

Republic of Angola – European Community

Country Strategy Paper and National Indicative Programme

for the period 2008 – 2013

The **Government of Republic of Angola** and the **European Commission** hereby agree as follows:

1. The Government of the Republic of Angola, represented by Her Excellency Ana Alfonso Dias Lourenço, Minister of Planning and National Authorising Officer, and the European Commission, represented by Mr Joao Gabriel Ferreira, Head of Delegation to Angola, hereinafter referred to as "the Parties", held discussions in Luanda from February 2006 to January 2008 in order to establish the general guidelines for cooperation in 2008–2013.

During these discussions, the Country Strategy Paper and an Indicative Programme of Community aid for Angola were drawn up in accordance with Articles 2 and 4 of Annex IV to the ACP-EC Partnership Agreement, signed in Cotonou on 23 June 2000, as revised in Luxemburg on 25 June 2005. These discussions completed the programming for Angola.

The Country Strategy Paper and the National Indicative Programme are annexed to this document.

2. Of the indicative programmable financial resources which the Community plans to make available to Angola for the period 2008–2013, there is **€214 million** for the allocation referred to in Article 3(2)(a) of Annex IV to the ACP-EC Partnership Agreement (A allocation) and **€13.9 million** for the allocation referred to in Article 3(2)(b) (B allocation). These allocations are not entitlements and may be revised by the Community in the light of the conclusions of the mid-term and end-of-term reviews, in accordance with Article 5(7) of Annex IV to the ACP-EC Partnership Agreement.
3. The A allocation covers macroeconomic support, sectoral policies, and programmes and projects in the focal or non-focal areas of Community aid. The National Indicative Programme (Part 2) draws on the resources of the A allocation. It also takes into account financing which Angola receives or may receive from other Community resources, which does not pre-empt the decisions taken by the Commission.
4. The B allocation covers unforeseen needs, such as emergency assistance, where such support cannot be financed from the EU budget, contributions to internationally agreed debt relief initiatives and support to mitigate the adverse effects of instability in export earnings. The B allocation is triggered by specific mechanisms and procedures and therefore not part of the Indicative Programme as such.
5. Resources may be committed under this Country Strategy Paper and Indicative Programme on the entry into force of the 10th EDF multiannual financial framework for the period 2008-2013 under the revised ACP-EC Partnership, but not before 1 January 2008. Financing decisions for projects and programmes may be taken by the Commission at the request of the Government of Angola within the limits of the A and B allocations referred to in this document. Financing decisions can also be taken on the basis of Article 15(4) in conjunction with Article 4(1)(d) of Annex IV to the ACP-EC Partnership Agreement for support to non-State actors or on the basis of Article 72(6) of the ACP-EC Partnership Agreement for humanitarian and emergency assistance funded from the B allocation. Financial decisions shall be taken and



implemented in accordance with the rules and procedures laid down in the Council Regulations for the implementation of the 10th EDF, the Financial Regulation applicable to the 10th EDF and Annex IV to the ACP-EC Partnership Agreement.

6. The European Investment Bank may contribute to the implementation of this Country Strategy Paper by operations financed from the Investment Facility and/or from its own resources, in accordance with Articles 2(c) and 3 of Annex Ib of the ACP-EC Partnership Agreement regarding the 10th EDF Multiannual Financial Framework for the period 2008-2013.
7. In accordance with Article 5 of Annex IV to the ACP-EC Partnership Agreement, the National Authorising Officer and the Head of Delegation shall annually undertake an operational review of the Indicative Programme and undertake a mid-term review and an end-of-term review of the Country Strategy Paper and the Indicative Programme in the light of needs and performance at the time.

The mid-term review shall be undertaken in 2010 and the end-of-term review in 2012. Following the completion of the mid- and end-of-term reviews, the Community may revise the resource allocation in the light of needs and performance at the time.

Without prejudice to Article 5(7) of Annex IV concerning reviews, the allocations may be increased according to Article 3(5) of Annex IV in order to take account of special needs or exceptional performance.

8. The agreement of the two parties on this Country Strategy Paper and the National Indicative Programme, subject to the ratification and entry into force of the revised ACP-EC Partnership Agreement and the 10th EDF Multiannual Financial Framework for the period 2008-2013, will be regarded as definitive within eight weeks of the date of the signing, unless either party communicates the contrary before the end of this period.

