### AEMP ANGOLA – 1st DRAFT ACTION PLAN FOR INPUTS – 25.06.2019

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Solutions Proposed</th>
<th>Actions</th>
<th>Parties</th>
<th>Timeline</th>
</tr>
</thead>
</table>
| Financial sustainability and autonomy of the Angolan power sector | Transition to cost-reflective tariffs | • Implement new tariff framework for utility-scale projects and transition to cost-reflective tariff by 2022, the introduction of a new tariff progressively oriented toward cost recovery is being discussed as part of the country’s 2025 energy vision. | • IRSEA  
• MINEA  
• Norway | | |
| Improve billing, metering and revenue collection | Continue the roll out of pre-paid meters and management system for the unmetered residential and commercial customers in provincial capitals. AfDB to support the extension of the metering system in priority areas identified by the Government as part of ESEEP project. Universal reach to domestic and services clients (low voltage) with meters by 2022. | | • ENDE  
• IRSEA  
• MINEA  
• AFDB  
• World Bank | |
| Reduce Losses and improve network maintenance | Finalize study on technical losses reduction in the electricity distribution and adopt recommendations that includes: assessment of network operational conditions; field data collection of selected feeders; distribution design and upgrade planning criteria for loss reduction; proposing technical solutions for technical loss reduction program and financial and economic analysis; preparation of technical measures and a roadmap for ENDE’s technical loss reduction program. The objective is to reduce the total losses of the system under 30% by 2020. | | • MINEA  
• ENDE  
• RNT  
• AFDB  
• World Bank  
• EIB | |
| Develop IPP Procurement Framework | • Finalize and enact the regulatory framework for renewable energy IPPs. Identification of the institutional, regulatory and legal gaps for deployment of renewable energy projects implemented by the private sector.  
• Establishment of IPP Procurement Unit within GoA for all IPP procurement related activities. Ensure adequate staffing, including training of government officials on IPP procurement issues and on the associated proposed framework via a pilot auction.  
• Methodology for identifying and integration of renewable energy projects. Evaluate the need for an integrated resource plan, including RE source, localization on the network and grid integration. | | • MinFin  
• MINEA  
• IRSEA  
• AfDB-SEFA  
• EU  
• IFC  
• ALSF  
• Power Africa | 2019-2021 |
| Enabling environment for investments from the private sector | Avail guarantee products to investors | • Off-taker (RNT) to provide letter of comfort from the Ministry of Finance.  
• MDBs to explore provision of Partial Risk Guarantees. AfDB and peer multilateral institutions to assess the potential for provision of PRGs for RE IPPs in Angola (upon request from Ministry of Finance).  
• Explore possibility of Angola joining ATI to access credit enhancement products. This would enable IPPs to benefit for the Regional Liquidity Support Facility (RLSF) and Termination Payments Facility. | | | |
<table>
<thead>
<tr>
<th><strong>Prepare bankable legal documentation</strong></th>
<th><strong>Develop rural electrification framework</strong></th>
<th><strong>Improve framework for the implementation of mini-grids</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Prepare standard legal documents (PPA, Concession Agreement, Implementation Agreement) and standard bidding documents for different technologies. PPA already in draft format and currently on consultation phase, private sector to be invited to comment.</td>
<td>• Establishing the Rural Electrification Institute already foreseen in the law, mandated to promote rural electrification, mobilize financial resources and oversee delivery of access solutions.</td>
<td>• Finalize and implement new policy/regulatory framework for distributed generation (below 5MW) allowing operators to sell/distribute directly to communities, charge cost-reflective tariffs, understand future grid integration and compensation options.</td>
</tr>
<tr>
<td></td>
<td>• PPA to establish mechanisms for currency convertibility. PPA to include currency indexation mechanism to allow investors to realize their returns on investment in hard currency.</td>
<td>• Assess potential for developing mini-grid scale-up programme. Development partners to deliver a study to assess market potential, identify policy and regulatory hurdles, explore viability gap financing needs and sketch out building blocks of scale-up programme.</td>
</tr>
<tr>
<td></td>
<td>• PPA to allow for international arbitration. GoA to consider the harmonization of some of provisions of the “Voluntary Arbitration Law” and the Angolan Civil Procedure with the New York Convention (recognized by GoA in 2017).</td>
<td></td>
</tr>
</tbody>
</table>