

Strategic Plan 2022-2026



**Rural
Electrification
Authority**



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FOREWORD

It is with great pleasure that I present to you this 2022-2026 Strategic Plan which is a roadmap encompassing an integrated set of choices that the Authority has made to achieve the vision of “**A Beacon of excellence in providing access to electricity to all rural communities for improved livelihoods**”.

This key strategic document outlines the Authority’s strategic direction, which was developed through an internal and external stakeholder consultative process. The Plan has been developed in line with the Eighth National Development Plan (8NDP), whose primary objective is socio-economic transformation for improved livelihoods. This and other policy documents such as the National Energy Policy 2019, set the trend for the Authority.


I am pleased to note that in order to accelerate the rural electrification drive, the Authority has selected three thematic areas for the next plan, namely, Strategic Partnerships, Operational Excellence, and Rural Electrification Excellence. The Plan envisages satisfied stakeholders, increased resources for electrification, increased rate of electrification and an adequate, motivated, and retained talent.

I am convinced that once effectively implemented, this plan will achieve desired results in the three thematic areas identified above.

REA holds sacred the government’s mandate to transform the living conditions of rural areas through the electrification mandate and will do everything in its power to achieve this noble task with tenacity.

The realisation of the strategic objectives will require the Board of Directors, Management, Staff, and other stakeholders to demonstrate commitment, dedication and the spirit of teamwork.

I therefore wish to call upon both internal and external stakeholders to take ownership of this Plan and actively participate in its implementation.



Mr. Bruce Jaani
CHAIRPERSON – REA BOARD

ACKNOWLEDGEMENTS

The 2022-2026 Strategic Plan has been formulated through a vigorous stakeholder participatory engagement and consultation process. In this regard, I, on behalf of Management, would like to thank all stakeholders for the support and input into the process of formulating this Plan, and wish to express my sincere gratitude to the Board of Directors of REA for their steadfast guidance and enthusiasm towards the formulation of this robust Strategic Plan.

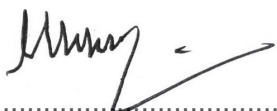
My deep appreciation also goes to the planning team that spearheaded the review and development and whose response to the call of duty contributed to the successful launch of this Plan. I also extend my gratitude to the Consultants who professionally guided the process.

The Plan articulates REA’s strategic direction for the next five years from 2022 to 2026. At the heart of the Plan is excellence in collaboration, resource mobilization, and human capital development for sustained outcomes. The vision sets out what we want to achieve and how service delivery will be organized over the Plan period.

The Strategic Plan sets out REA’s ambition which has been developed cognisant of our strategic stakeholders’ perspective to deliver customer-driven, value adding innovative solutions. REA aims to be a relevant, effective and efficient organization that delivers sustainable electrification solutions to rural Zambia.

This Plan is motivated by both the unfinished business from the 2019-2021 Strategic Plan and REA’s ambitions to 2026.

Lastly, I wish to reiterate my appeal to all stakeholders to seize the opportunity to improve living conditions and transform rural lives by collaborating in the rural electrification agenda of Zambia.



Eng. Linus K. Chanda
CHIEF EXECUTIVE OFFICER

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WORKING DEFINITIONS

Access	Sufficient, reliable electricity from any energy source capable of performing the task of lighting, phone charging, and powering appliances and with a minimum operation of four (4) hours per day.
Balanced Scorecard	An integrated planning and performance management system aimed at translating an organisation's strategic results into a set of organisational performance objectives that in turn are monitored and measured.
Core Values	These are beliefs or norms that govern the behaviour and conduct of staff in the performance of their duties and form the organisational work culture.
Decentralizations	Refers to the transfer of powers and responsibilities from the central government level to elected authorities at the subnational level (regional governments, municipalities, etc.), having some degree of autonomy.
Government Institution	This means a Government Ministry, department, agency or institution, a statutory body, commission, and a local authority.
Key Performance INDICATORS	These are performance measures intended to assess progress towards the achievement of results
Monitoring and Evaluation	Monitoring and Evaluation (M &E) involves tracking progress and matching performance against set targets to institute timely corrective action.
Net metering	Means a methodology under which electricity is generated and consumed by a prosumer at the same geographic facility and a surplus is supplied to the local distribution or transmission facilities of a distribution or transmission licensee and may be used to offset electric energy provided by the distribution or transmission licensee to the prosumer during an applicable billing period; the term net-metering is 4 used for net-metering and for wheeling, unless the context of the text stipulates differently.
Performance Assessment	This is the evaluation of the Authority's performance against set targets or any other means to establish performance.
Programme	A set of well-planned projects that contribute towards attainment of a specific goal(s).
Project	A set of well-planned and interrelated activities aimed at achieving a specific objective(s) in a stipulated timeframe.
Regional balancing	Equal development of all regions within one country through decentralization of economy and better spatial and functional distribution and social cohesion of all residents.
Renewable energy	Energy derived from natural sources that are replenished at a higher rate than they are consumed
Resource balancing	Technique that involves resolving over-allocation or scheduling conflicts to ensure a project can be completed with the available resources.

WORKING DEFINITIONS

Rural Area	These are areas that have a population of less the 2,000 with households' economic activities largely characterized by agriculture. Section 2 Rural Electrification Act No. 20 of 2003 defines "rural area" as follows: (a) any area which is not an area declared or deemed to have been declared a city or municipality under the Local Government Act; or (b) such other area as the Minister may, by statutory order and in consultation with the Minister responsible for local government, declare a rural area;
Rural Electrification Programme	Rural Electrification Programme refers to a comprehensive and strategic initiative undertaken by governments, international organizations, or other relevant stakeholders to extend electricity access and provide reliable and affordable electricity services to rural and remote areas. The primary goal of such a programme is to bridge the electricity gap between urban and rural areas, promoting socio-economic development, improving the quality of life, and fostering inclusive growth in rural communities.
Stakeholder Analysis	A technique used for identifying stakeholders based on their needs and expectations. It is used to identify all key primary and secondary stakeholders
Strategic Issues	Strategic issues are major challenges that an institution is facing and MUST BE addressed for its survival, prosperity, and effectiveness
Strategic objectives	These are improvement activities that the organisation must carry out to achieve its strategic results
Strategic Plan	A document used to communicate the goals and actions needed to achieve those goals and all the other critical elements developed during the planning exercise.
Strategic Planning	Strategic planning is a process through which an organisation determines its strategic direction (vision), identifies strategic goals (strategic results) and objectives in view of its operating environment
Strategic Themes	These are major areas of focus or pillars of excellence that the organisation must work on to fulfil its mandate and mission
Strategy Map	This is a diagrammatic representation of the cause-and-effect relationship logic among the strategic objectives
Universal access to electricity	Provision of electricity at the lowest cost to the population living in each 10 by 10 kilometres area in countries.
Value-addition	Is the additional features or economic value that a company adds to its products and services before offering them to customers.
VUCA	An acronym standing for Volatility, Uncertainty, Complexity and Ambiguity, used to describe a situation or condition that is difficult to analyse, respond to or plan for.

ACRONYMS

8NDP	Eighth National Development Plan
BSC	Balanced Scorecard
CDF	Constituency Development Fund
CEO	Chief Executive Officer
ERB	Energy Regulatory Board
GIS	Geographic Information System
GRZ	Government of the Republic of Zambia
KPI	Key Performance INDICATOR
M&E	Monitoring and Evaluation
MPLASAs	Ministry, Province, Local Authority, Spending Agencies
MTEF	Medium Term Expenditure Framework
NGO	Non-Governmental Organization
PESTEL	Political, Economic, Social, Technological, Environmental and Legal
REA	Rural Electrification Authority
RET	Renewable Energy Technologies
REF	Rural Electrification Fund
REMP	Rural Electrification Master Plan
SO	Strategic Objectives
SWOT	Strengths Weaknesses Opportunities and Threats
UN	United Nations
VUCA	Volatility, Uncertainty, Complexity and Ambiguity
ZEMA	Zambia Environmental Management Authority



EXECUTIVE SUMMARY

This document presents the Rural Electrification Authority (REA) Strategic Plan for a five-year period from 2022 to 2026. The development of the Strategic Plan 2022-2026 was necessitated by the need to build on the achievements scored under the 2019-2021 Strategic Plan, set a new direction and establish key priorities relating to the mandate of REA as stipulated in the Rural Electrification Act No. 20 of 2003, the National Energy Policy 2019 and the Eighth National Development Plan (8NDP) 2022-2026.

The methodology employed to develop the Strategic Plan 2022 – 2026 was an integrated Institutional Assessment/Organisation Development – Balanced Scorecard (IA/OD-BSC) which considered a critical analysis of REA's operations and mapped out its new strategic direction. The Institutional Assessment revealed among others the following key challenges that needed to be addressed:

- i. Insufficient funding;
- ii. Limited scope for resource mobilisation;
- iii. Institutional and administrative barriers;
- iv. Market barriers;
- v. The erratic disbursement of funds to the Authority;
- vi. Delay in the full implementation of the approved organizational structure;
- vii. Inadequate integrated planning and coordination among departments and units;
- viii. Delay in acquisition of project materials;
- ix. COVID-19 pandemic; and
- x. Outdated Rural Electrification Master Plan (REMP).

The Organisation Development phase involved the determination of the strategic direction for REA for the period 2022 – 2026 as it relates to its Vision, Strategic Themes, Strategic Results, Mission, Strategic Objectives and Core Values. REA has aligned its philosophy to Government's Eighth National Development Plan (8NDP) and has developed its **Vision** as **“A Beacon of excellence in providing access to electricity to all rural communities for improved livelihoods”**. The **mission statement** for REA is **“To electrify rural communities in an equitable and sustainable manner for socio-economic transformation”**.

To realise its mission, the conduct and behaviour of REA will be anchored on six (6) **core values**, namely, **Integrity, Innovation, Transparency, Accountability, and Partnership**. REA has coined the short for the values as **“I2TAP.”**

REA's vision shall be achieved by targeting **three (3) pillars of excellence**, namely; **Rural Electrification Excellence, Operational Excellence and Stakeholder Collaboration**. These pillars anchor the **Six (6) strategic objectives** which include:

- I. Improve Rural Electrification;
- II. Improve Stakeholder Collaboration;
- III. Improve Financial Capacity And Management;
- IV. Improve Operation Processes And Procedures;
- V. Improve Human Capacity; And
- VI. Improve Administrative And Logistical Capacity;

The 2022-2026 Strategic Plan is unique in the sense that, much as it aspires to enhance rural electrification for Zambia to attain universal access to electricity by 2030, it also recognises the major constraint of limited availability of financing to attain this ambitious target.

Based on the best evaluated scenario to implement the Plan, the Authority requires a projected resource

EXECUTIVE SUMMARY

envelope of K7.4 billion to implement the 2022-2026 Strategic Plan which will result in the attainment of a rural electricity access rate of 22.4% by 2026. In its quest to align with Government's desire to attain universal access to energy, increased allocation to the Rural Electrification Fund (REF) would result in an accelerated implementation of the rural electrification programme to enable REA to achieve 50.6% rural electricity access rate by 2026 with an associated projected required resource envelope of K19.4 billion.

The balanced scorecard approach will be used to monitor all the initiatives to achieve the targeted strategic results of the Plan. In addition, Monitoring and Evaluation (M&E) of the Strategic Plan will be vital for effective implementation and ascertaining impact of the Plan.

The Authority will also ensure that the Plan remains alive and relevant to REA's mandate by being responsive to changes in the environment.



INTRODUCTION

1.0 Introduction

1.1 Background

The Rural Electrification Authority (REA) is a statutory body created by an Act of Parliament, the Rural Electrification Act No. 20 of 2003. The overall mandate of REA is to increase electricity access for improved productivity and quality of life of the rural population in Zambia.

The overall national electricity access rate, defined as household connection rate to the national grid, is estimated at 31% of which 67% is in the urban areas, and only close to 8.1% in rural areas. This is in spite of rural areas being home to more people than urban areas in the Country.

Zambia's population as of 8th September 2022 was 19,610,769, with the rural population accounting for 11,766,141. This translates into 4,056,605 total households of which 2,339,610 are in the rural areas.

The low rural electricity access rate estimated at 8.1% in Zambia is an impediment to the achievement of the desired socio-economic development in rural areas where poverty levels are high at 78.8%. This implies that the rural population is largely excluded from basic services such as health care and education, which diminishes their future prospects.