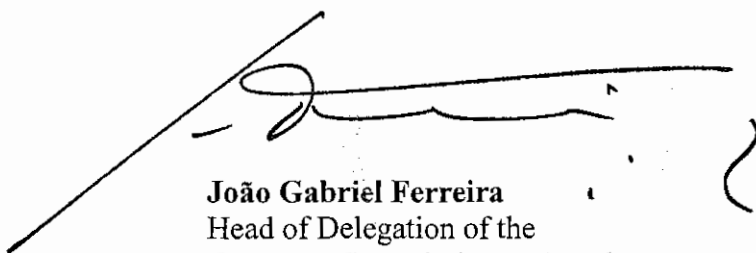
Done at Luanda on 20 November 2008

For the Government of
the Republic of Angola



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SUMMARY

Since the end of the war in 2002 and the arrival of peace, Angola has advanced at great speed in all sectors, and the political and economic situation has improved considerably. The country is in full reconstruction after the destruction of much economic and social infrastructure in the long conflict. Considering this, social indicators have improved and should show positive results in the coming years and bring about a real reduction of poverty throughout the country.

The country is going through a period of political stabilisation. The process of demobilisation and reintegration should finish in 2007 with the reintegration of former UNITA fighters and their dependents. Progress in the democratic process can be noted. The electoral package was adopted in August 2005. The electoral register started up in November 2006 and should reach a total of 7.5 million registered voters by the end of 2007. A political commitment was adopted at the end of 2006 to hold parliamentary elections during the first half of 2008 and presidential elections during the first half of 2009.

Progress in the economic sector is impressive, with the highest rate of GDP growth in Africa in 2006 (around 20%), and a firm grip on inflation (down to approximately 12.2% in 2006). Oil income is a driving force of the economy, also making it possible to increase public spending, which in turn contributes to the accelerating pace of reconstruction. Oil revenues also have a positive effect on the development of the non-oil sectors. The external public debt has been reduced considerably and monetary reserves are high. The government is, however, conscious of the need to promote the diversification of the economy, especially in the agricultural sector, where Angola shows great potential, and in sectors capable of generating employment. In the social sector much progress is needed given the size of vulnerable groups (displaced people and refugees in the process of social reintegration, sections of the population living in precarious conditions, and the young).

Social indicators are weak, especially in the health sector (mortality rate for children under 5 years of age is 25%, maternal mortality is 14 per 1000). The epidemiological situation is alarming, especially the cholera epidemic. In this context, access to drinking water becomes an indisputable priority.

In the education sector, despite the efforts by the authorities to build school infrastructure and train and contract teachers, quality continues to be a challenge.

The problem of capacity building and human resources is the main constraint on the country's sustainable development and directly affects the public sector. The State has difficulties with planning and managing public affairs because of a shortage of sufficiently qualified staff. This analysis is shared by national authorities and international development partners alike.

In 2004, the Government adopted a strategy of "Combate a Pobreza" which identifies the priority sectors for development as reconstruction and rehabilitation of social infrastructure, improvement of the social situation and health and education, and capacity-building for the improvement of public-service delivery.

The total amount of the National Indicative Programme for Angola 2008-2013 is **EUR 214 million** (A Envelope) and **EUR 13.9 million** (B envelope). The proposed response strategy takes the needs and priorities established by the country into account.

The focal areas are:

1. governance and support to economic and institutional reform (20% of the financial package);
2. human and social development (32% of the financial package);
3. rural development, agriculture and food security (32% of the financial package).

The non-focal sectors will account for 16% of the financial package, which will provide support for regional integration, the private sector, non-state actors and biodiversity.

The main objective is to contribute to the sustainable development of the country, through institutional support and capacity building, supporting the government's strategy to combat poverty and to achieve the Millennium Development Goals.

The preferred approach will be projects and programmes, bearing in mind that this approach can be reviewed at mid term.

This strategy has been drawn up in association with the Member States of the European Union, and non-state actors have been consulted in order to ensure consistency. It will be implemented in coordination and in complementarity with all actors involved, especially the Member States (*EU Road Map*).

