business process re-engineering to strengthen data-driven decision-making, enhance monitoring and post-investment supervision, and improve overall operational efficiency and responsiveness.

The Corporation will progressively automate key processes and deploy integrated digital dashboards to support faster decision-making, more efficient investment evaluation, improved portfolio oversight, and timely reporting on key performance indicators.

Chapter 7: Implementation and Delivery Framework

7.1 Implementation sequencing and phasing

Implementation of the Strategic Plan will follow a phased approach (Table 8) to ensure that institutional capacity, financing arrangements, and investment pipelines are developed logically and sustainably over the plan period.

During the initial phase (1 – 1.5 years), the Corporation will focus on strengthening institutional systems, mobilising financial resources, and developing a pipeline of bankable industrial investment projects. This phase will include strengthening internal governance frameworks, improving investment appraisal systems, and operationalising key financing mechanisms such as the Industrial and Economic Development Fund. The Corporation will also prioritise strengthening existing investments that require additional capital to achieve operational stability and optimal performance.

The second phase (1.5 – 3.5 years) will focus on scaling up strategic investments across priority sectors of the economy (ATMS). During this phase, the Corporation will expand its investment portfolio through co-investment arrangements with other development finance institutions and private investors. The establishment of special purpose vehicles (SPVs) and joint venture arrangements will be prioritised to facilitate the implementation of large-scale industrial projects.

The final phase (3.5 – 5 years) will focus on consolidating the performance of the Corporation's investment portfolio, strengthening enterprise governance within investee companies, and enhancing the developmental impact of all the investments undertaken. This phase will emphasise value creation, export competitiveness, and regional expansion of strategic investments to ensure balanced economic development across the country.

This phased implementation approach will ensure that strategic initiatives are executed in a structured manner while maintaining financial sustainability and institutional effectiveness.

Table 8: Plan Implementation and Delivery Framework

ACTION	2025/26	2026/27	2027/28	2028/29	2029/30
Strategic Objective 1: To attain Corporate financial sustainability.					
Prioritise funding for undercapitalised investments and investee companies to enhance operational stability		✓	✓	✓	
Operationalise the Industrial and Economic Development Fund (IEDF)	✓	✓			
Mobilise additional capital from Government to progressively reach the target capitalisation of UGX 5 trillion	✓	✓	✓	✓	✓

ACTION	2025/26	2026/27	2027/28	2028/29	2029/30
Mobilise financing from Development Finance Institutions and other partners		✓	✓	✓	✓
Develop and implement a resource mobilisation strategy		✓			
Obtain international credit rating to enhance credibility and attract strategic co-investors		✓	✓	✓	✓
Establish and operationalise the Treasury Unit	✓	✓			
Strengthen loan management and recovery mechanisms across the investment portfolio	✓	✓	✓	✓	✓
Promote proactive dividend policies and financial discipline within investee companies		✓			
Strategic Objective 2: To expand and enhance the value and impact of UDC's investment portfolio.					
Allocate at least 60% of the development budget to strengthening existing investments	✓	✓	✓	✓	✓
Develop and maintain a pipeline of bankable industrial projects	✓	✓	✓	✓	✓
Conduct pre-feasibility, feasibility and other technical studies for new strategic projects	✓	✓	✓	✓	✓
Attract strategic co-investment partners for priority projects		✓	✓	✓	✓
Establish Special Purpose Vehicles (SPVs) for large industrial investments		✓	✓	✓	✓
Implement turnaround strategies for distressed investee companies	✓	✓	✓	✓	✓
Facilitate investee companies to obtain international quality and safety certifications		✓	✓	✓	✓
Strengthen post-investment monitoring and enterprise performance evaluation and management	✓	✓	✓	✓	✓
Expand investments into new sub-regions to promote balanced regional development			✓	✓	✓

ACTION	2025/26	2026/27	2027/28	2028/29	2029/30
Strategic Objective 3: To strengthen institutional capacity to drive industrial and economic development.					
Implement the proposed recruitment plan to fill approved organisational structure	✓	✓	✓		
Secure additional office space and infrastructure to support institutional growth	✓	✓			
Undertake institutional competence mapping and skills gap analysis		✓			
Implement targeted staff training and professional development programmes	✓	✓	✓	✓	✓
Undertake organisation-wide business process re-engineering		✓			
Automate key business processes	✓	✓	✓	✓	
Implement integrated performance reporting systems		✓			
Adopt ISO quality management standards			✓		
Strengthen enterprise risk management framework		✓			
Strategic Objective 4: To leverage research and learning to drive innovation and growth.					
Develop and implement UDC Corporate Research Agenda		✓			
Mobilise funding for research and innovation programmes	✓	✓	✓	✓	✓
Establish strategic research partnerships with universities and research institutions		✓	✓	✓	✓
Conduct research studies to inform industrial investment opportunities	✓	✓	✓	✓	✓
Establish a Research and Information Centre for industrial knowledge			✓		
Publish research outputs and policy briefs to inform stakeholders	✓	✓	✓	✓	✓
Strengthen institutional knowledge management systems			✓	✓	✓
Promote dissemination and uptake of research findings in investment decision-making	✓	✓	✓	✓	✓

7.2 Roles of Board, Management, And Line Departments in Implementing the Plan

The implementation of this Strategic Plan will be guided by clearly defined institutional roles across the governance and management structures of the Corporation.

The Board of Directors will provide the overall strategic oversight and governance for the implementation of the Strategic Plan. In line with the UDC Act, CAP 208, the Board will guide the Corporation's strategic direction and ensure that its investments remain aligned with national development priorities and Government policy frameworks. The Board will approve major investment decisions, financing arrangements, and partnership agreements necessary for the execution of the Plan. It will also monitor the Corporation's performance through regular reviews of financial, operational, and investment reports, while ensuring compliance with corporate governance and risk management standards.