Despite the efforts to increase the access rate, REA has faced a number of challenges during the implementation of the Rural Electrification Programme and key among them include the following:

- a) Insufficient funding;
- b) Non-cost reflective tariffs;
- c) Limited scope for resource mobilisation;
- d) Sparse population in some areas of the Country;
- e) Rural electrification industry unattractiveness;
- f) High cost of Renewable Energy Technologies (RETs);
- g) Institutional and administrative barriers;
- h) Market barriers;
- i) The erratic disbursement of funds to the Authority;
- j) Delay in the full implementation of the approved organizational structure;
- k) Inadequate integrated planning and coordination among departments and units;
- l) Delay in acquisition of project materials;
- m) COVID-19 pandemic; and
- n) Outdated Rural Electrification Master Plan (REMP).

Based on the Eighth National Development Plan (8NDP), the energy sector has been identified as an enabler and is expected to play a key role in achieving the envisaged "Socio-economic transformation for improved livelihoods".

One of the strategies that is expected to be used in driving the economy of the Country is the increased adoption and utilisation of renewable and alternative energy sources. The Rural Electrification Programme contributes towards the achievement of the Strategic Development Outcome 1: Economic Transformation and Job Creation, Development Outcome 1: An industrialised and Diversified Economy;

1 Zambia Statistics Agency 2018 Zambia Demographic and Health Survey Report

2 2022 Census of Population and Housing Preliminary Report

3 Zambia Statistics Agency Highlights of the 2022 Poverty Assessment in Zambia

INTRODUCTION

and Strategic Development Outcome 2: Human and Social Development, Development Outcome 4: Reduced Poverty Vulnerability and Inequality.

These Development Outcomes are expected to be achieved within the context of enhanced generation, transmission, distribution and supply of electricity and reduced developmental inequalities through rural electrification, by diversifying to renewable and alternative energy.

1.2 Rationale for Developing the 2022-2026 Strategic Plan

The continued low rural electricity access rate in Zambia is an impediment to the achievement of the desired rural socio-economic transformation. The REA 2022 – 2026 Strategic Plan, has therefore been designed to achieve accelerated electricity access of rural geographical coverage and consumer access than hitherto.

This Plan aspires to contribute to the attainment of the Government's vision of universal electricity access by 2030 and its design has also taken cognisance of the United Nations (UN) initiative on modern energy access for all which obligates all governments to ensure the availability of clean and affordable modern energy in all homes by 2030.

The Plan is also informed by the continued implementation of the REMP (2008-2030), the National Energy Policy 2019, 8NDP (2022-2026), the Rural Electrification Act No. 20 of 2003, the Energy Regulation Act No. 12 of 2019 and other relevant national regulations and policies. In view of this, the enabling statutes and policies have given the Authority legal impetus to accelerate rural electrification in Zambia, necessitating the need to develop refocused objectives, strategies, and activities to cover the scope of its mandate.

This Strategic Plan therefore, represents a comprehensive set of strategies to increase access to electricity in rural areas to 22.4% by the year 2026, and addresses obstacles that have thwarted the achievement of the objectives enshrined in the previous Plan.



INTRODUCTION

1.3 Methodology for Developing the 2022-2026 Strategic Plan

The methodology employed to develop the Strategic Plan 2022 – 2026 was an integrated Institutional Assessment/Organisation Development – Balanced Scorecard (IA/OD-BSC) which considered a critical analysis of REA's operations and mapped out its new strategic direction.

The Organisation Development phase involved the determination of the strategic direction for REA for the period 2022 – 2026 as it relates to its Vision, Strategic Themes, Strategic Results, Mission, Strategic Objectives and Core Values.

1.4 Operational Strategic Linkages

To implement its mandate, REA collaborates with Ministries, Provinces, Local Authorities and Spending Agencies (MPLASAs), Development Partners, Local Communities, and several Other Stakeholders. These linkages are for the purposes of electrification of rural areas, mobilising resources, project implementation and legal and regulatory compliance.

1.5 Governance Structure

In accordance with Section 6 of the Rural Electrification Act No. 20 of 2003, REA is superintended by a Board of Directors who are appointed by the Minister of Energy. The day-to-day administration of the Authority is carried out by the Management Team headed by the Chief Executive Officer (CEO).



EXTERNAL AND INTERNAL ENVIRONMENTAL ANALYSIS

2.0 EXTERNAL AND INTERNAL ENVIRONMENTAL ANALYSIS

2.1 External Environmental Analysis

The Plan is contextualised within the external environment which may impact the execution of the Strategy. The advent of a Volatile, Uncertain, Complex and Ambiguous (VUCA) world needs better anticipation of the operating environment from institutional and policy perspectives, in order to fully harness the rural electrification potential.

The task of rural electrification is volatile in that the electricity industry in Zambia is compounded with challenges ranging from below cost tariffs to uneconomic distribution and supply connections due to certain areas being sparsely populated.

The prevailing practice in the rural electrification environment is that the light-handed regulations and rules are yet to be developed, making it uncertain in as far as captive market is concerned. The different needs and requirements in different provinces also signify the complex nature of rural electrification requirements in that there is no one-size-fits-all solution. Each region therefore requires complete understanding of the electrification needs of communities, therefore making it ambiguous.

The tool that was used to carry out the external environment analysis was PESTEL which describes the Political, Economic, Social, Technological, Environmental and Legal boundary conditions of the rural electricity sector.

2.2 PESTEL Analysis

The external environmental analysis involves a review of six (6) factors at play in the greater environment because they can have a bearing on the success of the Strategy. Details of the specific factors considered in the external environmental scan, complete with REA's response to the challenges, are presented in Table 1:

Table 1: PESTEL Analysis

FACTOR	DEVELOPMENTS	OPTIMISE (POSITIVE)	MITIGATE (NEGATIVE)
POLITICAL / POLICY	Launch of the Eighth National Development Plan 2022 – 2026: Under Development Outcome 1: An industrialised and diversified economy and Outcome 4: Reduce Poverty, Vulnerability and Inequality, the 8 NDP provides clear strategies for rural electrification.	REA will leverage on the provisions of the Plan to upscale Rural Electrification.	

EXTERNAL AND INTERNAL ENVIRONMENTAL ANALYSIS

FACTOR	DEVELOPMENTS	OPTIMISE (POSITIVE)	MITIGATE (NEGATIVE)
	Establishment of the Ministry of Green Economy and Environment: Government established the Ministry of Green Economy and Environment. Government has provided a policy framework as well as institutions to support the green growth agenda as an anchor for clean energy development'	<p>This development provides an opportunity for the Authority to collaborate on green energy projects.</p> <p>REA will take advantage of the available policy and institutional framework to scale up development of clean energy.</p>	
	National Energy Policy 2019: The Policy aims to achieve optimal energy resources utilisation to meet Zambia's domestic and non-domestic needs at the lowest total economic, financial, social, environmental and opportunity cost and establish Zambia as a net exporter of energy. Government intends to promote cost-reflective electricity tariffs to attract more investment in the sector.	<p>This provides an opportunity for the Authority to attract private sector participation into the subsector.</p> <p>REA will provide smart capital subsidies to support private sector investments in off-grid electrification to ensure project viability and leverage the resulting tariffs for the projects.</p>	<p>On the other hand, promoting cost-reflective electricity tariffs may inhibit increased access to electricity in rural areas among the low-income population.</p> <p>REA will provide connection subsidies for the low-income households.</p>

EXTERNAL AND INTERNAL ENVIRONMENTAL ANALYSIS

FACTOR	DEVELOPMENTS	OPTIMISE (POSITIVE)	MITIGATE (NEGATIVE)
	Decentralisation of decision making in Local Authorities on CDF Decentralisation of decision making has given power to the Local Authorities to decide on projects to undertake.	REA will strengthen engagements with Local Authorities on rural electrification programmes.	
	Increase in Constituency Development Funds (CDF): The increase in CDF from K1.6 million in 2021 to K25.7 million in 2022 has provided an opportunity for REA to leverage on.	<p>This presents an opportunity to REA for an alternative source of finance for Rural Electrification Programmes in communities</p> <p>REA will enhance collaboration with local authorities to scale up the implementation of the rural electrification projects in rural constituencies.</p>	
ECONOMIC	Economic INDICATORS: Fluctuations in inflation and exchange rate. (2019 – 2021) Average Inflation rate rose from 19.15% in 2019 to 22.02% in 2021. On the other hand, the Kwacha depreciated from K11.9684/US\$ to K16.6931/US\$ in 2021.	REA will leverage on the stable economic environment to attract investments in rural electrification.	

EXTERNAL AND INTERNAL ENVIRONMENTAL ANALYSIS

FACTOR	DEVELOPMENTS	OPTIMISE (POSITIVE)	MITIGATE (NEGATIVE)
SOCIAL	The COVID-19 Pandemic: The Pandemic negatively affected the Authority as it disrupted programme implementation and, in some cases, increased the cost of operations.		REA will develop an emergency preparedness plan and business continuity plans; and Strengthen adherence to health guidelines.
	Increase in the population in rural areas: The population increased from 1,495,861 in 2010 to 2,271,761 in 2021. The increase in population creates more demand for rural electrification services.		To mitigate the development, REA will strengthen strategies for resource mobilisation.
TECHNOLOGICAL	Advancements in technology: The availability of integrated one-stop hub technologies has created an opportunity for REA to enhance the management of projects and improve efficiency.	REA will: invest in the improved technologies. Train end users on the technologies facilitate research and acquisition of relevant technical skills. strengthen collaboration with enforcement agencies on enhancing compliance to standards.	

EXTERNAL AND INTERNAL ENVIRONMENTAL ANALYSIS

FACTOR	DEVELOPMENTS	OPTIMISE (POSITIVE)	MITIGATE (NEGATIVE)
LEGAL	Enactment of the Electricity Act No. 11 of 2019: The Act provides for the regulation of generation, transmission, distribution and supply of electricity; the sale and purchase of electricity within and outside the Republic; facilitate the achievement of the efficient, effective, sustainable development and operation of electricity infrastructure; provide the roles and responsibilities of various participants in the electricity sector; facilitate adequate levels of investment in the electricity sector; provide for a multi-year tariff framework; promote transparency in the identification and allocation of risks, costs and revenues within and between participants in the electricity sector; ensure the protection and safety of consumers of electricity and the public.	REA will leverage on the provisions of the Act to attract private sector participation in rural electrification.	
	Enactment of the Energy Regulation Act No. 12 of 2019: The Act provides for the licensing of enterprises in the energy sector.	REA will leverage on the provisions of the Act to attract private sector participation in rural electrification.	

EXTERNAL AND INTERNAL ENVIRONMENTAL ANALYSIS

2.2 Internal Environmental Analysis

This section provides an appraisal of REA, analysing its internal resources and capabilities towards enhancing rural electrification from the current status. The areas of analysis include people, resources, processes as well as the Authority’s past performance under the 2019-2021 Strategic Plan.

2.0.1 A Summary of Past Performance

The 2019-2021 Strategic Plan was instrumental in driving REA’s vision towards the achievement of its mandate. The vision during this period was “provider of sustainable electrification for all rural communities”. The previous Strategic Plan was anchored on three pillars namely operational excellence, collaboration excellence and rural electrification excellence. It is under these pillars that the following strategic objectives were formulated:

- i. Strategic objective 1- Improve rural electrification service delivery;
- ii. Strategic objective 2- Improve collaboration with stakeholders;
- iii. Strategic objective 3- Improve Financial Capacity and Management;
- iv. Strategic objective 4- Improve operational processes and procedures; and
- v. Strategic Objective 5: Improve human capital and administrative capacity.

The 2019-2021 Strategic Plan enhanced the focus on increasing rural electrification and developing renewable energy sources in Zambia, in which the Authority was expected to take a leading role. A detailed and comprehensive evaluation of this previous Plan was carried out by an Independent Consultant. The quantitative achievements by Strategic Objectives (SOs) is as presented in Table 2.

Table 2: Summary Performance by Strategic Objective

STRATEGIC OBJECTIVE	AVERAGE ACHIEVEMENT (%)
Strategic Objective 1: Improve rural electrification delivery	46
Strategic Objective 2: Improve Collaboration with stakeholders	67
Strategic Objective 3: Improve Financial Capacity and Management	45
Strategic Objective 4: Improve operational processes and procedures	50
Strategic objective 5: Improve human capital and administrative capacity	67
Overall	55

EXTERNAL AND INTERNAL ENVIRONMENTAL ANALYSIS

The overall performance by target in relation to high-level strategic results based on the independent performance evaluation report was 55%. SO 1 had 46% and indicates the need for the Authority to continue its mandate. SO 2 achieved 67% of the planned strategic result indicating the relevance of the Authority to continue strengthening stakeholder collaboration.

SO 3 scored the least with 45% indicative of the need to address improved financial capacity and management. SO 4 had 50% and indicative of the need for the Authority to improve operation processes and procedures. SO 5 achieved 67% indicative of the need to improve human capital and administrative capacity.