List of Abbreviations and Acronyms

| | |
|---------|---|
| ACP | African, Caribbean and Pacific Countries |
| ADRP | Programme of reintegration of ex-combatants in rural areas, mainly in agricultural activities |
| APRM | Africa Peer Review Mechanism |
| BDA | Angolan Development Bank |
| BNA | National Bank of Angola |
| CDA | Center for the Development of Agriculture |
| CDE | Center for the Development of Enterprise |
| CEEAC | Economic Community of Central African States |
| CNE | National Electoral Commission |
| CNIDAH | Intersectoral National Commission for Demining and Humanitarian Assistance |
| COMIFAC | Central African Forest Commission |
| CPLP | Community of Portuguese Speaking Countries |
| CSOs | Civil Society Organisations |
| CSP | Country Strategy Paper |
| DDR | Disarmament, Demobilisation and Reintegration |
| DRC | Democratic Republic of Congo |
| EBA | Everything But Arms |

| | |
|---------|--|
| ECOFACT | Programme for Conservation and Rational Utilisation of Forest Ecosystems in Central Africa |
| EDF | European Development Fund |
| EIA | Environmental Impact Assessment |
| EIB | European Investment Bank |
| EIDHR | European Initiative to support Democracy and Human Rights |
| EMS | Environmental Management Systems |
| EPAL | Luanda Water Utility |
| FAS | Social Support Fund |
| GDP | Gross Domestic Product |
| GoA | Government of Angola |
| ICT | Information and Communication Technologies |
| IDP | Internally Displaced People |
| IMF | International Monetary Fund |
| INE | National Institute of Statistics |
| INAP | National Institute of Public Administration |
| LDC | Least Developed Country |
| LRRD | Link between Emergency Relief, Rehabilitation and Development |
| MDGs | Millennium Development Goals |
| MINADER | Ministry of Agriculture and Rural Development |
| MINARS | Ministry of Assistance and Social Reinsertion |

| | |
|---------|--|
| MINED | Ministry of Education |
| MINSA | Ministry of Health |
| MINUA | Ministry of Urbanism and Environment |
| MS | Member States |
| MTR | Mid Term Review |
| NEPAD | New Partnership for Africa's Development |
| NIEs | Newly Industrialised Economies |
| NIP | National Indicative Programme |
| NSAs | Non State Actors |
| OPEC | Organisation of Petroleum Exporting Countries |
| PALOP | African Countries with Portuguese as Official Language |
| PAPEFSA | Programme of Livestock in the South of Angola |
| PAR | Programme of Support to Reconstruction |
| PEAPP | Emergency Programme in Support of the Peace Process |
| PEMFAR | Public Expenditure Management and Financial Accountability Review |
| PERDRP | Programme of Emergency for the Resettlement of Displaced and Refugee Populations |
| PFM | Public Financial Management |
| PGE | Programme to Create Employment |
| PMFP | Public Finance Modernisation Programme |

| | |
|--------|---|
| PMR | Programme of Micro Projects |
| PRSA | Programme of Re-launching Food Security |
| PRSP | Poverty Reduction Strategy Paper |
| QUIBB | Welfare Survey |
| RIP | Regional Indicative Programme |
| RISDP | Regional Indicative Strategic Development Plan |
| RSP | Regional Strategy Paper |
| SACU | Southern Africa Customs Union |
| SADC | Southern African Development Community |
| SIGFE | Integrated Financial Management Information System |
| SMPs | Staff Monitored Programs |
| TCF | Technical Cooperation Facility |
| UA | African Union |
| UNCTAD | United Nations Conference on Trade and Development |
| UNITA | The National Union for the Total Independence of Angola |
| UNFPA | United Nations Population Fund |
| WFP | World Food Programme |

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PART 1: COUNTRY STRATEGY PAPER

CHAPTER I: FRAMEWORK OF RELATIONS BETWEEN THE EC AND ANGOLA

I.1. GENERAL OBJECTIVES OF THE EC'S EXTERNAL POLICY

In accordance with Article 177 of the Treaty establishing the European Community, Community policy in the sphere of development cooperation will foster:

the sustainable economic and social development of the developing countries, and more particularly the most disadvantaged among them;
the smooth and gradual integration of the developing countries into the world economy;
the campaign against poverty in the developing countries.

Europe should play a coherent role as a global partner, inspired by its core values in assuming regional responsibilities, promoting sustainable development, and contributing to civilian and strategic security.

The Union has developed a broad spectrum of external relations tools in the shape of the common trade policy, cooperation under bilateral and multilateral agreements, development cooperation, humanitarian aid and financial assistance, as well as the external aspects of internal policies (energy, environment, transport, justice and home affairs, etc).