Management will provide the operational leadership required to implement the Strategic Plan. Management will translate the strategic priorities approved by the Board into actionable programmes, annual work plans, and institutional reforms. Management will also coordinate the activities of the Corporation's directorates to ensure effective delivery of strategic initiatives and commitments. In addition, Management will mobilise financial and technical resources, oversee investment development and portfolio management, and ensure that robust monitoring and reporting systems are in place to track implementation progress.

The line departments and directorates will be responsible for the operational implementation of the Strategic Plan within their respective functional mandates. Each directorate will develop annual work plans aligned to the strategic objectives of the Corporation and will be responsible for implementing specific initiatives and programmes.

Regular integrated reports from all directorates shall be undertaken to assess overall alignment and implementation speed, informing path correction and adjustment of the implementation plan.

7.3 Partnerships with MDAs, DFIs, and Private Sector

The successful implementation of this Strategic Plan will require strong collaboration with key national and international partners. Given the scale and complexity of the investments, partnerships will play a central role in mobilising capital, technical expertise, and market opportunities required to accelerate Uganda's industrial transformation agenda.

Partnerships with Ministries, Departments, and Agencies (MDAs) will ensure that the Corporation's investments align with national development priorities and policy frameworks. Through collaboration with institutions such as MOFPED, MTIC, and NPA, the Corporation will coordinate policy implementation and regulatory compliance, and serve as the anchor for the implementation of the NDP IV and the Tenfold growth strategy.

7.3 Partnerships with MDAs, DFIs, and Private Sector *(continued)*

The Corporation will also strengthen engagement with other DFIs to mobilise long-term development financing for strategic investments. DFIs will provide concessional financing, technical assistance, and risk-mitigation instruments to support the development of bankable industrial projects. These partnerships will also enable the Corporation to adopt international best practices in investment governance, project structuring, and environmental and social safeguards.

Collaboration with the private sector will be essential for enhancing investment efficiency, innovation, and competitiveness. Through co-investment arrangements, public-private partnerships, and joint ventures, the Corporation will leverage private sector expertise, technology, and management capacity to scale industrial investments. These partnerships will also facilitate access to regional and global markets for products produced by UDC-supported enterprises.

7.4 Special Purpose Vehicles and Joint Ventures

To effectively implement the planned investments, the Corporation will adopt structured investment delivery mechanisms, including Special Purpose Vehicles (SPVs) and joint ventures (JVs).

Special Purpose Vehicles will be established as project-specific entities to implement major industrial investments. These entities will enable the Corporation to mobilise financing from multiple investors while maintaining clear governance structures for project management. SPVs will also enable the Corporation to ring-fence project risks, ensuring that financial and operational risks associated with individual investments do not adversely affect the broader investment portfolio.

Joint ventures will also be used to facilitate collaboration between the Corporation, private investors, and strategic partners. Through JVs, the Corporation will be able to share investment risks, access specialised technical expertise, and strengthen the commercial viability of industrial projects. The JVs will also support technology transfer, skills development, and market expansion for industrial enterprises supported by the Corporation.

The use of SPVs and JVs will therefore serve as critical instruments for implementing the Corporation's investment strategy and mobilising the resources required to scale industrial development.

7.5 Change management and institutional reforms

Effective implementation of this Strategic Plan will require continuous institutional strengthening to ensure that the Corporation has the organisational capacity, systems, and governance frameworks required to deliver its mandate effectively.

The Corporation will undertake a comprehensive programme of institutional capacity strengthening, including the recruitment of specialised staff, the enhancement of technical competencies, and the strengthening of leadership and succession planning systems. These initiatives will ensure that the Corporation has the human capital required to manage complex industrial investments and partnerships.

In addition, the Corporation will accelerate digital transformation by automating key operational processes and strengthening data management systems. The adoption of integrated digital platforms and performance dashboards will enhance transparency, improve operational efficiency, and support evidence-based decision-making across the institution.

The Corporation will also strengthen governance and risk management frameworks by implementing enterprise risk management systems, enhancing internal audit and compliance mechanisms, and adopting international quality management standards. These reforms will ensure that the Corporation operates with high levels of transparency, accountability, and institutional discipline.

Through these institutional reforms, the Corporation will position itself as a modern, agile, and high-performing development institution capable of delivering sustainable industrial development and contributing meaningfully to Uganda's long-term socio-economic transformation.

Chapter 8: Financing And Capitalisation Framework

8.1 Cost of implementing the Strategic Plan

The successful implementation of this Strategic Plan will require an estimated UGX 4.302 trillion over the plan period (Table 9). These resources will finance strategic investments, project preparation and development, strengthening the capacity of the Corporation, and operational support required for UDC to effectively deliver on its mandate. A significant portion (89.2%) of the total financial requirement will be directed towards investments in existing and new strategic business undertakings. Other resources will support project preparation activities, including feasibility studies, technical advisory services, transaction structuring, and environmental and social compliance requirements necessary to ensure that projects are bankable and investment-ready.

Table 9: Financial Requirements for Strategic Plan Implementation

	Financial Requirement (UGX Billion)					
Period	2025/26	2026/27	2027/28	2028/29	2029/30	Total
Project investments	228.980	552.493	1,340.970	976.977	738.679	3,838.099
Construction of UDC home		52.584	48.177			100.761
Operating expenses	35.524	46.294	75.444	95.806	109.773	362.841
Overall Budget	264.504	651.371	1,464.591	1,072.783	848.452	4,301.701

The core financing of the strategic plan will mainly come from government capitalisation and grants, complemented by operational income and external sources mobilised to support ongoing activities and the ambitious commitments over the strategic plan period.

Over the five-year period, total projected capital amounts to approximately UGX 4.302 trillion through a “multi-sourced” approach with the majority (82.4%) sourced from government capitalisation, 5.8% from grants from the government, 9.6% mobilised from external sources, and 2.2% from internal operations (Figure 5).

Capital inflows are projected to rise, peaking in FY 2027/28, driven by the timing of the planned project investments.