2.2.2 SWOT Analysis

In addition to understanding the external environment, an analysis of the internal environment was carried out using the SWOT model. The analysis reflects strengths that the Authority would like to retain, weaknesses to eliminate, opportunities to take advantage of and threats to guard against. Table 3 outlines the identified strengths with the corresponding optimisation measures. Table 4 lists the identified weaknesses, and their mitigating measures.

Table 5 lists the opportunities available that REA could leverage on whereas Table 6 lists the identified threats and how the Authority could mitigate them.

The SWOT analysis conducted identified strategic issues that need to be addressed in the 2022-2026 Strategic Plan to achieve REA’s mandate and goals.

a) Strengths and Optimisation Measure

Table 3: Strengths

STRENGTHS	OPTIMISATION MEASURES
Availability of experienced staff with expertise;	The Authority will develop a staff retention. strategy
Effective operational and management systems in place.	Re-engineer and automate requisite systems.
Decentralised operations	Leverage on the presence in the regions to scale up rural electrification and monitoring of programmes



EXTERNAL AND INTERNAL ENVIRONMENTAL ANALYSIS

b) Weaknesses, and Mitigating Measures

Table 4: Weaknesses

WEAKNESS	MITIGATING MEASURES
Inadequate human capital	Adhere to the Recruitment Plan to fill vacant positions.
Inadequate specialised skills and research capacity in RET.	Strengthen implementation of the Training Plan Collaborate with external research institutions and experts to build capacity.
Weak Work Culture	Develop and implement a culture transformation program.
Weak implementation of the performance management system	Strengthen implementation of the performance management system
Non-utilisation of specialised equipment	Build capacity in requisite staff to operate the equipment
Inadequate Transport and Logistics	Prioritise procurement of transport and allocation of resources towards logistics
Inadequate Office space	Expedite construction of new offices
Weak coordination	Strengthen Coordination Mechanisms
Weak Contract and Project Management system.	Enhance project and contract management capabilities.
Lack of a mechanism for data collection on access and connectivity levels	Accurate data on access and connectivity is vital for planning purposes. There is need to update data on rural electrification including a GIS database

EXTERNAL AND INTERNAL ENVIRONMENTAL ANALYSIS

c) Opportunities and Leveraging Measures

Table 5: Opportunities

Outdated Rural Electrification Master Plan (REMP)	Review of the Rural Electrification Master Plan
OPPORTUNITIES	LEVERAGING MEASURES
Government’s commitment in the implementation of accelerated rural electrification.	REA will capitalize on Government’s desire for accelerated rural electrification to leap-frog implementation of its mandate.
Existence of unexploited renewable energy sources.	Explore and utilise the renewable energy sources.
Supportive stakeholders in rural electrification.	Strengthen stakeholder partnerships.

d) Threats and Mitigating Measures

Table 6: Threats

THREATS	MITIGATING MEASURES
Inadequate financial resources	Enhance engagements with the Ministry of Finance and National Planning for increased funding. Explore alternative sources of revenue
Inadequate legal framework	Strengthen the legal framework
Low absorption capacities of electricity in rural areas.	Provide connection subsidies for the low-income households. Engage stakeholders for support towards sustainable rural electrification
Sparsely populated rural areas	Enhance rural electrification planning for sparsely populated rural areas

2.2.3 Stakeholder Analysis

By virtue of its operational mandate, REA interacts with several stakeholders which also includes customers. A customer is anyone who uses, pays for, or directly benefits from the result of rural electrification while a stakeholder is anyone who is affected by the project process or results directly or indirectly. Customers are classified into two classes: intermediate and ultimate users.

Intermediate customers are those who receive or take up REA constructed electricity infrastructure to supply electricity to ultimate customers. Ultimate customers are that group of rural residents who get connected to REA-owned and operated electricity infrastructure.

Stakeholders on the other hand include individuals and organisations who are impacted by the Authority’s activities or do influence what REA does and how it carries out its mandate. REA’s stakeholders include government and quasi- government bodies, traditional authorities, Civil Society Organisations, staff members, Management and Board of Directors.

These stakeholders have interests and expectations. During the preparation of this Strategic Plan, REA consulted various categories of stakeholders to obtain their anticipations and expectations.

EXTERNAL AND INTERNAL ENVIRONMENTAL ANALYSIS

Table 7 highlights the analysis of the expectations and needs of the various stakeholders.

Table 7: Stakeholder Expectations Analysis

Favourable policy environment		Leverage on the policy environment for upscaling
STAKEHOLDER	EXPECTATIONS	STRATEGIC IMPLICATION
Ministry of Health	Supply of electricity to public health facilities in rural areas	REA will promote least-cost generation development strategies to benefit health centres and schools.
Ministry of Education	Supply of electricity to educational facilities in rural areas.	
Ministry of Energy.	Increased access to electricity in rural areas to 22.4% by 2026	REA will accelerate the implementation of the rural electrification programme.
	Affordable and sustainable electricity supply in rural areas	REA to promote least cost generation development strategies. REA to develop subsidy programs for those who cannot afford
Development Partners and Donors	Sustained, secure and safe rural electricity supply.	Development of rural electrification infrastructure.
	Efficient and productive use of energy.	On-grid and off-grid electrification, and support to clean cooking, other household energy services and other productive uses of electricity.
	Strong strategic partnerships	REA will set up a partnership desk to tap into development finance within the donor community such as the UN agencies.
ZESCO Limited	Enhanced liaison with REA to ensure that all on-grid electrification projects use standard overhead lines, appropriate tap-off points and that projects are adequately monitored and supervised.	To strengthen the ZESCO/REA Joint Technical Committee to develop a standard procedure to address the roles and responsibilities of the two institutions at project scoping stage, project design stage, project implementation stage and at project hand over (close out) stage.

EXTERNAL AND INTERNAL ENVIRONMENTAL ANALYSIS

STAKEHOLDER	EXPECTATIONS	STRATEGIC IMPLICATION
Independent Power Producers (IPPs)	Stronger co-ordination between REA and IPPs	REA will prioritise and expedite development of a Stakeholder Management Plan to satisfy the requirement of Rural Electrification Act No. 20 of 2003, Section 4, part vii.
		REA will provide a clear path for any developer to access Smart Subsidy funds.
		Developers should have a better sense of what kind of projects can get funded by private funders.
		REA will develop standards for accessing funds and give feedback for any such projects that do not meet the standards for accessing the funds
Rural communities	Participation in decision making on projects affecting their communities.	Promote visibility of REA through development of effective mechanisms for engagement.

In summary, stakeholders expect a coordinated approach and policy harmonisation coupled with timely feedback and reporting mechanisms on rural electrification in Zambia.

The engaged stakeholders recommended an enhanced organisational capacity and increase in external and internal funding. Given that investment opportunities are vast in rural areas, there is a need for organised community-based initiatives that enhance local livelihoods.

It is therefore critical that all stakeholders (REA, cooperating partners, communities, NGOs, traditional authorities, and government agencies) work together as a strong united force to ensure effective delivery of rural electrification results that meet the needs of the targeted groups.

In order to ensure the successful implementation of the Strategic Plan 2022-2026, the Authority will review and update its existing Stakeholder Management Plan to align it to the developed Strategic Plan.

The stakeholder expectations and aspirations highlighted in Table 7 were considered in the development of the Strategic Plan 2022-2026.

STRATEGIC DIRECTION

3.0 STRATEGIC DIRECTION

After reviewing both the internal and external environment within which REA expects to operate in the next five (5) years, the Authority has formulated its new strategic direction for the period 2022-2026. The formulated Vision, Mission, and Core Values are covered in this section.

While the aim of rural electrification is to improve the quality of life of rural communities as customers of electricity, achieving universal access to electricity requires consultation, participation, and engagement of a diverse array of stakeholders who play vital roles in electrification programmes.

The formulated Vision, Mission, and Core Values focuses on the impact of rural electrification on customers while leveraging on the diverse stakeholders for the achievement of rural electrification goals and objectives. The set strategic direction is intended to effectively meet the needs and expectations of REA's customers and stakeholders.

3.0 The Vision Statement

The Vision for REA is:

“A Beacon of excellence in providing access to electricity to all rural communities for improved livelihoods”.

The aspirations of being a beacon of excellence will entail REA being a trendsetter in rural electrification in the region and providing smart solutions to connect rural communities to ensure that they have a sustainable supply.

This will require facilitating private sector participation, innovative financing, research and development.

3.1 The Mission Statement

The Mission Statement for REA is:

“To electrify rural communities in an equitable and sustainable manner for socio-economic transformation”.

Through the mission, REA will provide electricity to all rural communities using appropriate technologies in a fair and environmentally responsible manner to positively impact the community's social and economic development.

3.2 Core Values

The Core Values represent fundamental beliefs of REA which define the code of conduct, standards of behaviour and provide ethical guidelines for decision- making as shown in Table 8:

STRATEGIC DIRECTION

Table 8: REA's Core Values

NO.	CORE VALUE	DESCRIPTION
1.	Integrity	REA commits to adhering to moral and ethical principles, and work honestly and fairly with Stakeholders.
2	Innovation	In implementing the mission, REA will always explore new technologies for rural electrification at low cost.
3	Transparency	REA commits to communicate clearly and honestly and deliver unbiased guidance in the discharge of its duties.
4	Accountability	In discharging its duties, REA commits to being transparent, result-oriented, take ownership of results, decisions and actions.
5.	Partnership	REA collaborates with other key stakeholder in the execution of its mandate.

REA has coined the short for the values as “I²TAP” which stands for I-Integrity, I-Innovation, T-Transparency, A-Accountability, and P-Partnership.

3.3 Strategic Themes and Strategic Results

Having considered the vision, the overriding factors that gives identity and unique purpose of REA are its strategic themes and results as indicated in Table 9:

Table 9: Strategic Themes and Results

NO.	STRATEGIC THEMES	STRATEGIC RESULTS
1	Rural Electrification Excellence	Electrified rural households
2	Stakeholder Partnerships	Strong stakeholder support
3	Operational Excellence	Quality services

3.5 Strategic Objectives and Strategies

The REA 2022-2026 Strategic Plan has a total of 6 Strategic Objectives and associated strategies outlined in Table 10:

STRATEGIC DIRECTION

Table 10: Strategic Objectives and Strategies

STRATEGIC OBJECTIVES	STRATEGIES
Strategic Objective 1: Improve rural electrification	Strengthen the Legal and Policy framework. Strengthen research and development. Develop and implement an innovative financing mechanism for productive uses of electricity. Scale up planning and implementation of both on grid and off-grid electrification projects. Develop and implement subsidy program for connections. Strengthen operation and maintenance of power generating plants. Develop and implement client feedback mechanisms.
Strategic Objective 2: Improve Stakeholder Collaboration.	Enhance the implementation of the Stakeholder Management Plan Develop and implement Communication Strategy
Strategic Objective 3: Improve financial capacity and management.	Develop and implement resource mobilisation strategy. Strengthen internal controls.
Strategic Objective 4: Improve operational Processes and Procedures;	Strengthen Monitoring and Evaluation mechanisms Strengthen Project Management Develop and Re-engineer systems. Develop and implement a client service charter. Strengthen implementation of standard operating procedures Strengthen Implementation of the risk enterprise management framework Develop and implement a business continuity plan
Strategic Objective 5: Improve Human Capacity	Strengthen Capacity building Strengthen implementation of the Performance Management System Develop and implement a retention Policy. Operationalise the organisation structure. Strengthen implementation of staff welfare program Develop and implement change management and culture remodelling programme. Strengthen corporate integrity mechanisms.
Strategic Objective 6: Improve administrative and logistical capacity;	Strengthen Asset Management Strengthen implementation of the procurement plan Develop and implement an infrastructure development and maintenance plan

IMPLEMENTATION PLAN AND FINANCING

4.0 ENABLING FACTORS

This section highlights the critical success factors, resources required for the implementation of the Strategic Plan over the five-year period, sources of funding, strategies for mobilisation of the funds and risk analysis.

4.0 Pre-conditions

The effective implementation of this Plan is based on the following key pre- conditions:

- a) Strategic leadership at the Board and CEO levels;
- b) Ownership of Strategy by the Board, Management, and all staff;
- c) Putting Strategy at the centre of operations by maintaining the Plan as a standing agenda item in management and board meetings;
- d) Cascading the Strategic Plan to departments, individuals and training all staff in the Balanced Scorecard Management System;
- e) Robust planning, resource allocation, and effective work-plans implementation;
- f) A right and enabling corporate culture that embraces change, fosters teamwork and staff wellness and engagement;
- g) Proactively managing risks;
- h) Training and capacity building of REA staff;
- i) Effective control of REA's expenditure through, among other things, reduction and elimination of resource wastage;
- j) AdherencetointernalStandardOperatingProceduresandworkprocesses;
- k) Effective stakeholder engagement;
- l) Adherence to a holistic Monitoring and Evaluation Framework; and
- m) Change management spearheaded by the Strategic Plan Core Team as change agent drivers.