EU external action, including the Common Foreign and Security policy, a common trade policy and cooperation with third countries, provides a framework both for integrating all EU instruments and for developing gradually a set of common actions based on common positions in the broader sphere of political relations.

Enlargement has given the EU even greater responsibilities, as regional leader and as global partner. It should therefore strengthen its capacity to promote human rights, democracy and the rule of law as well as its capacity to focus on the fight against poverty, both in its neighbourhood and through its multilateral and bilateral policies, which are mainly aimed at sustainable development and political stability. Thus, the EU will achieve genuine coherence between its domestic and its external agendas, contributing thereby to global security and prosperity.

I.2. STRATEGIC OBJECTIVES OF COOPERATION WITH ANGOLA

The Treaty objectives are confirmed in Article 1 of the ACP-EC Partnership Agreement, signed in Cotonou on 23 June 2000 and revised in Luxembourg on 25 June 2005. The overarching objective of the Cotonou Agreement is to promote the development of a common strategic approach to poverty reduction, consistent with the objectives of sustainable development and the gradual integration of ACP countries into the world economy. Cooperation between the Community and Angola should pursue these objectives, taking into account the fundamental principles set out in Article 2, in particular the encouragement of "ownership" of the strategy by the country and population concerned, and the essential elements and fundamental elements as laid down in Articles 9 and 11b of the Agreement.

While the Treaty and the Cotonou Agreement provide the legal basis for EC cooperation with ACP countries, the recently adopted European Consensus on Development sets the general policy framework at EU level. The primary and overarching objective of EU development policy is the eradication of poverty in the context of sustainable development, in line with the international agenda, paying particular attention to the Millennium Development Goals (MDGs). Human rights and good governance are recognised as other important objectives. The Consensus also defines social cohesion, employment and decent work as vital for the eradication of poverty. Agriculture is also identified as important for sustainable development.

Better aid effectiveness is essential to achieve poverty eradication. Therefore the EU will provide coordination, harmonisation and alignment. It will promote better donor complementarities by working towards joint multiannual programming based on partner countries' strategies and processes, common implementation mechanisms, joint donor missions, and the use of cofinancing arrangements. The EU will take a lead role in implementing the Paris Declaration commitments on improving aid delivery and it will capitalise on the new Member States' experience to strengthen their role as donors.

Policy coherence for development will advance in a number of areas. The aim is that all non-aid EU policies should make a positive contribution to developing countries' efforts to attain the MDGs.

The principle of concentration will guide the Community's country and regional programming. This means selecting a limited number of priority areas of action through the dialogue with partner countries, rather than spreading efforts over too many sectors. In this context the Community will be initially be active in the following nine areas, taking into account its comparative advantages in a number of them: trade and regional integration; the environment and the sustainable management of natural resources; infrastructure, communications and transport; water and energy; rural development, regional planning, agriculture and food security; governance, democracy, human rights and support for economic and institutional reforms; conflict prevention and fragile states; human development; social cohesion and employment.

The mainstreaming approach will be strengthened for four cross-cutting issues: democracy, good governance and human rights, the rights of children and indigenous peoples; gender equality; environmental sustainability; and the fight against HIV/AIDS.

In December 2005, the European Council agreed on the EU Strategy for Africa. The Strategy provides a long-term, strategic framework for interaction between Europe and Africa at all levels: with pan-African institutions such as the African Union, regional organisations and national authorities. It defines how the EU can best support Africa's own efforts to promote sustainable development and achieve the MDGs. The Strategy rests on three pillars: (i) promoting peace, security and good governance as central prerequisites for sustainable development, (ii) supporting regional integration, trade and interconnectivity to promote economic development and (iii) improving access to basic social services (health, education) and protection of the environment to reach the MDGs faster.

1.3. MAIN BILATERAL AGREEMENTS

EU-Angola cooperation began more than 20 years ago, benefiting from aid in the form of humanitarian, financial and technical cooperation between the European Community and non-member countries financed from the EC budget. This relationship was put on a formal footing and strengthened when Angola joined the third Lomé Convention in 1986. Subsequently, Angola signed the Cotonou Agreement in 2000.