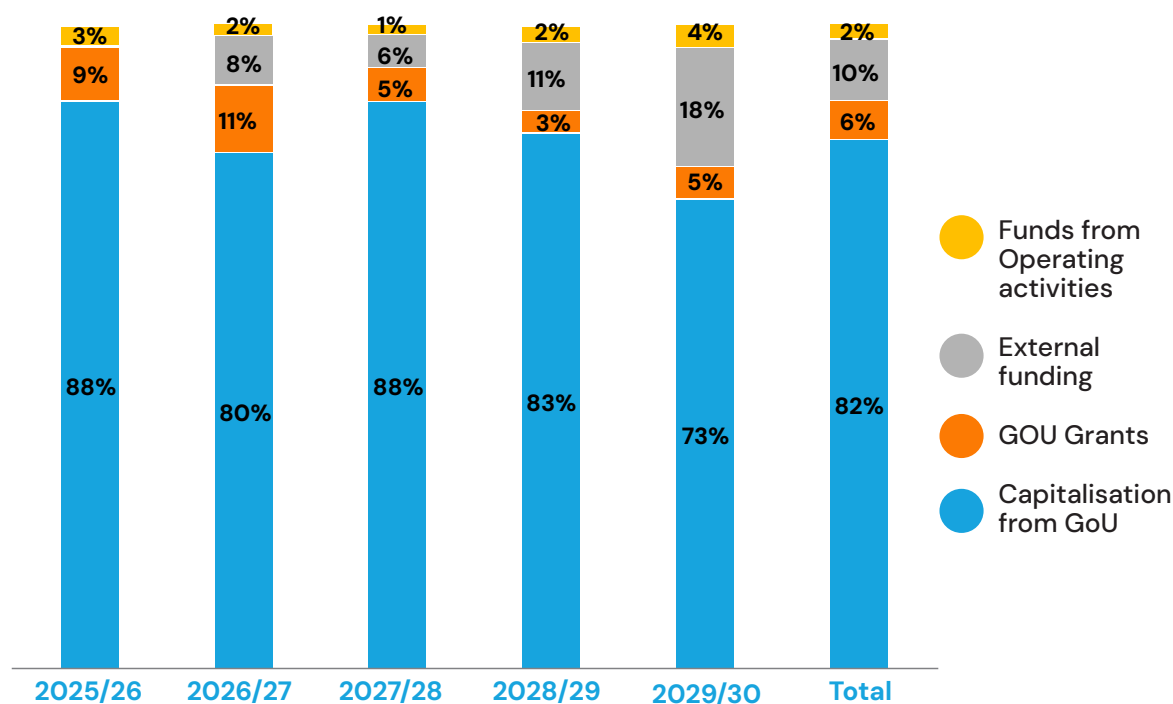


Figure 5: Projected capital funding by source over the plan period

8.2 Government capital injections and budget support

Government capital injections will remain the primary source of financing for UDC during the implementation of this Strategic Plan. As the Government's investment arm, UDC relies on public capital allocations to undertake strategic investments that catalyse industrial development and crowd in private sector participation. Government funding will therefore continue to play a central role in capitalising the Corporation and enabling it to undertake investments in sectors that may have high development impact but require long-term patient capital. Predictable and timely budget support will also facilitate the Corporation's ability to leverage its capital base, support project development, and strengthen the investment portfolio.

8.3 Alternative financing options

To complement Government capital injections, UDC will actively pursue alternative financing options aimed at mobilising additional long-term capital for industrial investments. These include partnerships with Development Finance Institutions, concessional financing arrangements, blended finance instruments, and strategic co-investments with private investors. DFIs provide patient capital, technical expertise, and risk-sharing mechanisms that can enhance project bankability and attract additional private investment.

In addition, blended finance structures, which combine public funds with concessional or commercial capital, will also be explored to de-risk investments in priority sectors and increase the scale of investment flows. Through these mechanisms, UDC aims to leverage public resources to attract a wider pool of investment capital to support Uganda's industrial transformation.

8.4 Establishment of special funds

As part of its long-term resource mobilisation strategy, UDC will pursue the establishment and operationalisation of specialised financing vehicles, including the Industrial and Economic Development Fund (IEDF). The IEDF will serve as a catalytic financing platform designed to mobilise domestic and international capital to support strategic industrial investments. By pooling capital from the government, development partners, institutional investors, and private-sector participants, the Fund will provide a sustainable mechanism for financing large-scale industrial projects. The IEDF, together with other special funds, will enhance the Corporation's ability to structure co-investment arrangements, support project preparation, and provide long-term financing for industries that are critical to Uganda's economic transformation.

8.5 Financial sustainability and leverage strategy

To ensure long-term financial sustainability, UDC will adopt a prudent capital management and leverage strategy that balances development impact with commercial viability. The Corporation will strengthen its project appraisal frameworks, enhance portfolio monitoring systems, and ensure disciplined capital allocation to investments with strong economic and financial returns. UDC will also pursue co-investment partnerships and structured financing arrangements that enable the Corporation to leverage its capital base to mobilise additional resources from private investors and financial institutions. Over time, improved portfolio performance, dividend flows from investee companies, and innovative financing instruments will support the gradual strengthening of UDC's financial sustainability while enabling it to scale investments that contribute to Uganda's industrial development.

Chapter 9: Risk Management and Assurance Framework

9.1 Forward-Looking Risk Management Approach

The Corporation operates in a dynamic fiscal and macroeconomic environment, effective risk management is essential for supporting sound decision-making, safeguarding institutional performance, and ensuring the optimal use of resources. This complex environment is characterised by financial, operational, regulatory, and market uncertainties.

Given the Corporation's expanding investment portfolio, managing these risks effectively is therefore critical to the successful implementation of this Strategic Plan.

To address these challenges, UDC has adopted an Enterprise Risk Management (ERM) approach that enables the Corporation to systematically identify, assess, mitigate, and monitor both strategic and operational risks. The ERM framework provides a structured and integrated mechanism for embedding risk considerations into institutional planning, investment decision-making, and performance management processes.