IMPLEMENTATION PLAN AND FINANCING

5.1 Implementation Plan

To operationalise the Strategic Plan, a costed Implementation Plan has been developed, broken down into Annual Departmental and Individual Work Plans, with SMART targets, schedules of activities costed accordingly.

The Implementation Plan and Budget for this Strategic Plan is based on the optimal scenario (Scenario 3), which assumes a cumulative budget amount of K7.39 billion taking into account fiscal constraints for the Country.

The Implementation Plan and Budget for the 2022-2026 Strategic Plan is presented in Appendix 3. The summary Budget for both operations and capital expenditure over the five-year Strategic Plan for each strategic objective period is as shown in Table 11.



IMPLEMENTATION PLAN AND FINANCING

Table 11: Summary Budget for the 2022-2026 Strategic Plan

YEAR STRATEGIC / OBJECTIVE	2022 (K)	2023 (K)	2024 (K)	2025 (K)	2026 (K)	TOTAL (K)
SO1: Improve Rural Electrification	644,881,000	751,490,166	1,074,138,475	1,482,700,708	2,130,175,123	6,083,385,472
SO2: Improve Stakeholder Collaboration	8,065,820	9,775,242	14,650,000	12,980,000	17,180,000	62,651,062
SO3: Improve Financial Capacity and management	5,442,700	8,660,618	7,013,967	7,589,900	7,698,275	36,405,460
SO4: Improve Operational Processes and Procedures	14,110,692	53,806,405	65,448,846	60,977,388	62,088,572	256,431,903
SO5: Improve Human Capacity	111,872,636	147,550,766	174,317,319	209,129,783	249,764,740	892,635,244
SO6: Improve Administrative and Logistical Capacity	11,307,800	10,249,990	12,225,988	12,671,186	13,300,000	59,754,964
Total (K)	795,680,648	981,533,187	1,347,794,595	1,786,048,965	2,480,206,710	7,391,264,104

5.2 Financial Resources Mobilisation

REA receives funding for the implementation of the Rural Electrification Programme from the Government and various Cooperating Partners. The required resource envelope to achieve the rural electricity access rate of 50.6% by the year 2026 is projected at K19.5 billion. However, this resource envelope is unrealistic to attain given the on-going fiscal constraints for the Country and past funding trends for the Rural Electrification Programme.

In order to determine the most realistic planning assumptions and the budget required to implement the 2022-2026 Strategic Plan, the following scenarios were identified for financial resource mobilization:

- Scenario 1 takes into consideration the actual disbursements in 2022 and budgetary allocation for 2023 and assumes the resource requirement of K19.5 billion to meet the 50.6% rural electricity access rate by the year 2026 in line with the 8NDP with GRZ funding of 29%, but has a funding gap of about 71%;
- Scenario 2 takes into consideration the actual disbursements in 2022 and budgetary allocation for 2023 and assumes the resource requirement of K6.1 billion which would result in 10.9% rural electricity access rate by the year 2026 with GRZ funding of 91% and a funding gap of about 9%;
- Scenario 3 takes into consideration the actual disbursements in 2022 and budgetary allocation for 2023 and assumes the resource requirement of K7.4 billion which would result in 22.4% rural electricity access rate by the year 2026 with GRZ funding of 76% and a funding gap of about 24%; and
- Scenario 4 takes into consideration the actual disbursements in 2022 and budgetary allocation for 2023 and assumes the resource requirement of K13.8 billion which would result in 35% rural electricity access rate by the year 2026 with GRZ funding of 41% and a funding gap of about 59%.

IMPLEMENTATION PLAN AND FINANCING

Table 12 and subsequent Figures 1 and 2 below show the summary comparison of the evaluated four (4) scenarios in terms of the projected annual budgets, associated connections which could be achieved and the required rural electrification resource envelopes for the period 2022-2026 by scenario.

Table 12: Required Financial Resources for the Period 2022-2026 by Scenario

YEAR	DETAILS	SCENARIO 1	SCENARIO 2	SCENARIO 3	SCENARIO 4
Baseline 2018	Projected Cumulative Rural Household Connections	160,197	160,197	160,197	160,197
2019 (REA's Projection)	Projected Cumulative Rural Electricity Access Rate	8.10%	8.10%	8.10%	8.10%
	Projected Cumulative Rural Household Connections	165,811	165,811	165,811	165,811
	Projected Cumulative Rural Electricity Access Rate	8.15%	8.15%	8.15%	8.15%
Baseline 2020 (REA's Projection)	Projected Cumulative Rural Household Connections	172,425	172,425	172,425	172,425
Baseline 2021 (REA's Projection)	Projected Cumulative Rural Electricity Access Rate	8.19%	8.19%	8.19%	8.19%
	Projected Cumulative Rural Household Connections	177,039	177,039	177,039	177,039
	Projected Cumulative Rural Electricity Access Rate	8.22%	8.22%	8.22%	8.22%
2022	Projected Cumulative Rural Household Connections	182,653	182,653	182,653	182,653
2023	Projected Cumulative Rural Electricity Access Rate	8.24%	8.24%	8.24%	8.24%
	Projected Budget (K)	795,680,648	795,680,648	795,680,648	795,680,648
	Projected Cumulative Rural Household Connections	207,548	207,548	207,548	207,548

IMPLEMENTATION PLAN AND FINANCING

YEAR	DETAILS	SCENARIO 1	SCENARIO 2	SCENARIO 3	SCENARIO 4
2024	Projected Cumulative Rural Electricity Access Rate	9.1%	9.1%	9.1%	9.1%
	Projected Budget (K)	981,533,187	981,533,187	981,533,187	981,533,187
	Projected Cumulative Rural Household Connections	431,142	222,548	278,262	401,363
	Projected Cumulative Rural Electricity Access Rate	18.4%	9.5%	11.9%	17.1%
	Projected Budget (K)	4,500,995,297	1,058,328,804	1,347,794,595	2,988,610,553
2025	Projected Cumulative Rural Household Connections	797,341	245,690	410,407	623,369
	Projected Cumulative Rural Electricity Access Rate	33.0%	10.2%	17.0%	25.8%
	Projected Budget (K)	6,021,756,862	1,397,845,674	1,786,048,965	3,983,152,518
	Projected Budget (K)	1,257,888	270,968	557,192	868,943
2026	Projected Cumulative Rural Household Connections				
	Projected Cumulative Rural Electricity Access Rate	50.6%	10.9%	22.4%	35.0%
	Projected Budget (K)	7,208,650,897	1,934,578,419	2,480,206,710	5,029,292,980
Projected funding from Government (K)		5,635,692,582 (29%)	5,635,692,582 (91%)	5,635,692,582 (76%)	5,635,692,582 (41%)
Projected finding gap (K)		13,872,924,309 (71%)	532,274,150 (9%)	1,755,571,522 (24%)	8,142,577,305 (59%)
Projected Budget (K) – (2022 – 2026)		19,508,616,891	6,167,966,732	7,391,264,105	13,778,269,887

IMPLEMENTATION PLAN AND FINANCING

Figure 1: Projected Household Connections and Impact on Access Rate for each scenario

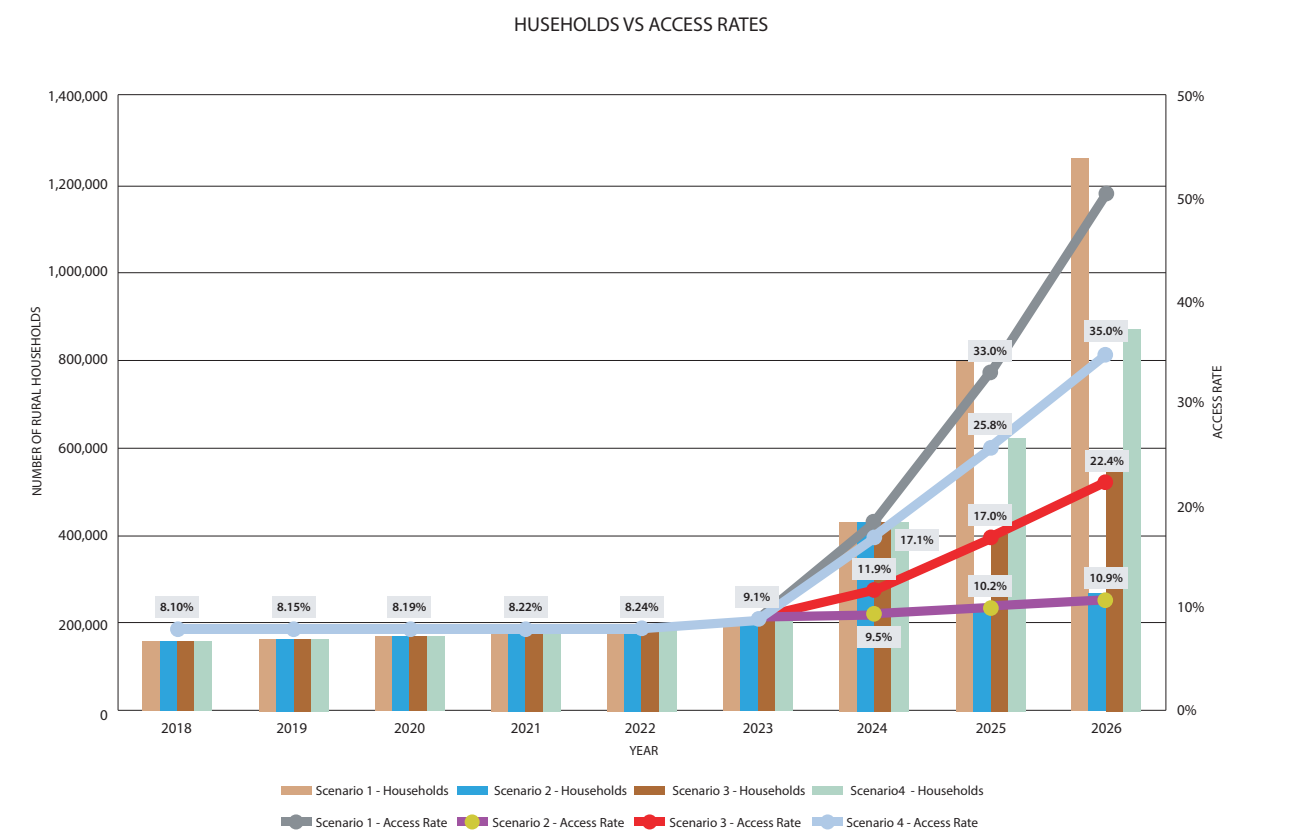
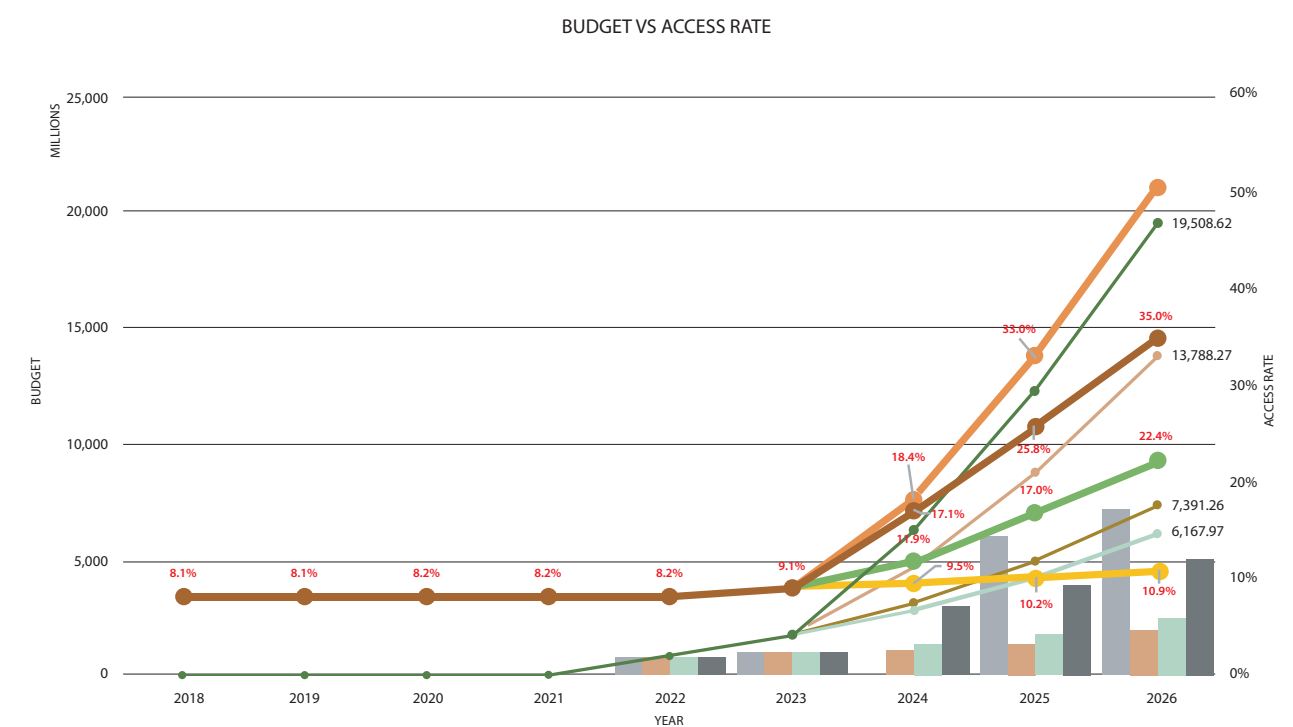


Figure 2: Impact of available funding on access rate based on each scenario.