In trade Angola, as a least-developed country, has benefited since 2001 from the EU initiative, Everything But Arms (EBA), so enjoying free access to the EU markets for all Angolan products. Along with seven members of the Southern African Development Community (SADC), Angola has been engaged since 2004 in the negotiation of an Economic Partnership Agreement (EPA), which, with a view to replacing the old Lomé preferences and to creating a WTO-compatible framework for reciprocal preferences and mutual cooperation, will enter into force in 2008.

CHAPTER II: COUNTRY DIAGNOSIS

II.1. ANALYSIS OF THE POLITICAL, ECONOMIC, SOCIAL AND ENVIRONMENTAL SITUATION

II.1.1. Political and Institutional Situation

Angola's 27-year civil war ended in April 2002 with the Luena peace accord. The conditions which led to the failure of two previous peace agreements have changed and a return to conflict seems unlikely.

The disarmament, demobilisation and reintegration (DDR) process has progressed well in some areas (DD) and slowly in others (R). The disarmament and demobilisation of UNITA soldiers, as provided for under the ceasefire agreement in 2002, was carried out by the Government of Angola using its own resources. The difficult process of reintegrating the former UNITA soldiers and their dependants (around 450 000 people) in their areas of origin is supported by the Angola Demobilisation and Reintegration Programme (ADRP), partly financed by donors. A description of the situation can be found in Annex 13.

Angola has taken steps towards democratisation since the end of the war. Space for debate has improved within parliament, civil society forums and the independent media, particularly in Luanda. The Government of National Unity and Reconciliation (GURN) includes ministers from different political parties. The MPLA is the dominant party within the National Assembly. The institutional and political system is presidential, the responsibility for the country's policies being delegated to the executive branch. The main challenge for the Government is to consolidate democracy, given that the last elections took place in 1992. This goal must be achieved in harmony with reconstruction of the country and the finalisation of the reintegration and demobilisation process. Discussions over the new constitution demonstrated that Angola has reached a new level of capacity for political dialogue. Preparations for the forthcoming elections have gone slowly but surely, and are encouraging. In August 2005 the National Assembly approved a new electoral legislation package, including an electoral law and a National Electoral Commission (CNE) and provincial commissions were created. The Council of the Republic announced at the end of 2006 that

parliamentary elections would take place in the first half of 2008 and presidential elections in the first half of 2009. The government started the official process of voter registration on 15 November 2006 and it should be concluded by the end of 2007.

Angola's human rights record shows both recent improvements and continuing challenges. In Cabinda the peace process with the FCD (Forum Cabindês para o Diálogo), following the signature of the MOU in August 2006, continued with the first official meeting of the Joint Commission in February 2007. The participation of all members of civil society in Cabinda is essential for the normalisation of the situation and the implementation of the MoU. Concerning human rights, the government has increased its efforts significantly to make sure that these rights are respected by security and internal order forces. The government is aware that this is a very sensitive issue. The first General Assembly of the Human Rights Coordination Council (HRCC) in February 2007, attended by representatives of the National Assembly, the Ombudsman and the Ministry of Justice, gave a clear positive signal. It is, however, recognised that civil rights need to be guaranteed in future. A reinforced system of justice must ensure the full control of civil rights, namely the freedom of movement, expression and association. International reports on human rights claim that the situation needs to improve.

In fact, lack of information makes it difficult to monitor the human rights situation in certain areas like the Lundas, Moxico and Kuando Kubango. Most of the information comes from reports on difficulties by civil-society organisations (CSOs) specialising in advocacy. As far as freedom of expression is concerned, new media legislation was approved by the National Assembly in 2006 giving private capital access to radio and TV broadcasting. However, the implementation of this law is subordinate to the adoption of the pertinent regulations or decrees, in particular for the procedure to grant television and radio broadcasting licences.

The country has been actively pursuing institutional reform in the last couple of years, especially decentralisation, public administration and justice. All of these reforms are characterised by a political will to act.

The Government began a process of decentralisation of state administration in 1999 with the Local Administration Act, and there has been a recent push within Government to accelerate administrative devolution. The decentralisation process will be gradual, learning lessons from the first pilot municipalities and then potentially extending as capacity grows. This process should lead to the holding of municipal elections.

Over the past decade, the Government has initiated a series of public administration reforms, although they have been slow. These include restructuring the civil service salary scale, identifying the core roles of civil servants and establishing guidelines to restructure the civil service. Appropriate civil service legislation is yet to be enacted. In December 2005, the civil service stood at 256 613 people (excluding defence and the police).