The Corporation's ERM framework is anchored on five key pillars:

- a. **Risk Governance and Oversight:** Establishing clear institutional accountability for risk management through the Board, management, and internal oversight structures.
- b. **Risk Identification and Assessment:** Systematically identifying and evaluating risks that may affect the Corporation's strategic objectives and operational performance.
- c. **Risk Mitigation and Control:** Implementing appropriate risk mitigation measures, internal controls, and compliance mechanisms to manage identified risks.
- d. **Risk Monitoring and Reporting:** Continuously tracking key risk indicators and reporting emerging risks for timely action.
- e. **Risk Assurance:** Strengthening independent assurance mechanisms through internal audit, compliance reviews, and governance oversight to ensure the effectiveness of risk management systems.

9.1 Forward-Looking Risk Management Approach *(continued)*

Under this framework, risk considerations are integrated across the Corporation's planning, investment appraisal, and performance management processes to ensure that strategic decisions are informed by a comprehensive assessment of potential risks and opportunities.

At the corporate level, UDC monitors a range of internal and external risks that may affect the delivery of its mandate. These include fiscal, market, regulatory, operational, and governance risks. Key risk indicators are regularly tracked and reported to enable timely management interventions and informed decision-making.

At the investment portfolio level, investee companies shall be required to maintain updated Risk Registers, robust internal control systems, and effective internal audit mechanisms aligned with UDC's ERM framework and corporate governance standards. This ensures that risk management practices are consistently applied across the Corporation's investment portfolio and that potential risks to investment performance are identified and addressed early.

Through this integrated approach, UDC shall institutionalise forward-looking risk assessment, continuous monitoring, and adaptive mitigation measures within its planning and operational processes.

UDC's current overall risk profile reflects both internal institutional risks and external environmental risks that may affect the achievement of its strategic objectives. The key institutional risk areas identified during the strategic planning process are summarised in Table 10.

Table 10: Summary of Key Institutional Risk Areas and Risk Levels

Risk Area	Key Issues	Level
Institutional Capacity Risks	Governance, Human capital, Corporation image, ICT systems, ESG integration, and more robust risk management practices. Observation: All this may constrain efficiency and effectiveness.	Low – Moderate
Investment Portfolio Risks	Due diligence and appraisal, management of political stakeholders and competing interests, concentration risk on the portfolio, Oversight, and inadequate recovery funding, project execution. Observation: These pose significant threats to portfolio resilience and returns.	Moderate –High
Financial Sustainability Risks	Funding delays, underperforming investee companies, financial controls. Observation: These may undermine UDC’s ability to sustain operations and strategic investments.	Moderate –High
Research Risks	Skilled researchers, Methodologies, Knowledge management, less optimised collaborations, and funding gaps. Observation: These may reduce the relevance and impact of research outputs.	Moderate –High

Overall, UDC’s risk profile is assessed as largely moderate, with investment portfolio risks and financial sustainability risks representing the most critical areas requiring Board and management attention over the strategic planning period.

To address these risks over the Strategic Plan period, UDC will implement a range of risk mitigation measures, including:

- (i) Strengthening institutional governance and oversight systems,
- (ii) Diversifying funding sources to enhance financial sustainability,
- (iii) Enhancing investment monitoring and portfolio management mechanisms,
- (iv) Strengthening institutional capacity and digital systems, and
- (v) Embedding Enterprise Risk Management practices across all levels of the Corporation.

Through these interventions, UDC will strengthen its ability to proactively manage risks, safeguard its investments, and enhance the resilience and sustainability of its operations.

Chapter 10: Monitoring, Evaluation and Reporting Framework

10.1 Theory of Change

The Theory of Change (ToC) underpinning this Strategic Plan explains how the Corporation will translate its mandate, resources, and strategic interventions into measurable economic and developmental outcomes (Figure 5). It provides the logical pathway linking institutional strengthening, investment activities, and research to broader national industrialisation and socio-economic transformation.

The theory of change is based on a collective assumption that if UDC is adequately capitalised, institutionally strengthened, and supported by an enabling policy environment, the Corporation will be able to mobilise and deploy long-term development finance into strategic sectors of the economy. These sectors include: agro-industrialisation, manufacturing, mineral beneficiation, tourism development, and related infrastructure that supports industrial growth.

Key inputs include government capitalisation, external financing, skilled personnel, institutional systems, and strategic partnerships. These enable activities such as investment mobilisation, portfolio management, enterprise support, institutional strengthening, and research for industrial development. The activities generate outputs including an expanded investment portfolio, improved financial performance of investee companies, strengthened institutional capacity, and increased research outputs. Collectively, these outputs contribute to improved institutional performance of UDC and support the expansion of Uganda's industrial base, leading to increased value addition, export competitiveness, employment creation, and overall economic transformation.

Through targeted investments, partnerships with private investors and development finance institutions, and strengthened post-investment management, UDC will support the establishment and growth of viable industrial enterprises. These enterprises will increase domestic value addition, expand export capacity, create productive employment, and stimulate regional industrial development. Complementary investments in research, knowledge generation, and institutional learning will further inform investment decisions and identify new industrial opportunities.

Over time, these interventions are expected to improve the performance and sustainability of UDC's investment portfolio while strengthening the competitiveness of Ugandan industries. The cumulative effect will be increased industrial output, enhanced private-sector participation, expanded economic opportunities across regions, and a greater contribution of industry to national GDP and export earnings.

10.1 Theory of Change (continued)

Ultimately, the implementation of this Strategic Plan is expected to contribute to Uganda's broader national development agenda by accelerating sustainable industrialisation, job creation, and socio-economic transformation, in a manner consistent with the objectives of the National Development Plan IV, the Tenfold Growth Strategy, and Vision 2040.