IMPLEMENTATION PLAN AND FINANCING

Based on the evaluation of the strengths and weaknesses of each scenario, the most realistic evaluated option is Scenario 3 for the following reasons:

- i. Over 75% of projected annual budgets are based on Ministry of Finance Medium Term Expenditure Framework (MTEF) 2023-2025 projections which mainly constitute funding from Government;
- ii. The projected funding gap for the years 2024, 2025 and 2026 is estimated at K1.75 billion which is 25% of total resource envelope and would be realistically possible to mobilise from other sources of funding;
- iii. Budgets for the years 2022 & 2023 are based on allocated budgets to the Rural Electrification Programme by Government for the stated two years;
- iv. Scenario 3 draws a realistic balance between past funding trends to the Rural Electrification Fund (REF) and future aspirations of Government in terms of universal access to electricity by the year 2030;
- v. Scenario 3 would result in the attainment of the targeted 557,192 cumulative rural household connections and 22.4% cumulative rural electricity access rate by the year 2026; and
- vi. Scenario 3 provides REA with an opportunity to develop and implement an aggressive resource mobilisation strategy for the 2022-2026 Strategic Plan in the year 2023 in order to mobilise required financial resources to meet the funding gaps for 2024, 2025 and 2026.

In light of the foregoing, the Implementation Plan and Budget for this Strategic Plan is based on the optimal scenario (Scenario 3), which assumes a cumulative budget amount of K7.39 billion taking into account the on-going fiscal constraints for the country.

However, in the event that the Government and its partners commit to the resourcing of the rural electrification programme to the extent of K19.5 billion in order to facilitate the attainment of a rural electricity access rate of 50.6% by the year 2026 during the period 2022-2026, the Strategic Plan and its implementation plan and budget would be reviewed, and Scenario 1 would be adopted.

In this case, the Authority will need to institute the following measures to enable it absorb the increased funding and deliver results:

- i. Accelerate the update of the REMP and preparation of pre-feasibility studies for projects identified in the REMP;
- ii. Scale up private sector participation in the rural electrification programme by employing the Public Private Partnership (PPP) Business Model in the delivery of rural electricity services;
- iii. Attain 100% operationalisation of the approved 2022-2026 REA Organisation Structure;
- iv. Fast-track the full decentralisation of REA operations in order to enhance project planning, supervision of works and enhance service delivery;
- v. Accelerate the implementation of the Constituency Development Funds (CDF) projects under the collaboration between REA and Local Authorities as part of the implementation of the decentralisation policy; and
- vi. Out sourcing some planning and supervision of works for both CDFprojects and rural electrification projects under respective approved Annual Work Plans and Budgets a year prior to project implementation.

IMPLEMENTATION PLAN AND FINANCING

It is also expected that the traditional sources of funding to the Rural Electrification Fund (REF) will continue in the next five (5) years and other non-traditional sources such as carbon finance under the Clean Development Mechanisms will be established to complement the existing funding streams.

At the same time, the Authority will explore additional sources to meet the required funding for the Strategic Plan. Table 13 shows the GRZ financing and the funding gap to be raised by REA through various engagements.

Table 13: Resource Mobilisation Strategy

SOURCE OF FUNDS	RESOURCE MOBILISATION STRATEGY	PROJECTED FUNDING (K'MILLION)
Government of the Republic of Zambia (GRZ)	Systematic tracking of the disbursement of the Electricity Levy	5,635.69
Funding Gap	Submission of Proposals	1,755.57
	Public Private Partnerships	
	Partnerships with Stakeholders	
Total		7,391.26

RISK MANAGEMENT

6.0 Risk Management

Risk Management is part of REA's governance system. This entails identifying and assessing factors that could undermine the implementation of the Strategic Plan under each of the six (6) Strategic Objectives. These include human, financial, technical, political, natural, operational, and reputational factors.

The Board of Directors is responsible for the Risk Management Policy and its implementation. The Board is also responsible for establishing adequate internal controls.

REA, will, through the Board, Management Team, Project Managers and individual staff utilise the Risk Management Framework to anticipate, identify and analyse risks regularly and take action to mitigate the risks whether positive or negative.

The Board through the Audit and Risk Committee will regularly review adequacy of internal controls, risks, and risk tolerance. A risk management framework will, therefore, be put in place to ensure proper management of risks.

Some of REA's major risks listed as critical are summarised as:

a) Finance: Inadequate funding;

Since its inception, the funding trends to the REF have fallen short of the required resource envelope to enable the Authority carry out its mandate of achieving universal access to electricity for all rural communities by 2030.

To implement the Strategic Plan 2022-2026, REA requires an estimated total funding of K7.4 billion. From the projected required resource envelope to implement the Plan, total funding of K5.6 billion will be raised from the GRZ based on the Medium Term Expenditure Framework (MTEF) 2022-2026 while there is a funding gap of K1.8 billion.

In the light of this, REA intends to implement a robust resource mobilisation strategy and strengthen collaborations with external stakeholders in order to increase chances of success.

b) People: Insufficient human capital;

Insufficient human capital is a key obstacle impeding REA from carrying out its mandate effectively and efficiently. This can be attributed to inadequate operational budget to support recruitment. However, with the recent improvement in the funds allocated to the Authority, a revised organisation structure has been proposed to resolve the gaps identified and enhance human capital. There will be need to address the "jump" in the cost of remuneration in that, the organisation structure would need to be implemented in the least possible time, which would in turn mean a 100% rise in this cost.

c) Image: Reputational or collaboration risk;

The Authority faces reputational risks due to misrepresentation by Internal or External Stakeholders which may be published on platforms such as social media among others. This negatively affects the public's perception of REA which subsequently leads to loss of goodwill and financial support from donors and the Government.

RISK MANAGEMENT

To curb this, the Authority ensures effective Public Relations and Management of stakeholders, increased publicity to counter bad publications, and strong corporate values which are supported by appropriate performance incentives.

d) Project Impact : Low electricity uptake;

Low electricity uptake by beneficiaries remains a challenge for the Authority and reduces the positive impact on rural communities. This is mainly due to insufficient funds to pay the connection fees by the rural communities.

Increase in the connection fees has the potential to worsen the situation subsequently. This may result in reduced electricity access and less positive impact on rural communities. REA will continue to provide subsidies on connection fees in selected rural communities and providing ready boards to facilitate the connection households with non-standard structures (grass thatched).

e) Project Management: Delay in the completion of projects;

Failure to complete projects within the stipulated timelines has been a high- risk area for the Authority over the past years. This has been attributed to delays in procurement of project materials and underperformance by contractors and recently the adverse effects of Covid 19. This has resulted in carry over of projects from one year to another.

As a result, the Authority has put in measures such as blacklisting contractors who have underperformed and enforcement of contract provisions on liquidation damages for delayed completion of projects.

MONITORING AND EVALUATION

7.0 MONITORING AND EVALUATION

An effective Monitoring and Evaluation (M&E) system is critical to the successful implementation of this Strategic Plan. This will provide the necessary feedback on the progress towards the achievement of the overarching targets set under the Strategic Plan to enable informed and optimal decision making. REA will focus on results-based monitoring and evaluation and will ensure that the framework is cascaded to the Annual Institutional, Departmental, and individual Work Plans.

At institutional level, to track REA's performance, a corporate balanced scorecard has been developed.

The corporate scorecard collates the strategic elements which include the vision, mission, core values and strategic actions highlighting the strategic themes, strategic results, strategic objectives, strategies or strategic initiatives, measures or Key Performance INDICATORS (KPIs) and targets. The Balanced Score Card is premised on four perspectives, namely; Stakeholder, Financial, Internal Processes and Organisational Capacity.

- i. Stakeholder perspective encompasses the strategic objectives, measures and initiatives that are directly related to addressing the needs and expectations of the Authority's stakeholders.
- ii. Financial perspective focuses on financial objectives, financial measures and initiatives that will ensure financial sustainability of the Authority.
- iii. Internal process perspective focuses on the increasing efficiency and effectiveness of the Authority's internal processes and procedures. This perspective seeks to determine which processes to design or redesign and perform to the best ability and what internal activities should be undertaken to improve and sustain key operations;
- iv. Organisational capacity deals with the resources, skills, expertise quality of systems and processes that the Authority will require to support its operations.

The REA 2022-2026 Strategic Plan Corporate Scorecard is presented in Appendix 1. The Corporate Scorecard shall inform the framework for the Monitoring and Evaluation (M&E) of the REA 2022-2026 Strategic Plan as shown in Appendix 2.

The Framework will also be linked to the staff Performance Management System. The Board will provide overall strategy governance and will periodically evaluate the implementation of the Strategic Plan.

At individual level, the Performance Management System will be strengthened to be able to monitor and evaluate the performance of staff on a continuous basis, quarterly and annually. With regard to departmental level, monitoring of the Strategic Plan will be conducted on a monthly basis while at institutional level, monitoring will be done quarterly with periodic evaluations undertaken semi- annually and annually.

Accordingly, monthly, quarterly and annual progress reports on the implementation of the Plan will be coordinated by the Monitoring and Evaluation Officer under the office of the Chief Executive Officer. The Officer will ensure that each Department/Unit prepares progress reports and submits to Management for consideration.

Mid-term and terminal evaluations of the Plan will be conducted in July 2024 and July 2026 to determine the full extent of Plan implementation and the overall impact respectively. The terminal review will inform the preparation of the 2027- 2031 Strategic Plan. The M&E Log-frame for the 2022-2026 Strategic Plan is presented in Appendix 2.

MONITORING AND EVALUATION

Successful implementation of this Strategic Plan will be achieved through collaborative efforts among departments/units and coordination of M&E activities and Balanced Score Card.

Responsible departments will be accountable for the completion of stated tasks in the Strategic Plan. The effective implementation of this Plan also entails cascading the Plan to all Staff.

The plan will, therefore, be cascaded downwards to the lowest levels. For reference purposes, a balanced scorecard-compliant implementation framework is annexed to this plan as Appendix 3.