Angola's armed conflict had a severe impact on the country's judicial system. The justice sector suffers from weak territorial coverage, lack of qualified personnel, poor infrastructure, and outdated legislation. The persistence of these weaknesses has opened the door to corruption. People in charge of public institutions have expressed concern about the situation and the need for transparency. The existing weaknesses prevent the judicial system from working effectively, which has a negative impact on citizens' access to justice. The Government has taken initiatives to improve the credibility of the system. Progress has been

made on the Constitutional Court, the Anti-Corruption Authority, the Justice Ombudsman and the Court of Auditors. However, their powers and capacity are limited. Access to justice outside of Luanda is further hampered by an overall lack of investment and lack of deployment of law professionals to the provinces.

Angola ratified the UN Convention against Corruption in February 2006 and now needs to adopt domestic legislation. The National Assembly passed a law in 1996 to establish an Anti-Corruption Commission. An Anti-Corruption Commissioner will be elected by majority vote in the National Assembly. It should also be added that Angola has been a member of NEPAD's African Peer Review Mechanism since 2004, although a review date has not yet been set.

II.1.2. Economic and Commercial Situation

Economic situation, structure and performance

The Angolan economy has achieved very high growth rates in the past two years and inflation is being brought under control. However, the country still faces many reconstruction challenges. One key challenge is how to ensure that Angola's vast natural resources (oil, water, minerals) contribute to equitable growth, especially by diversifying and developing other sectors, such as agriculture, fisheries, forestry, industry and services. The Angolan economy remains heavily dependent on the oil sector, which accounts for over 50% of GDP, although the other parts of the economy are growing gradually. The growth of the non-oil sector in 2006 was 17.2%. The oil industry is capital-intensive without a huge impact on the creation of employment. IMF estimates point to a GDP per capita of \$1550 in 2005 and \$1836 in 2006, although distributed in a very unequal manner (Angola's Gini coefficient is high, 0.62).

It is estimated that over half of the total population get their income directly from smallholder agriculture and trading in agricultural products. In this context the 28% increase in agricultural production in 2005 has had important consequences on daily livelihoods of the population, although the agricultural sector accounts for only 9.6% of GDP. For 2006 the nominal GDP was about USD 40 billion. The breakdown of the main sectors is as follows: agriculture 8.59%, oil 57%, diamonds 2.3%, processing industry 4.6%, electrical energy and water 0.4%, public works and construction 5.1%, trade, banks and insurance 13.6%, and other sectors 8.4%.

GDP growth has been gaining momentum since 2004 as new oil fields have come on stream, growing by 20.6% in 2005, and 19.5% in 2006. The continued rise in oil prices and production is expected to increase economic growth to about 30% in 2007. Recent projections suggest that oil output will exceed 2 million barrels per day in 2008 and will continue to increase. This would imply average annual GDP growth rates of over 15% between 2007 and 2010. Government oil revenues are expected to double in US dollar terms between 2005 and 2010. The Government forecasted an average price per barrel of USD 50 in 2007 and USD 55 in 2008.

The Government's stabilisation policies have been highly successful. Following the adoption of a stabilisation programme in September 2003, inflation fell sharply from over 100% to 23% in 2005 and to around 12.2% in 2006. The improvement was largely due to the government's avoidance of money creation for deficit finance purposes together with a move from a fiscal deficit in 2003 (7.1% of GDP) to a surplus of about 4.6% in 2005. Since 2003

government spending has been increasingly funded with resources obtained through direct sales of foreign exchange. Inflation stood at 12.2 % in 2006 and the projected figure for 2007 is 10 %; the aim thereafter to keep it in single digits.

Between 2004 and 2005, the Kwanza exchange rate depreciated by 4.5% against the US dollar, which meant a sharp appreciation in effective real terms (40%). This exacerbates the "Dutch disease" effects caused by resource dependence: a strong currency damages the non-oil sectors by making them less competitive against imports and Angola's poor human capital makes it hard to counter a loss of competitiveness with improvements in productivity.

Net international reserves rose to the equivalent of 4.3 months of non-oil-related imports (USD 4.1 billion) by end-2005, while nearly USD 600 million from outstanding commercial oil-backed loans was paid off. According to IMF estimates, Angola's debt amounted to \$12 billion in 2005, the equivalent of 35% of GDP. The debt problem lies not in its magnitude, but in the external debt structure.