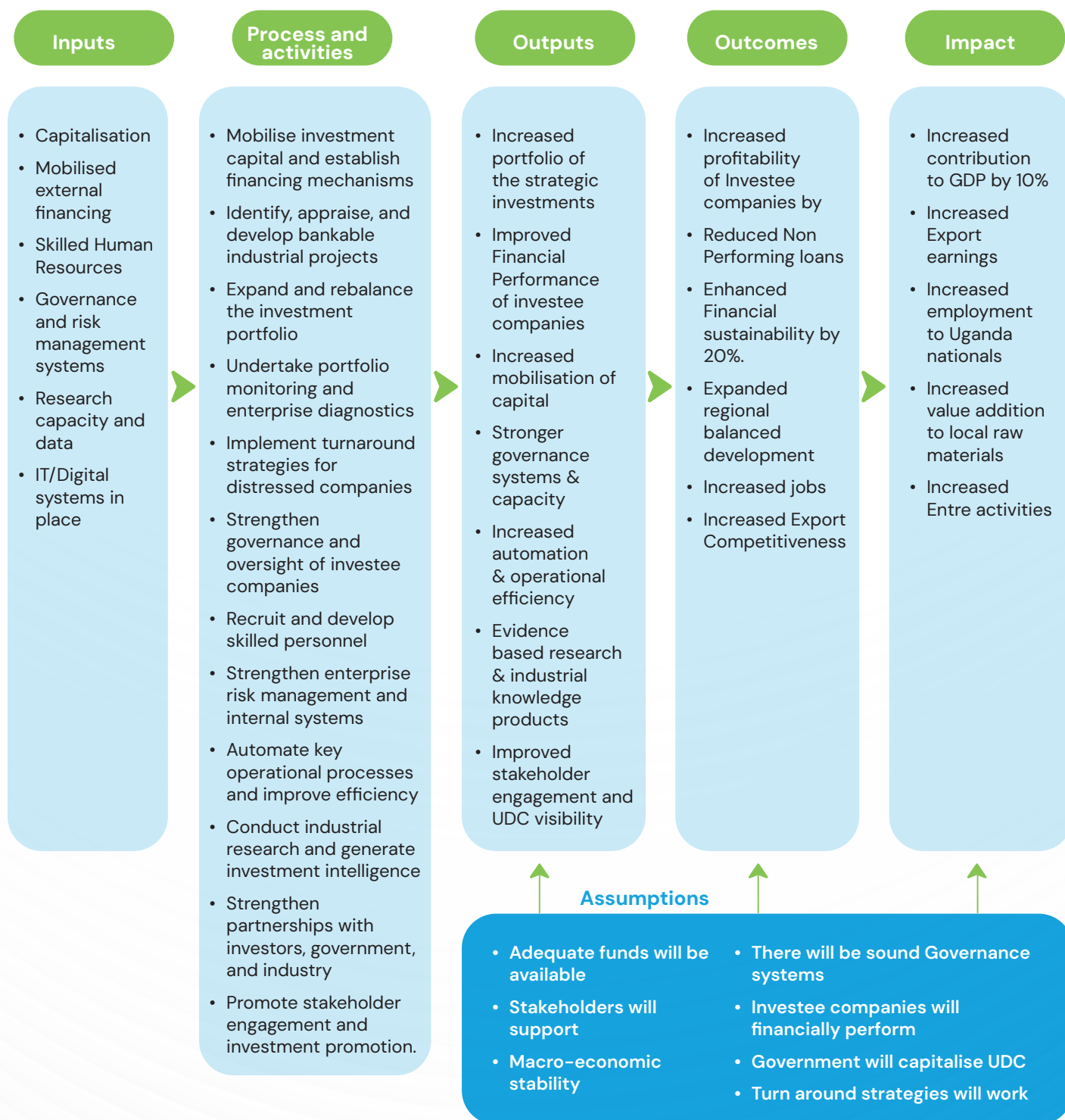


Figure 6: UDC Theory of Change Framework (2025/26–2029/30)

10.2 Monitoring and Evaluation

Monitoring of the Strategic Plan will operate at three interconnected levels: corporate performance, portfolio performance, and project implementation.

At the corporate level, progress against strategic objectives and Balanced Scorecard indicators will be reviewed quarterly and annually. Portfolio-level monitoring will track the financial and operational performance of investee companies through structured post-investment management initiatives and systems that cover financial ratios, liquidity benchmarks, solvency indicators, governance compliance, dividend performance, and value-creation plans. Project-level monitoring will focus on tracking capital deployment, project milestones, budget utilisation, and execution timelines.

A centralised performance management system will be established to integrate financial, operational, and development data. The Research and Monitoring and Evaluation Directorate will coordinate data management, ensure data quality assurance, and maintain institutional performance dashboards. Investee companies will submit quarterly reports covering financial performance, operational indicators, ESG compliance, and development outcomes.

The Corporation's staff who are members of the Boards of investee companies shall provide status reports every quarter and/or after every Board meeting of the investee companies to the management of UDC to enable further guidance and timely interventions in the investee companies.

Risk monitoring will be integrated within the monitoring framework through enterprise risk registers, periodic risk scoring during project appraisal, and regular risk reviews presented to Management and the Board.

10.3 Reporting

Reporting will follow a structured approach designed to strengthen transparency, accountability, and evidence-based decision-making.

Quarterly performance reports will be prepared for Management and the Board covering portfolio performance, capital deployment, risk exposure, financial performance, and progress on strategic objectives and investment principles. These reports will be aligned with the Balanced Scorecard and will include performance evaluation scores to facilitate oversight and timely management action.

Annual corporate performance reports will present audited financial results, portfolio composition, development impact, capital mobilisation progress, ESG performance, impact development, and progress towards strategic outcomes. These reports will be shared with relevant stakeholders in accordance with statutory and governance requirements.

Additional reporting mechanisms will include stakeholder engagement forums, investment exhibitions, public dissemination of performance summaries, and periodic strategic review meetings to strengthen institutional accountability and stakeholder confidence.