Appendix 1: The Corporate Balanced Scorecard

RURAL ELECTRIFICATION AUTHORITY 2022 – 2026 CORPORATE BALANCED SCORECARD											
Vision		A Beacon of excellence in providing access to electricity to all rural communities for improved livelihoods									
Values		Integrity, Innovation, Transparency, Accountability and Partnership (<i>F2TAP</i>)									
Strategic Theme		Rural Electrification Excellence		Stakeholder Partnerships		Operational Excellence					
Strategic Results		Electrified Rural Households		Strong Stakeholder Support		Quality Service					
Mission		To electrify rural communities in an equitable and sustainable manner for socio-economic transformation									
STRATEGIC OBJECTIVES AND STRATEGY MAPS											
Customer	<div>Improve Rural Electrification</div> <div>Improve Stakeholder Collaboration</div>		MEASURES		TARGETS		STRATEGIES				
			<ul style="list-style-type: none">Cumulative percentage of rural access rate by December 2026Cumulative number of rural households		<ul style="list-style-type: none">22.4% of rural access rate to electricity by December 2026557,192 rural households connected to electricity by December 2026		<ul style="list-style-type: none">Strengthen the Legal and Policy framework.Strengthen research and development.Develop and implement an innovative financing mechanism for productive uses of electricity.Scale up planning and implementation of both on-grid and off-grid electrification projects.Develop and implement a subsidy program for connections.				
			<ul style="list-style-type: none">Percentage Project completion		<ul style="list-style-type: none">95% of the rural electrification projects completed by December 2026		<ul style="list-style-type: none">Enhance project planning and implementation.Enhance the implementation of the Stakeholder Management PlanDevelop and implement Communication Strategy				
Finance/ Stewardship	<div>Improve Financial Capacity and Management</div> <div>Improve operational Processes and Procedures</div>		<ul style="list-style-type: none">Percentage Budget CompliancePercentage budget absorptionNumber of unqualified audit opinion		<ul style="list-style-type: none">100% increase in additional funds by December 2026100% budget compliance by December 202690% budget absorption by December 20265 unqualified audit opinions by December 2026		<ul style="list-style-type: none">Develop and implement a resource mobilization strategy.Strengthen internal controls				
					<ul style="list-style-type: none">75% of electricity services delivered according to the power quality and reliability service standards (ZS397) by December 2026		<ul style="list-style-type: none">Strengthen Monitoring and EvaluationStrengthen Project ManagementDevelop and implement a client service charterStrengthen the implementation of standard operating procedures framework.Strengthen the Implementation of REA's risk enterprise management framework.				
					<ul style="list-style-type: none">Percentage of power quality/quality of servicePercentage of high-risk Materialised		<ul style="list-style-type: none">75% of services delivered according to the inter-departmental service level agreement by December 202695% reduction of high-risk materialized by December 2026		<ul style="list-style-type: none">Develop and implement a business continuity plan.Develop and implement an infrastructure development and maintenance plan.		
									<ul style="list-style-type: none">Strengthen Capacity building.Strengthen the implementation of the performance management system.Develop and implement a retention policy.		
Internal Processes	<div>Improve Human Capacity</div> <div>Improve Administrative and Logistical Capacity</div>		<ul style="list-style-type: none">Percentage staff performanceInstitutional Corruption perception index		<ul style="list-style-type: none">100% staff performance against set targets by December 202660 out of 100 points attained by December 2026		<ul style="list-style-type: none">Operationalise the organisation structure.Strengthen implementation of staff welfare programDevelop and implement change management and culture remodelling programme.Strengthen corporate integrity mechanisms.				
Learning & Growth	<div>Improve Human Capacity</div> <div>Improve Administrative and Logistical Capacity</div>		<ul style="list-style-type: none">Percentage tools and equipment procured		<ul style="list-style-type: none">100% of planned tools and equipment procured by December 2026		<ul style="list-style-type: none">Strengthen Asset ManagementStrengthen implementation of the procurement plan				

MONITORING AND EVALUATION (M&E) LOG-FRAME

Appendix 2: Strategic Plan 2022-2026 Monitoring and Evaluation (M&E) Log-Frame

STRATEGIC OBJECTIVE 1: IMPROVE RURAL ELECTRIFICATION				
STRATEGIC THEMES:	OPERATIONAL EXCELLENCE	RURAL ELECTRIFICATION EXCELLENCE	STAKEHOLDER PARTNERSHIPS	
STRATEGIC RESULTS:	QUALITY SERVICES	ELECTRIFIED RURAL HOUSEHOLDS	STRONG STAKEHOLDER SUPPORT	
Intended Results	Measures	Baseline 2021	Targets	Strategies/Initiatives
Increased rural electrification	Percentage rural access rate (cumulative)	8.11	22.4% rural access rate to electricity by December 2026	Strengthen the Legal and Policy framework. Strengthen research and development. Develop and implement an innovative financing mechanism for productive uses of electricity. Scale up planning and implementation of both on grid and off grid electrification projects. Develop and implement subsidy program for connections Strengthen operation and maintenance of power generating plants
	Number of rural households (cumulative)	160,197	557,192 number of rural households connected to electricity by December 2026	
STRATEGIC OBJECTIVE 2: IMPROVE STAKEHOLDER COLLABORATION				
Intended Results	Measures	Baseline 2021	Targets	Strategies/Initiatives
Effective rural electrification project implementation	Percentage Project Completion	Not established	95% of the rural electrification projects completed by December 2026	Enhance project planning and implementation. Enhance the implementation of the Stakeholder Management Plan Develop and implement Communication Strategy
STRATEGIC OBJECTIVE 3: IMPROVE FINANCIAL CAPACITY AND MANAGEMENT				
Intended Results	Measures	Baseline 2021	Targets	Strategies/Initiatives
Enhanced accountability	Percentage Budget Compliance	100%	100% increase in additional funds by December 2026	Develop and implement resource mobilization strategy
			100% budget compliance by December 2026	Strengthen internal controls
	Percentage budget absorption	46%	90% budget absorption by December 2026	
	Number of unqualified audit opinion	5	1 unqualified opinion annually	

4 8.1 % based on the 2018 Zambia Statistics Agency (ZAMSTATS) Zambia Health and Demographic Survey Report.

MONITORING AND EVALUATION (M&E) LOG-FRAME

MONITORING AND EVALUATION (M&E) LOG-FRAME

Appendix 2: Strategic Plan 2022-2026 Monitoring and Evaluation (M&E) Log-Frame

STRATEGIC OBJECTIVE 4: IMPROVE OPERATIONAL PROCESSES AND PROCEDURES				
Intended Results	Measures	Baseline (2021)	Targets	Strategies/Initiatives
Efficient and effective services	Percentage of power quality/quality of service	Not established	75% of electricity services ² delivered according to the power quality and reliability service standards (ZS397) by December 2026	Strengthen Monitoring and Evaluation Strengthen Project Management Develop and Re-engineer systems Develop and implement a client service charter Strengthen implementation of standard operating procedures
		Not established	75% of services delivered according to the Inter-departmental service level agreement by December 2026.	
	Percentage of high-risk Materialised	23	95% reduction of high-risk materialized by December 2026	Strengthen Implementation of REA's risk enterprise management framework Develop and implement a business continuity plan
STRATEGIC OBJECTIVE 5: IMPROVE HUMAN CAPACITY				
Intended Results	Measures	Baseline (2021)	Targets	Strategies/Initiatives
Enhanced employee performance	Percentage staff performance	55%	100% staff performance against set targets December 2026	Strengthen Capacity building Strengthen implementation of the performance management system Develop and implement a retention Policy. Operationalise the organisation structure Strengthen implementation of staff welfare program Develop and implement change management and culture remodelling programme.
Positive Work Culture	Institutional Corruption perception index	Not established	60 out of 100 points attained by December 2026	Strengthen corporate integrity mechanisms
STRATEGIC OBJECTIVE 6: IMPROVE ADMINISTRATIVE AND LOGISTICAL CAPACITY				
Intended Results	Measures	Baseline (2021)	Targets	Strategies
Adequate tools and equipment	Percentage tools and equipment	Not Established	100% of planned tools and equipment procured by December 2026	Strengthen Asset Management Strengthen implementation of the procurement plan Develop and implement an infrastructure development and maintenance plan

5 75% Sub standards

MONITORING AND EVALUATION (M&E) LOG-FRAME

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STRATEGIC THEME ONE (1): RURAL ELECTRIFICATION EXCELLENCE													
STRATEGIC OBJECTIVE ONE (1): IMPROVE RURAL ELECTRIFICATION													
INTENDED RESULT	STRATEGY	ACTIVITY	OUTPUT	KEY PERFORMANCE INDICATOR	DEPARTMENT	BASELINE 2021	YEAR	2022	2023	2024	2025	2026	TOTALS
Increased rural electrification	Strengthen the Legal and Policy Framework	Update the Rural Electrification Master Plan (REMP)	REMP updated	Percentage Updated REMP	Strategy & Planning	-	Target	5%	55%	40%			1
							Cost K'000	-	526	1,500			2,026
	Scale up planning and Implementation of both on-grid and off-grid electrification projects	Undertake Ex-post Evaluation Surveys for Rural Electrification Projects implemented and completed between 2014-2019	Ex-post Evaluation Reports Produced	Number of Ex-post Evaluation Survey Reports Produced	Strategy and Planning	-	Target	-	1	-	-	1	2
							Cost K'000	-	5,727	-	-	7,445	13,172
		Jointly undertake the National Energy Survey	The National Energy Access Survey (NEAS) undertaken	Number of Surveys undertaken	Strategy and Planning	-	Target	-	1	1	1	1	4
							Cost K'000	-	6,372	7,328	8,427	9,691	31,819
		Develop a Schedule Control System	Schedule and Control System developed	Number of Systems developed and implemented	Engineering Services	-	Target	-	1	-	-	-	1
							Cost K'000	-	100	-	-	-	100
		Implement Electrification Projects	Completed Projects	Number of completed projects	Engineering Services	238 (GDP, SMG, MH) 855 (Includes individual SHSs)	Target	46	86	90	110	150	482
							Cost K'000	346,828	576,637	630,000	743,000	1,012,000	3,308,465
		Facilitate the Acquisition of Licences for Mini-Grids	Licences Obtained	Number of Licences for Mini-Grids Obtained	Strategy & Planning	-	Target	3	5	5	5	5	23
							Cost K'000	472	1,133	1,000	1,000	1,000	4,605
	Undertake Environmental Impact Assessments	Environmental Impact Assessments of Electrification Projects undertaken	Environmental Impact Assessments of Electrification Projects undertaken	Number of environmental impact assessment reports produced	Strategy & Planning	-	Target	.	100	40	40	40	220
		Facilitate the attendance of the United Nations Climate Change Conference of Parties (COP28)	Facilitate the attendance of the United Nations Climate Change Conference of Parties (COP28)	Attendance at the COP28 facilitated	Strategy & Planning	-	Cost K'000	527	2,070	760	821	886	5,064
							Target	-	1	1	1	1	4
							Cost K'000	-	1,020	1,133	1,246	1,370	4,770

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INTENDED RESULT	STRATEGY	ACTIVITY	OUTPUT	KEY PERFORMANCE INDICATOR	DEPARTMENT	BASELINE 2021	YEAR	2022	2023	2024	2025	2026	TOTALS
			Facilitate for the attendance of the EEASA Regional Conference	Attendance at the EEASA Conference facilitated	Strategy & Planning	-	Target	-	1	1	1	1	4
			Compensation claims paid	Percentage Compensation claims processed annually	Strategy & Planning	-	Cost K'000	-	271	220	220	220	931
		Undertake Environmental & Social Compliance Monitoring	Environmental and social Compliance Monitoring undertaken	Number of environmental & social compliance monitoring Reports produced	Strategy & Planning	-	Target	-	90%	90%	90%	90%	1
							Cost K'000	-	100	100	100	100	400
		Undertake Solar Battery disposal	Solar Battery disposal undertaken	Number of Solar battery disposals undertaken	Strategy & Planning	-	Target	15	30	30	30	30	135
							Cost K'000	156	370	399	431	466	1,822
		Undertake Green House Gas(GHG)Survey	GHG Survey undertaken	Number of GHG Surveys undertaken	Strategy & Planning	-	Target	1	1	-	-	-	2
							Cost K'000	152	260	-	-	-	412
		Facilitate for the establishment of Dumpsites for the Kasanjiku Mini Hydro Project	GHG Survey undertaken	Number of GHG Surveys undertaken	Strategy & Planning	-	Target	-	1	-	-	1	2
							Cost K'000	-	810	-	-	1,000	1,810
			Establishment of Dumpsites for the Kasanjiku Mini Hydro Project facilitated	Number of dumpsites established at KMHPP	Strategy & Planning	-	Target	-	2	-	-	-	2
							Cost K'000	-	112	-	-	-	112
		Payment of Licenses, Permits and Levy Fees	Licenses, Permit and Levy Fees paid	Percentage of licenses, permit and levy fees processed	Strategy & Planning	-	Target	-	90%	90%	90%	90%	1
							Cost K'000	283	150	162	175	189	958
		Undertake a tree-planting exercise	Tree Planting exercise undertaken	Number of tree planting exercises undertaken	Strategy & Planning	1	Target	1	1	1	1	1	5
							Cost K'000	209	1,000	1,080	1,166	1,259	4,715
		Draft and prepare Contracts for goods, services and works	Contracts for goods, services and works drafted and prepared	Number of Contracts drafted and prepared	Legal Unit	85	Target	46	86	90	110	150	482
							Cost K'000	5,606	8,862	15	15	20	14,518
		Undertake pre-feasibility study	Pre-feasibility report for identified projects sites	Number of pre-feasibility study reports produced	Strategy & Planning	855 (To revised with item 5 above)	Target	135	150	140	146	150	721
							Cost K'000	-	1,035	1,242	1,491	1,789	5,560
		Undertake full feasibility study	Feasibility report for identified project sites	Number of feasibility reports	Engineering Services	855 (To revised with item 5 above)	Target	135	150	140	146	150	721
							Cost K'000	10,412	17,783	17,185	20,269	21,120	86,769
						-	Target	5	100	130	140	150	525