Oil-backed borrowing became an increasingly effective tool by which Angola could secure funding. Such arrangements have been useful in securing credit lines from Portugal, Brazil, Spain, and more recently China. Chinese loans – soft loans with a 70% linkage to Chinese goods – mark a change in Angola's strategy for such arrangements, partly because of their sheer size: currently *credit lines from China are worth roughly USD 12.5 billion (USD 4.5 billion from Eximbank and USD 8 billion from the Chinese Cooperation Fund)*. The Chinese terms were more concessional than usual as less Angolan oil is needed as collateral and repayment periods are longer, following a grace period. Many donors and the IMF tend to question such oil-backed arrangements, claiming they are instruments that offer little transparency.

Angola's special situation as a result of the energy sector is described in Annex 18.

Structure and management of public finances

Public expenditure in Angola is among the highest as a proportion of GDP in sub-Saharan Africa. This is partly due to the war, which restricted private activity and boosted the relative weight of the state, and partly because natural resources allow the state to expand. Total government expenditure continues to be high at 39.7% in 2005. The budget for 2006, at over USD 23 billion, is more than double last year's budget in real terms, although its execution is questionable given the limited administrative capacity.

Central to public financial management (PFM) reform is the Government's Public Finance Modernisation Programme (*Programa de Modernização de Finanças Públicas, PMFP*), initiated in 2002, which aims to improve institutional capacity within the Ministry of Finance. A major achievement of this programme has been the implementation of a plan to introduce an integrated financial management information system (SIGFE).

In 2004 the World Bank produced a Public Expenditure Management and Financial Accountability Review (PEMFAR). It reiterates the importance of moving away from the dual nature of PFM in Angola where the Ministry of Finance records fiscal income and Sonangol records oil income.

The reform process

The Government has implemented major economic reforms in the past few years to increase transparency. These include: the unification of the budget; the establishment of a single

treasury account at the National Bank of Angola (BNA); the publication of an oil diagnostic study; the release of oil revenue data on the website of the Ministry of Finance; the conduct of external audits of the 2003 financial statements of the BNA and Sonangol; and the compilation of comprehensive data on external debt. The government also wants to implement a system of registration in the State General Budget of all Angola's assets.

A landmark customs reform in March 2001 produced spectacular results, with customs receipts officially reaching USD 1 billion in 2005, compared with USD 215 million in 2000. Additionally, a Court of Auditors for all government contracts of over USD 350 000 started functioning with the appointment of its President in 2001. This is an important tool for budgetary discipline. The Court of Auditors, however, still has to demonstrate its capacity to function independently and to publish a report of annual activities. Elsewhere, further progress is under way. The Government has indicated its interest in participating in the Extractive Industry Transparency Initiative (EITI), making a first step by organising an international conference on oil-revenue management in May 2006. Steps to implement this initiative should be encouraged. In addition, Angola was the first country to implement full certification of origin for diamond exports. In line with the Kimberley Process, the Government is committed halting clandestine prospecting and is reviewing its current mining legislation in order to reduce artisanal mining as much as possible.

Since the end of the war relations with the IMF have generally improved, thanks to the government's attempts to strengthen budgetary transparency and fiscal management. However, progress over the years has been erratic: two Staff Monitored Programmes (SMPs) in 2000 and 2001 expired without achieving all the planned results, due to successive reforms. In 2005 the country appeared to be moving towards a 12-month SMP but the negotiations were not concluded in 2006. They are continuing with the goal of reaching an agreement in 2007.

Trade

Angola views trade liberalisation as a means to secure the foundations for sustainable economic growth and to support the ongoing reform programme. However, the authorities regard import substitution, at least in the short to medium term, as a necessary stage in promoting reconstruction of its agriculture and industry. The customs tariff is Angola's main trade policy instrument. A revised tariff, introduced in February 2005, reduced the maximum applied rate to 30%, with six levels ranging between 2% and 30%. Angola has one simple set of rules of origin for imports from all sources. However, rules of origin are likely to become more complex as Angola implements the SADC Trade Protocol, and with the conclusion of an Economic Partnership Agreement (EPA) with the EU. Angola is taking steps to apply international or regional (SADC) standards to some food products. Table 14 in the annexes gives basic information on the main trading partners.