10.4 Evaluation and Learning

Evaluations will be undertaken to assess the effectiveness, relevance, efficiency, sustainability, and development impact of strategic investments and institutional interventions. They will generate evidence that informs strategic decision-making, strengthens accountability, and improves the quality of future investments.

A Mid-Term Review of the Strategic Plan will be conducted by the middle of the third year of implementation to assess progress toward strategic outcomes, test underlying assumptions, and identify areas requiring strategic adjustment. An End-Term Evaluation will be conducted at the conclusion of the plan period to assess overall results and inform the next strategic planning cycle.

The Corporation will also undertake thematic evaluations focusing on priority areas such as the performance of distressed-company turnaround strategies, the effectiveness of financing mechanisms, sector-specific investment outcomes, and the application of research in investment decision-making.

Learning will be institutionalised through periodic reflection sessions, documentation of lessons from portfolio performance, knowledge sharing across directorates, and the establishment of an institutional knowledge repository to capture research findings, sector diagnostics, and investment insights.

10.5 Institutional Responsibilities

The Board of Directors shall provide strategic oversight and governance for the implementation of the Strategic Plan in line with the UDC Act, Cap 208 and established governance frameworks. In particular, the Board will:

- a) Provide strategic direction and policy guidance to ensure that implementation of the Strategic Plan remains aligned with national development priorities, including industrialisation, value addition, and economic transformation.
- b) Approve key strategic decisions and investments, including major capital allocations, partnerships, and flagship projects, ensuring that these are consistent with the Corporation's mandate and risk appetite.
- c) Oversee performance of the Corporation and its investment portfolio through regular review of performance reports, financial statements, and progress against Strategic Plan targets and KPIs.
- d) Ensure prudent management of public resources, safeguarding the Corporation's assets while balancing financial returns with developmental impact, in a manner consistent with its role as custodian of public investment capital.
- e) Provide oversight on institutional capacity strengthening, including organisational restructuring, systems development, and human resource capacity to support effective implementation of the Strategic Plan.

10.5 Institutional Responsibilities *(continued)*

- f) Monitor risks and ensure sustainability, particularly regarding large-scale investments, portfolio performance, and emerging strategic risks associated with the expansion of UDC's operations.
- g) Support stakeholder alignment and confidence, ensuring transparency, accountability, and effective communication with Government, Parliament, development partners, and the public.

The Executive Director will provide overall leadership for monitoring and evaluation of the Strategic Plan through a multi-directorate institutional framework. Key directorates supporting this function include: Research, Monitoring and Evaluation; Investment and Project Development; Finance and Administration; Strategy and Corporate Affairs; and Legal Services.

The Directorate of Research, Monitoring and Evaluation will coordinate overall performance monitoring, data management, evaluation processes, and institutional learning. The Directorate of Investment will oversee portfolio monitoring and performance management of investee companies. The Directorate of Finance and Administration will ensure the integrity of financial reporting and the tracking of capital mobilisation, while the Strategy Management function will integrate enterprise risk monitoring into the performance framework.

In addition, the Office of the Executive Director, together with the Directorate of Legal Services, will contribute to the monitoring system by providing policy guidance, regulatory oversight, compliance monitoring, and strategic performance review.

Monitoring and evaluation of the Strategic Plan will, therefore, be participatory and institution-wide, with all directorates responsible for generating performance data within their mandates and contributing to periodic performance reviews across the Corporation.

Chapter 11: Stakeholder Engagement and Management

Effective stakeholder engagement is central to UDC's ability to deliver on its mandate. The Corporation operates within a complex ecosystem that includes government institutions, DFIs, private investors, communities, civil society, the media, and internal stakeholders. This Strategic Plan, therefore, adopts a structured stakeholder engagement approach aimed at strengthening transparency, building trust, and ensuring that stakeholders are actively informed and involved in its implementation. The strategy emphasises proactive communication, inclusive participation, and accountability to sustain stakeholder confidence, buy-in, and support for the successful delivery of industrial investments.

The strategy focuses on enhancing transparency in UDC's operations, strengthening stakeholder trust, and enabling responsive decision-making through two-way communication mechanisms. UDC will leverage digital platforms and modern communication tools to improve access to information and facilitate real-time engagement with stakeholders. The Corporation will also ensure that its communication practices reinforce ESG compliance and demonstrate measurable socio-economic impact.

A key element of the communication strategy is the structured engagement with different stakeholder groups whose roles are critical to the success of UDC's investments. Government and oversight institutions—including the Office of the President, the Office of the Prime Minister, Parliament, MOFPED, MTIC, and NPA—provide policy direction, capital support, and oversight, enabling UDC to execute its mandate.

In addition, capital and investment partners such as DFIs, private investors, and financial institutions provide long-term financing and the technical expertise necessary to scale industrial investments. UDC will strengthen collaboration, information sharing, and structured reporting mechanisms to reinforce policy coherence, financial credibility, and investor confidence.

The communication strategy also recognises the importance of maintaining strong relationships with local governments, host communities, civil society, employees, and the broader public. UDC will institutionalise transparent communication, proactive disclosure of corporate performance, and structured mechanisms of managing issues of contention to ensure responsiveness and accountability. Through the regular publication of annual reports and impact reports, media engagement, and digital communication platforms, the Corporation will strengthen public trust and demonstrate the socio-economic value generated by its investments.

These measures will reinforce UDC's legitimacy, support investor confidence, and ensure that stakeholder engagement remains a strategic enabler of the Corporation's industrialisation promotion agenda.