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INTENDED RESULT	STRATEGY	ACTIVITY	OUTPUT	KEY PERFORMANCE INDICATOR	DEPARTMENT	BASELINE 2021	YEAR	2022	2023	2024	2025	2026	TOTALS
		Technical, Financial and Economic Appraisal of Electrification Projects	Project appraisals undertaken	Number of Projects Appraised	Strategy & Planning		Cost K'000	126	2,631	2,500	2,700	3,000	10,958
		Review Stakeholder Management Plan	The Stakeholder Management Plan reviewed	Number of Reviews	Corporate Affairs	-	Target	-	-	1	-	1	2
							Cost K'000	-	-	400	-	400	800
		Hold Stakeholder Forums	Stakeholder Forums held	Number of reports		-	Target	-	-	1	1	1	3
						Cost K'000	-	-	180	250	300	730	
	Strengthen Research and Development	Undertake learning on Research and Development activities	Research/development activities undertaken	Number of research/development activities undertaken	Human Resources & Administration	-	Target	-	1	1	1	1	4
							Cost K'000	-	50	100	100	100	350
	Develop and implement an innovative financing mechanism for productive uses of electricity	Develop bankable proposals	Bankable proposals developed	Number of bankable proposals developed	Strategy & Planning	-	Target	-	-	3	3	3	9
								Cost K'000	-	-	300	300	300
	Develop and implement a subsidy program for connections	Increase rural electricity access rate	Rural electricity access rate	Percentage of rural households with access to electricity	Engineering Services	-	Target	8.24%	9.10%	11.85%	16.99%	22.41%	22.41%
		Subsidy program for on-grid connections	A subsidy program for on-grid connections implemented	Number of connections implemented	Engineering Services	160,197 (2018 baseline)	Target	183	208	278	410	557	557
							Cost K'000	280,013	124,368	403,533	680,988	1,042,517	2,531,418
		Provide Capital subsidies to Private Companies	Subsidies disbursed	Number of firms receiving subsidy	Operations & Maintenance	-	Target	1	-	2	2	1	6
	Cost K'000						96	-	5,000	20,000	25,000	50,096	
	Develop and implement client feedback mechanisms	Develop and Implement a Compliance System for tracking the Energy Regulation Board (ERB) Key Performance INDICATORs (KPI) for operations of licensed mini-grid plants. Performance INDICATORs (KPI) for operations of licensed mini-grid plants.	Compliance Systems for tracking ERB KPIs developed	Number of Compliance systems for tracking ERB skills developed	Engineering Services	-	Target	-	1	-	-	-	1
							Cost K'000	-	100	-	-	-	100
						Target	-	75	76	78	80%	230	
						Cost K'000	-	-	-	-	-	-	
Undertake Customer Satisfaction survey		Customer Survey undertaken	Percentage Customer Satisfied	Engineering Services	-	Target	-	80	80	80	80	80	
					Cost K'000	-	-	-	-	-	-		
							Target	183,041	208,269	278,941	411,147		560,555
							Cost K'000	644,881	751,490	1,074,138	1,482,701	2,130,175	6,083,385

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STRATEGIC THEME TWO (2): STAKEHOLDER PARTNERSHIPS													
STRATEGIC OBJECTIVE TWO (2): IMPROVE STAKEHOLDER COLLABORATION													
INTENDED RESULT	STRATEGY	ACTIVITY	OUTPUT	KEY PERFORMANCE INDICATOR	DEPARTMENT	BASELINE 2021	YEAR	2022	2023	2024	2025	2026	
Effective Programme implementation	Enhance the implementation of the Stakeholder Management Plan	Engage Private Sector through a Private Sector Event	Private Sector Engagement Event Held	Number of Private Sector Engagement Events Held	Strategy & Planning and Corporate Affairs	-	Target	-	-	1	-	1	2
							Cost K'000	-	-	700	-	750	1,450
		Negotiate financing agreements	Financing Agreements signed	Number of Financing Agreements signed	Strategy & Planning and Legal Unit	1	Target	-	-	1	1	1	3
							Cost K'000	-	-	1,350	1,480	1,630	4,460
		Develop and implement Public/NGO agreements	Public/NGO Agreements implemented	Number of Public/NGO Agreements implemented	Strategy & Planning	5	Target	-	5	5	5	5	20
							Cost K'000	-	1,074	1,500	1,600	1,750	5,924
		Prepare Memoranda of Understanding/ Collaboration Agreements	Memoranda of Understanding/ Collaboration Agreements drafted	Number of Memoranda of Understanding/ Collaboration Agreements	Strategy & Planning and Legal Unit	-	Target	-	2	2	2	2	8
							Cost K'000	-	-	-	-	-	-
		Organise Annual Symposium for Members of Parliament	Engagements with Members of Parliament held	Number of Engagements with Members of Parliament held	Strategy & Planning and Corporate Affairs	-	Target	-	-	1	1	1	3
							Cost K'000	-	-	600	600	800	2,000
		Facilitate the Collaboration between REA and other Partners in increasing electricity uptake in rural Areas	Collaboration Implementation Plans signed	Number of Collaboration Implementation Plans	Corporate Affairs	-	Target	-	-	1	-	1	2
							Cost K'000	-	-	1,000	-	2,000	3,000
		Facilitate for the Club ER Annual Membership Subscriptions	Club ER Membership Subscription Receipt	Number of Club ER membership subscription receipts		-	Target	1	1	1	1	1	5
							Cost K'000	80	90	100	100	100	470
		Review Stakeholder Management Plan	The Stakeholder Management Plan Reviewed	Number of reviews		1	Target	-	-	1	-	1	2
							Cost K'000	-	-	400	-	400	800
		Hold Stakeholder Forums	Stakeholder forum held	Number of Reports		-	Target	-	-	1	1	1	3
							Cost K'000	-	-	180	250	300	730
		Undertake comprehensive community engagements in project areas	Community Engagements Undertaken	Number of community engagements		-	Target	-	30	30	30	30	120
							Cost K'000	1,397	1,628	1,200	1,500	1,600	7,326
		Participate in Stakeholder events at both District and Provincial levels	Event reports Produced	Number of reports		-	Target	-	-	6	6	8	20
							Cost K'000	-	-	520	650	750	1,920

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INTENDED RESULT	STRATEGY	ACTIVITY	OUTPUT	KEY PERFORMANCE INDICATOR	DEPARTMENT	BASELINE 2021	YEAR	2022	2023	2024	2025	2026	TOTALS
Satisfied Stakeholders	Develop and implement a Communication Strategy	Develop Communication Strategy	Communication Strategy Developed	Number of Communication strategies produced	Corporate Affairs	-	Target	1	-	-	-	-	1
							Cost K'000	361	201	-	-	-	562
		Implement Communication Strategy	Communication strategy input into workplan	Number of Proposals	Corporate Affairs	-	Target	6	6	6	6	6	30
							Cost K'000	6,228	6,781	6,500	6,800	6,800	33,109
		Conduct stakeholder perception surveys bi-annually	Survey on stakeholder perception	Number of Perception Surveys Reports Produced	Corporate Affairs	-	Target	-	-	1	-	1	2
							Cost K'000	-	-	200	-	300	500
		Conduct awareness survey	Survey Report Produced	Number of Survey Reports	Corporate Affairs	1	Target	-	-	1	-	-	1
							Cost K'000	-	-	200	-	-	200
		Conduct stakeholder perception surveys to establish baseline	Baseline Report Produced	Number of Baseline reports produced	Corporate Affairs	-	Target	-	-	1	-	-	1
							Cost K'000	-	-	200	-	-	200
							Target	8	44	59	53	59	-
							Cost K'000	8,066	9,775	14,650	12,980	17,180	62,651

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STRATEGIC THEME THREE (3): OPERATIONAL EXCELLENCE															
STRATEGIC OBJECTIVE THREE (3): IMPROVE FINANCIAL CAPACITY AND MANAGEMENT															
INTENDED RESULT	STRATEGY	ACTIVITY	OUTPUT	KEY PERFORMANCE INDICATOR	DEPARTMENT	BASELINE 2021	YEAR	2022	2023	2024	2025	2026	TOTALS		
Increased Finances	Develop and implement a resource mobilisation strategy	Enhance mechanisms on follow-ups for approved grant funding from Strategic Partners	Increased additional funding mobilised	Percentage additional funds	Finance	-	Target	-	7.5%	7.5%	7.5%	7.5%	30%		
							Cost K'000	-	34	38	42	46	160		
		Update Donor Coordination Framework	Donor Coordination Framework updated	Number of donors coordinated framework updated	Strategy & Planning	-	Target	-	1	1	1	1	4		
							Cost K'000	-	-	-	-	-	-		
		Develop and implement a Resource Mobilisation Strategy	Resource Mobilisation Strategy developed and implemented	Number of Resource Mobilisation Strategy developed and implemented	Strategy & Planning	-	Target	1	1	-	-	-	2		
							Cost K'000	355	817	-	-	-	1,171		
		Engage with Strategic Partners to mobilise funds	Funds mobilised	Percentage funding towards rural electrification	Finance	-	Target	30	30	30	30	30	150		
							Cost K'000	540	-	-	-	-	540		
		Enhanced Accountability	Strengthen internal controls	Develop Rural Electrifications Project Packages	Rural Electrification Project Packages developed	Number of Rural Electrification Project Packages developed	Strategy & Planning	-	Target	-	3	3	3	3	12
									Cost K'000	-	-	450	500	550	1,500
Enhanced activity implementation in line with the approved Budget	Improved Budget Compliance			Percentage Budget Compliance	All	-	Target	100%	100%	100%	100%	100%			
							Cost K'000	-	257	308	409	504	1,478		
Escalate the speed for activity implementation	Improved Budget absorption			Percentage Budget Absorption	All	-	Target	90%	90%	90%	90%	90%	90%		
							Cost K'000	-	-	-	-	-	-		
Enforce the implementation of Internal Controls	Unqualified Audit Opinion			Number of Unqualified Audit Opinion	Finance	-	Target	1	1	1	1	1	5		
							Cost K'000	-	-	1,822	2,317	1,941	6,080		
Conduct Transaction and Management Account Audits	Financial Audit Reports			Number of Financial Audit Reports	Internal Audit	-	Target	4	4	4	4	4	16		
							Cost K'000	-	-	-	-	-	-		
Undertake Board and Committee meetings	Board and Committee meetings undertaken			Number of Board and Committee meetings undertaken	Legal Unit	80	Target	16	16	16	16	16	80		
							Cost K'000	1,632	4,277	3,000	3,000	3,000	14,910		
Implement financial monitoring tools	Financial monitoring tools developed			Number of financial monitoring tools implemented	Finance	-	Target	-	1	-	-	-	1		
							Cost K'000	2,700	3,160	1,311	1,210	1,467	9,848		
Undertake reconciliations of electricity levy collections	Electricity levy collections report produced	Number of reconciliation reports produced	Finance	-	Target	-	1	1	1	1	4				
					Cost K'000	216	116	85	112	191	718				
							Target	55	60	58	58	61	-		
							Cost K'000	5,443	8,661	7,014	7,590	7,698	36,405		

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STRATEGIC OBJECTIVE FOUR (4): IMPROVE OPERATIONAL PROCESSES AND PROCEDURES													
INTENDED RESULT	STRATEGY	ACTIVITY	OUTPUT	KEY PERFORMANCE INDICATOR	DEPARTMENT	BASELINE 2021	YEAR	2022	2023	2024	2025	2026	TOTALS
Efficient and effective Services	Strengthen M&E	Implement the Institutional Monitoring & Evaluation System	Monitoring & Evaluation Reports produced	Number of Monitoring & Evaluation Reports produced	Strategy & Planning	20	Target	20	16	16	16	16	84
							Cost K'000	794	1,184	1,421	1,705	2,046	7,151
		Develop and Implement a Monitoring & Evaluation Policy	Monitoring & Evaluation Policy developed	Number of Monitoring & Evaluation Policies developed	Strategy & Planning	-	Target	-	-	-	-	-	-
							Cost K'000	-	-	-	-	-	-
	Strengthen Project Management	Develop the Institutional Monitoring and Evaluation System	Institutional Monitoring and Evaluation System developed	Number of Institutional Monitoring and Evaluation Systems developed	Strategy and Planning	-	Target	1	1	-	-	-	2
							Cost K'000	893	978	-	-	-	1,870
		Develop a Schedule and Control System	Schedule and Control System developed	Number of systems developed and implemented	Engineering Services	-	Target	-	1	-	-	-	1
							Cost K'000	-	100	-	-	-	100
	Develop and Re-engineer systems	Automate business processes through the implementation of a Business Information System (BIS)	BIS Implemented	Percentage of BIS implemented	Corporate Affairs	-	Target	0.2	0.2	0.2	0.2	0.2	1
							Cost K'000	7,894	5,189	4,000	2,000	1,500	20,584
		Develop and Implement a 5-year ICT data and technology Roadmap	ICT Reports	Number of reports		-	Target	-	1	1	1	1	4
						-	Cost K'000	-	100	2,178	1,683	2,559	6,520
		Optimize, consolidate and upgrade IT Infrastructure				-	Target	1	1	1	1	1	5
							Cost K'000	3,433	6,289	1,500	1,700	2,000	14,923
		Develop and implement an Enterprise Governance for Information and Technology (EGIT) system based on COBIT	Enterprise Governance System for IT (EGIT)	Percentage of completion		-	Target	0.2	0.2	0.2	0.2	0.2	1
							Cost K'000	200	100	1,500	2,000	2,500	6,300
				Number of reports		-	Target	-	-	1	1	1	3
							Cost K'000	-	-	100	400	200	700
	Develop and implement a Client Service Charter	Implement Client Service Charter	Client Service charter rolled out	Number of Client service charters produced	Corporate Affairs	-	Target	-	-	1	1	1	3
							Cost K'000	-	-	200	300	400	900
	Strengthen implementation of standard operating procedures	Develop or Review Legal Policies	Legal Policies reviewed or developed	Number of Legal Policies reviewed or developed	Legal Unit	1	Target	-	1	-	-	1	2
							Cost K'000	-	40	-	-	40	80
		Develop an Acquisition Policy	Acquisition Policy Developed	Number of acquisition policies developed	Strategy & Planning	-	Target	-	1	-	-	-	1
							Cost K'000	-	30	-	-	-	30
		Conduct Performance Audits	Performance Audit Reports	Number of Performance Audit Reports	Internal Audit	-	Target	4	4	4	4	4	20
							Cost K'000	171	244	600	700	950	2,665
	Conduct System Audits	System Audit Reports	System Audit Reports	Number of System Audit Reports	Internal Audit	-	Target	-	3	3	3	3	12
							Cost K'000	-	-	-	-	-	-

