

## EXECUTIVE SUMMARY

The Energy and Water Sector is a key part of the Government's strategy for the economic and social development of the country. The Government Program sets ambitious goals for Governance in the period 2018-2022 in terms of access to electricity and water and to the level of installed capacity and renewable energies.

The electricity sector is in an important phase of transition and exit from a long period marked by the generation deficit and by an unreliable supply and with constant blackouts. The entry into the exploration of the Cambambe, Soyo and Lauco power stations, with more than 3.5 GW, is a fundamental step towards achieving a more stable energy supply. Also in the water sector, the reinforcement of supply to Luanda through the Quilonga and Bitá systems represents significant progress.

These important reinforcements have been carried out in a context of high budgetary and exchange rate restrictions, with the halting of less priority projects due to lack of resources. The size of the works in progress is significant compared to the available resources. The conclusion of great works and ongoing projects – with a budgetary impact of USD 12,701 million over the period 2018-2022 – will represent an important part of the budget available for the sector.

The aim of the Governance goes beyond the conclusion of the ongoing projects. The priority assumed in the Government Program is the Access. It is essential to ensure access to water and to bring the electric energy produced from Kwanza River and the natural gas of Soyo with quality to at least half of Angolan families and companies until 2022. It will only be possible to achieve the goals set out in the Government Program and meet new objectives and projects through a clear prioritization of projects, new financing, effective participation of the private sector, greater efficiency of the sector and its enterprises and regulation and fair rates. The containment effort and concentration on the essential is reflected in a public investment in new projects only \$6,974 M USD in 2018-2022 period. The private sector should mobilize in the period up to \$2,995M USD – based on State guarantees of up to \$1,620M in foreign currency and up to \$1,080M in Kwanzas – and public companies \$359M, depending on the evolution of tariffs and efficiency of the sector.

This Action Plan aims to establish the priorities and projects for the development of the Energy and Water Sector in the next 5 years, in execution of the Government Program, through 3 main programs for each of the sectors. At the energy level: Expansion of Access to Electricity; Optimization and Sustainable Management of the Electric Sector and Private Participation in the Electricity Sector. At the water level: Expansion of Water Supply, Sustainable Management of the Water Sector and Rehabilitation/expansion of Collection Systems and Wastewater Treatment.

This Action Plan is structured in 5 main chapters. In an initial chapter recalls the goals of the Government Program and establishes the orientations, programs and goals that should guide and organize the action throughout the period.

For each of the sectors of energy and water is a chapter in which the current status and ongoing projects are present, established the priority projects to integrate the Public Investment Program, identify priority projects for private sector participation and establishes the measures at the level of improvement of the institutional framework and the operational effectiveness of the sector.

The financial programming which stems from the ongoing projects and the launch is summarized in a stand-alone chapter where the funding sources and their requirements are identified as well as the impact in terms of regulation and tariffs to ensure the sustainability of the sector. Finally, short-term actions whit the highest priority and urgency are presented.