Appendices

Appendix 1: Matrix of Risks and Mitigation Measures

Specific Risk	Risk Category	Level	Mitigation Measures
SO1: To attain Corporate financial sustainability.			
Governance and internal processes may slow decision-making and delay project execution.	Governance/ Processes	Medium	i. Map and standardise key processes. ii. Clarify roles and responsibilities. iii. Strengthen governance framework.
Staffing and skills availability may reduce execution capacity.	Human Capital	Medium	i. Develop succession plans. ii. Develop plan to recruit/train/retain competent workforce.
ICT systems and data management practices may lead to inefficiencies and delayed decisions.	Technology / Systems	Medium	i. Upgrade ICT infrastructure. ii. Implement robust data management systems iii. Train staff on relevant technologies.
ESG integration and stakeholder engagement and its effect on legitimacy and support for initiatives.	ESG / Stakeholder Engagement	Medium	i. Deliberately integrate ESG into decisions. ii. Strengthen stakeholder engagement. iii. Monitor ESG and stakeholder impact
Risk management may leave strategic and operational risks unmanaged	Risk Management	Medium	i. Implement comprehensive ERM framework. ii. Train staff on risk management. iii. Establish risk reporting.
Stakeholder management, project and process visibility to the public, and corporate image may reduce investor confidence, weaken partnerships, and limit project success.	Reputational	Medium	iv. Strengthen communication and stakeholder engagement i. Continue to build trust through consistent delivery on expectations.
Changes in laws, compliance with regulatory and contractual requirements and its effect on project delays, or reputational damage.	Legal / Regulatory Compliance	Medium	i. Monitor compliance with laws and contractual obligations ii. Development and implementation of compliance frameworks iii. Conduct staff training.
SO2: To expand and enhance the value and impact of UDC's investment portfolio.			
Robustness of due diligence and appraisal processes, Project execution and implementation and Post investment monitoring and their effect on performance and portfolio returns.	Investments/ Portfolio	High	i. Strengthen project appraisal and due diligence processes. ii. Strengthen project execution and implementation processes. iii. Strengthen post-investment monitoring and support.
Management of political stakeholders and its effect leading to selection of low-viability investments, reduced portfolio returns and slow down industrial development impact.	Political	High	i. Regular government engagement to align expectations of political stakeholders.

Specific Risk	Risk Category	Level	Mitigation Measures
Concentration in certain sectors, regions, or entities may increase financial exposure and reduce portfolio resilience.	Investments/ Portfolio	High	i. Diversify investments across sectors and regions and entities. ii. Implement portfolio risk limits.
Governance and Investee oversight and monitoring system and its effect on portfolio returns.	Investments/ Portfolio	High	i. Establish robust portfolio governance and monitoring system. ii. Implement dashboards for real time performance monitoring of investments.
Inadequate and delayed funding for distressed companies may undermine recovery strategies and lead to portfolio losses and underperformance.	Investments/ Portfolio	High	i. Source adequate funding for recovery of entities. ii. Engage with funders to ensure timely release of funds.
SO3: To strengthen institutional capacity to drive industrial and economic development.			
Persistent under capitalisation may constrain UDC's ability to invest in strategic projects and maintain operations	Funding	High	i. Engage government to provide entire capitalisation. ii. Diversify funding sources
Underperforming investee companies may reduce returns and weaken financial sustainability	Investments/ Portfolio	High	i. Implement post-investment performance management. ii. Strengthen monitoring and support frameworks. iii. Implementing cost management mechanisms.
Cost overruns arising from budgeting and planning processes	Operational	Medium	i. Strengthen financial planning and budgeting ii. Strengthen internal controls iii. Strengthen audit and assurance
Loan recovery and management, and inability to get dividends from investee companies may reduce cash flows and threaten financial stability.	Operational/ Investments	Medium	i. Establish and operationalise treasury and loan management units. ii. Implement proactive recovery policies, and monitor cash flows closely. iii. Monitor performance of entities to ensure sustainable profit and dividends declaration.
SO4: Leverage research and learning to drive innovation and growth.			
Staffing and skills availability may constrain execution of research agenda.	Human Capital	Medium	i. Recruit and train research staff
Low adoption of research outputs	Operational	Medium	i. Establish structured reporting and dissemination channels ii. Integrate research findings into investments decision making and policy advice.
Optimisation of engagements with industry/academia/government and its effect on relevance and uptake of research outputs	Operational	Medium	i. Strengthen partnerships. ii. Develop platforms for collaborative research and knowledge sharing.
Research funding and its effect on timeliness of execution of research projects	Operational	Medium	i. Diversify funding sources, pursue grants or strategic partnerships. ii. Increase proportion of research funding in the corporation budget

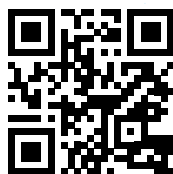
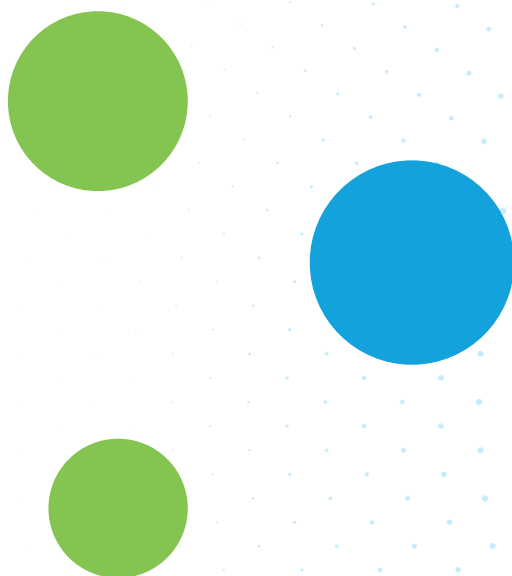
Appendix 2: Monitoring and Evaluation Framework