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INTENDED RESULT	STRATEGY	ACTIVITY	OUTPUT	KEY PERFORMANCE INDICATOR	DEPARTMENT	BASELINE 2021	YEAR	2022	2023	2024	2025	2026	TOTALS
		Conduct Consultancy Engagements	Consultancy Engagement Reports	Number of Consultancy Engagement Reports	Internal Audit	-	Target	-	4	4	4	4	16
							Cost K'000	-	50	192	300	488	1,030
		Audit and Risk Committee Meetings	Audit and Risk Committee paper produced	Number of Audit and Risk committee papers	Internal Audit	15	Target	-	4	4	4	4	16
							Cost K'000	-	-	-	-	-	-
		Review of Audit and Risk Committee Charter	Audit and Risk Committee Charter Report	Number of audit and risk committee charter reports	Internal Audit	5	Target	-	1	1	1	1	4
							Cost K'000	-	-	-	-	-	-
		Conduct Project Audits	Project Audit Reports	Number of Project Audit Reports		15	Target	4	4	4	4	4	20
							Cost K'000	305	637	1,054	1,254	1,754	5,003
		Development of Audit Manual	Audit manual Developed	Number of Audit Manuals developed	Internal Audit	1	Target	1	1	-	-	-	2
							Cost K'000	110	140	-	200	-	450
		External Assessment of Internal Audit Function	External Assessment Report	Number of External Assessment Reports	Internal Audit	1	Target	-	1	-	-	1	2
							Cost K'000	-	300	-	-	680	980
						-	Target	-	1	-	-	-	1
		Develop a Safety, Health, Environment & Quality Policy	Safety, Health, Environment & Quality Policy Developed	Number of policies developed	Operations & Maintenance		Cost K'000	-	30	-	-	-	30
		Develop and implement ISO 14001,9001 & 45001	ISO 14001,9001 & 45001 developed and implemented	Number of ISO's developed and implemented		-	Target	-	1	-	-	-	1
							Cost K'000	-	-	10,000	3,000	1,000	14,000
		Develop and Implement (SHEQ) Unit	Safety, Health, Environment & Quality (SHEQ) Unit developed and operationalised	Number of SHEQ units developed and operationalised		-	Target	-	4	1	1	1	7
							Cost K'000	-	3,868	4,000	4,000	4,000	15,868
	Strengthen implementation of REA's risk enterprise management framework	Facilitate the update of risk registers and implementation of mitigation measures	Updated Risk Register	Number of updated of Risk Registers	Risk Unit	-	Target	-	4	4	4	4	16
							Cost K'000	-	-	-	-	-	-
		Facilitate the development of risk registers and mitigation measures for all new projects	Risk Registers developed	Number of Project Risk Registers developed	Risk Unit	5	Target	1	1	1	1	1	5
							Cost K'000	120	377	600	700	950	2,747
		Monitoring of Risk Management activities	Risk Management Monitoring Reports	Number of Risk Management Monitoring reports	Risk Unit	15	Target	4	4	4	4	4	20
							Cost K'000	70	308	500	600	736	2,214
		Review of Risk Policy and Manual	Risk Policy and Manual produced	Number of Risk Policy and Manuals produced	Risk Unit	1	Target	-	1	-	-	1	2
							Cost K'000	-	120	-	200	-	320
		Conduct Risk Management Conference	Risk Management Conference report	Number of risk management conference reports	Risk Unit	5	Target	1	1	1	1	1	5
							Cost K'000	120	120	200	236	286	961

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INTENDED RESULT	STRATEGY	ACTIVITY	OUTPUT	KEY PERFORMANCE INDICATOR	DEPARTMENT	BASELINE 2021	YEAR	2022	2023	2024	2025	2026	TOTALS
	Develop and implement an infrastructure development and maintenance Plan	Construction of REA HQ Offices building and parking space	REA HQ Offices building constructed	Percentage REA HQ Office building Constructed	Engineering Services	-	Target	-	-	100	-	-	100
							Cost K'000	-	32,596	37,404	40,000	40,000	150,000
		Construction of REA Warehouse	REA Warehouse Constructed	Percentage REA Warehouse constructed	Engineering Services	-	Target	-	-	100	-	-	100
							Cost (K)	-	-	-	-	-	-
	Develop and implement a business continuity plan	Develop and implement a Business Continuity Plan	Business Continuity Plan developed	Number of Plans developed	Strategy & Planning	-	Target	-	1	-	-	-	1
							Cost K'000	-	1,007	-	-	-	1,007
							Target	37	61	251	51	53	455
							Cost K'000	14,111	53,806	65,449	60,977	62,089	256,432

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STRATEGIC OBJECTIVE FIVE (5) : IMPROVE HUMAN CAPACITY													
INTENDED RESULT	STRATEGY	ACTIVITY	OUTPUT	KEY PERFORMANCE INDICATOR	DEPARTMENT	BASELINE 2021	YEAR	2022	2023	2024	2025	2026	TOTALS
Enhanced employee performance	Strengthen Capacity building	Develop a Training and Development Policy	Training and Development Policy developed and implemented	Number of training and development policies developed and implemented	Human Resource and Administration	-	Target	-	1	-	-	-	1
							Cost K'000	-	-	-	-	-	-
	Strengthen the implementation of the performance management system	Develop an Annual Training Plan	Annual Training Plan developed and implemented	Number of annual training plans developed and implemented	Human Resource and Administration	-	Target	1	1	1	1	1	5
							Cost K'000	4,475	4,131	4,958	5,949	7,139	26,652
		Develop and implement the PMS	PMS developed and implemented	Number of PMS Policy	Human Resources & Administration	-	Target	-	1	-	-	-	1
							Cost	-	-	-	-	-	0
				Percentage of employees assessed annually		60%	Target	-	100%	100%	100%	100%	1
							Cost K'000	-	-	-	-	-	-
		Conduct Mid-year and annual performance assessment	Annual performance assessment report	Percentage of employee performance annually	Human Resources & Administration	55%	Target	-	100%	100%	100%	100%	1
							Cost K'000	-	150	200	200	200	750
		Undertake Institutional Strategic Performance Evaluations	Institutional Strategic Performance Review Reports produced	Number of Institutional Strategic Performance Review Reports produced	Strategy & Planning	18	Target	4	4	4	4	4	20
							Cost K'000	2,515	2,011	1,000	1,200	1,300	8,025
		Undertake Mid-Term Evaluation of 2022-2026 Strategic Plan	Mid-Term Evaluation Report for 2022-2026 Strategic Plan produced	Number of mid-term evaluation reports produced	Strategy & Planning	-	Target	-	-	1	-	-	1
							Cost K'000	-	-	500	-	-	500
	Develop and implement a retention policy	Undertake employee experience survey	Survey Report produced	Number of survey reports produced	Human Resources and Administration	-	Target	1	1	-	-	1	3
							Cost K'000	680	150	-	-	200	1,030
	Operationalise the Organisational Structure	Staff onboarding program	on-boarding undertaken	Percentage staff integration	Human Resources & Administration	-	Target	20	20	20	20	10	90
							Cost K'000	440	370	200	250	300	1,560

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INTENDED RESULT	STRATEGY	ACTIVITY	OUTPUT	KEY PERFORMANCE INDICATOR	DEPARTMENT	BASELINE 2021	YEAR	2022	2023	2024	2025	2026	TOTALS
		Operationalise the Organisational Structure	Implementation Report produced	Number of implementation reports produced	Human Resources and Administration	-	Target	12	12	12	12	12	60
							Cost K'000	102,424	138,004	165,605	198,726	238,471	843,230
	Strengthen the implementation of the Staff welfare program	Develop and implement a Staff Wellness Policy	Wellness programs implemented	Number of wellness programs undertaken	Human Resources and Administration	-	Target	4	4	4	4	4	20
							Cost K'000	350	270	200	250	300	1,370
Positive Work Culture	Develop and implement change management and culture remodelling programme	Develop and Implement a Change Management Strategy (CMS)	System developed and implemented	Number of CMS developed and implemented	Human Resources and Administration	-	Target	-	1	1	1	1	4
							Cost K'000	-	565	655	1,230	755	3,205
		Develop and implement the Organisational Culture Assessment Instrument (OCAI)	OCAI developed and implemented	Number of OCAI developed	Human Resources & Administration	-	Target	-	1	-	-	-	1
							Cost K'000	-	300	-	-	-	300
			Number of OCAI surveys undertaken	Human Resources & Administration	-	Target	-	1	-	1	1	3	
						Cost K'000	-	150	-	100	100	350	
	Strengthen the Corporate Integrity mechanism	Establish an Integrity Committee	Integrity Committee established	Number of Integrity Committees established	Human Resources and Administration	1	Target	1	-	-	-	-	1
							Cost K'000	-	-	-	-	-	-
		operationalise an Integrity Committee	Integrity Committee operationalised	Number of Integrity Committee reports produced	Human Resources & Administration	-	Target	4	4	4	4	4	20
							Cost K'000	692	450	600	500	450	2,692
		Undertake Perception Study	Conduct and review employee perception survey	Number of Reports produced	Human Resources & Administration	-	Target	-	1	-	1	-	2
							Cost K'000	-	150	-	175	-	325
				Percentage alignment		-	Target	-	75%	-	75%	75%	75%
							Cost K'000	-	150	-	150	150	450
	Establishment of the Integrity & Ethics Unit	Integrity & Ethics Unit established	The number of Integrity & Ethics Units established.	Human Resources and Administration	-	Target	-	1	-	-	-	1	
						Cost K'000	-	500	-	-	-	500	
							Target	45	53	47	49	39	204
							Cost K'000	111,873	147,551	174,317	209,130	249,765	892,635

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STRATEGIC OBJECTIVE SIX (6): IMPROVE ADMINISTRATIVE AND LOGISTICAL CAPACITY													
INTENDED RESULT	STRATEGY	ACTIVITY	OUTPUT	KEY PERFORMANCE INDICATOR	DEPARTMENT	BASELINE 2021	YEAR	2022	2023	2024	2025	2026	TOTALS
Adequate tools and equipment							Target	-	1	1	1	1	4
	Strengthen Asset Management	Develop an Asset Management Plan	Asset Management Plan developed and implemented	% planned tools and equipment procured by December 2026	Human Resources & Administration		Cost K'000	9,600	8,395	10,000	10,000	10,000	47,995
	Strengthen the Implementation of the Procurement Plan	Implementation of the Annual Procurement Plan	Annual Procurement Plan developed and implemented	Percentage of planned tools and equipment procured annually	Procurement	-	Target	100%	100%	100%	100%	100%	1
							Cost K'000	1,707	1,854	2,226	2,671	3,300	11,760
							Target	1	2	2	2	2	5
							Cost K'000	11,308	10,250	12,226	12,671	13,300	59,755
							Target	183,187	208,489	279,359	411,360	558,246	561,713
							Cost K'000	795,680	981,533	1,347,794	1,786,048	2,480,206	7,391,264