Narrative Summary	Verifiable Indicators (VI)	Baseline	Target	Means of Verification	Data Collection Methods	Frequency	Person Responsible	Communication & Reporting Methods	Assumptions
Impact: Sustainable industrial development contributing to Uganda's socio-economic transformation and prosperity	Number of Jobs created by UDC	5,504		UDC Reports (Quarterly & Annual)	Mixed methods	Quarterly	Manager –M&E	Quarterly Reports	Macro-economic stability of the country
	Growth in monetary value (contribution) of exports earnings	USD 5.8M		UDC annual reports, quarterly & reports	Mixed methods	Quarterly	Manager –M&E	Quarterly Reports	Macro-economic stability of the country
	Growth in amount of tax revenue contribution.	UGX 9.2 B		Quarterly Reports	Mixed methods	Quarterly	Manager –M&E	Quarterly Reports	Macro-economic stability of the country
	Number of investee companies	26		Performance reports	Mixed methods	Quarterly	Manager –M&E	Quarterly Reports	Funds will be available
	Contribution to regional balanced development			Annual & Performance Reports	Mixed methods	Quarterly	Manager –M&E	Quarterly Reports	Funds will be available
	Increase in number of entrepreneurs			Impact Evaluation Reports	Mixed methods	Annual & quarterly	Manager –M&E	Quarterly Reports	Macro-economic stability of the country
	Number of UDC investments profitable	3		Performance Reports	Mixed methods	Quarterly	Manager –M&E	Quarterly Reports	Macro-economic stability of the country
	Increase in internally generated revenue	UGX 3.01 Billion	5% annual growth	- Financial statements - Treasury reports	Financial analysis (quantitative)	Quarterly	Director Finance	Quarterly financial reports to Management and Board	Macro-economic stability of the country
Outcome 1: Improved performance of UDC across all operational and financial dimensions	Increase in the number of profitable investee companies	2	10% annual increase and 50% overall increase by FY2030	Audited financial statements of investee companies	Portfolio performance monitoring	Quarterly	Manager Post-investment	Portfolio performance reports to Board	The legal framework will be favourable

Narrative Summary	Verifiable Indicators (VI)	Baseline	Target	Means of Verification	Data Collection Methods	Frequency	Person Responsible	Communication & Reporting Methods	Assumptions
Outcome 1: Improved performance of UDC across all operational and financial dimensions <i>(continued)</i>	Reduction in non-performing loans	Current NPL levels	10% reduction annually	Loan management reports	Loan monitoring and financial audits	Quarterly	Manager Post-investment	Risk and portfolio management reports	There will be sound governance systems in the investee companies
		Moratorium 71%(UGX 124B)							
		Non-Performing Loans 21% (UGX 37B)	10% reduction annually	Loan management reports	Loan monitoring and financial audits	Quarterly	Manager Post-investment	Risk and portfolio management reports	There will be sound governance systems in the investee companies
Outcome 2: Expanded national industrial footprint driven by UDC investments	Growth in value of the investment portfolio	UGX 144T	5% annual growth	Investment valuation reports	Portfolio monitoring	Quarterly	Director Investments	Investment performance reports	UDC will be capitalised to at least UGX 3.5 Trillion
	Capital deployed in new strategic investments	58%	At least 40% of annual capital deployed in new strategic projects	Investment approvals and disbursement reports	Investment monitoring	Quarterly	Director Investments	Investment reports to Board	UDC will be capitalised to at least UGX 3.5 Trillion
	Share of budget allocated to existing investments requiring additional funding	42%	At least 60% of capital allocated to strategic existing investments	Investment allocation reports	Portfolio financial monitoring	Annual	Director Investments	Portfolio management reports	UDC will be capitalised to at least UGX 3.5 Trillion

Narrative Summary	Verifiable Indicators (VI)	Baseline	Target	Means of Verification	Data Collection Methods	Frequency	Person Responsible	Communication & Reporting Methods	Assumptions
Outcome 3: Corporate financial sustainability strengthened	Government capitalisation of UDC	UGX 1.4Trillion	Additional UGX 3.5 trillion capital by FY2030	Government releases, financial records	Financial monitoring	Annual	Executive Director; Director Finance	Financial performance reports	UDC will be capitalised to at least UGX 3.5 Trillion
	Funding mobilised from non-government sources	UGX 0	Increase by 5% annually	Investment agreements, partnership agreements	Resource mobilisation monitoring	Annual	Director Investments	Resource mobilisation reports	Government will guarantee external financing Business Development Services will be operational
Outcome 4: Institutional capacity strengthened	Percentage of approved organisational structure filled	54	(98 staff) 100% staffing of approved structure by FY2030	HR records	Review of HR records	Annual	Manager Human Resource & Administration	HR performance reports	Funds will be available
	Reduction in decision making cycle for investment approvals	1.6 Years	15% annual improvement in turnaround time (7 months)	Internal workflow records	Business process monitoring	Annual	Director Investments	Internal performance reports	Turn-around strategies will work
	Level of automation of key processes	25%	70% automation and 80% optimisation of key processes	ICT system reports	System monitoring	Annual	Director ICT / Director Finance	ICT performance reports	Funds will be available
	Percentage of strategic initiatives implemented	0	70% of planned initiatives achieved annually	Strategic plan progress reports	Performance monitoring	Annual	Director Research & M&E	Strategic plan implementation reports	Funds will be available

Narrative Summary	Verifiable Indicators (VI)	Baseline	Target	Means of Verification	Data Collection Methods	Frequency	Person Responsible	Communication & Reporting Methods	Assumptions
Outcome 5: Research and innovation strengthened to support industrial development	Share of annual development budget allocated to research	UGX 270M	At least 1% of development budget allocated to research	Budget reports	Budget analysis	Annual	Director Research & M&E	Research performance reports	Funds will be available UDC will continue to operate
	Number of active research collaborations	0	At least one collaboration annually	Partnership agreements	Partnership monitoring	Annual	Director Research & M&E	Research partnership reports	Stakeholders will cooperate
	Number of industrial research publications	0	At least one publication every two years	Research publications	Research documentation review	Biennial	Director Research & M&E	Research dissemination reports	Funds will be available
	Functionality of research and information centre	0	Fully operational research and information centre	ICT and research infrastructure reports	Institutional assessment	Annual	Director Research & M&E	Knowledge management reports	Stakeholders will use the research and information centre
	Staff participation in job-related training	40	100% staff participation annually	Training reports	HR training records	Annual	Director Human Resources	HR development reports	Funds will be available



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