II.1.3. Social Situation

In the absence of a recent census, it is estimated that Angola had a population of 15 million in 2005. The lack of information about the geographical distribution of the population is a significant handicap to formulating needs-based plans and determining accurate social indicators. The population is growing fast (3% annually) driven by a very high fertility rate (on average 7 births/woman). As a result, almost half of the total population is under 15, which will generate strong demand for basic health and education services in the coming

years. In spite of rapid population expansion and modest improvements in health indicators since the end of the conflict, mortality rates are still high.

The war caused a large concentration of the population in urban areas and large movements of internally displaced people (IDPs) towards more secure coastal regions. The IDP and refugees return process was completed by the end of 2005. A WFP survey carried out in 2005 reported that 67% of households in the rural and peri-urban areas of the Planalto had been displaced for an average period of six years during the war. The resettlement of IDPs was done with the distribution of some assets, which had direct impact on rural poverty and vulnerability. Despite the return of around 50% of IDPs to their areas of origin, about half of them are thought to live in urban areas.

The health situation continues to give cause for concern, and child mortality rates (250 per 1 000 live births) and maternal mortality rates (1 400 per 100 000 live births) remain among the highest in the world. In addition, the epidemiological context is very fragile, as shown by the surge of Marburg and the reappearance of the wild polio virus in 2005. Slow progress – in spite of a significant increase in health resources per capita (USD 71 per capita compared with USD 42 in sub-Saharan Africa) – is partly attributable to the lack of sufficiently qualified staff, inefficient mechanisms of coordination between different government sectors and with donors, and also administrative failings. The Ministry of Health has still to approve national policy and a medium-term strategy that could provide guidance on tackling vertical programmes.

Even though HIV/AIDS prevalence rates are the lowest in the region (2.8% in 2004), there is a risk of their increasing rapidly as the movement of people accelerates. In order to combat the spread of this pandemic a National Commission and a National Institute to fight HIV/AIDS were created in 2004, but these institutions still suffer from institutional weaknesses, especially when it comes to effective implementation in the provinces and coordination mechanisms. To deal with this situation the Government has implemented since 2005 a reconstruction and rehabilitation programme, raising health coverage to 295 health centres and 1600 health units (*postos de saúde*). New hospitals have also been built (9 central hospitals and 50 general hospitals). The number of doctors and nurses has increased (to a total of 1400 doctors and 35 500 nurses), although this is still considered insufficient. The development of the health sector has given better results in vaccination coverage and a better control of leprosy, even though the infant mortality rate (under 5s) is still high. However, the situation for malaria and respiratory diseases has not improved. The proportion of the population with access to health services remained at 30% to 40% in 2005, while the percentage with access to medicines increased from 25 to 30%.

Developments in the education sector are encouraging. According to available information, gross enrolment rates in primary education in Angola were 92% in 1990, 62% in 1995 and 64% 2000. Enrolment rates have substantially increased since 2003 as the government has hired an additional 71 000 teachers and efforts have been made to build primary schools. Gross enrolment rates are now well above 100%, reflecting the large number of children that were previously excluded from the school system. However, there are still serious concerns about the quality of education given that some of the teachers are not sufficiently qualified, they are unequally distributed and there are not enough textbooks or other teaching materials in the schools. As a result, repetition rates remain very high (only a third of children complete primary education and only 8% do so without repeating). With the Education Services Development Programme the authorities managed to increase educational capacity from 2005

through more classrooms (more than 190 schools were rehabilitated) and more educational staff (including teachers). This helped to increase the enrolment rate in primary education, reaching a total of 3.1 million pupils. Projections for 2008 show that 3.8 million pupils will be in primary education. An increase in the total number of students in primary, secondary and tertiary education from 4.8 million (2005) to 6 million (2008) is also forecast.

The large increase in overall public spending has led to increased expenditure in the social sectors (in absolute levels), but the shares allocated to health (4.4% in 2006) and education (3.8% in 2006) declined relatively in percentage terms in the period 2004-06. Sectorally, budget execution levels have been low – partly due to lack of take-up capacity – and there has been a significant bias in the intrasectoral allocation to the detriment of health and primary education. The overall allocation to these sectors increased slightly in 2007 (3.68% and 5.61% respectively).

Although Angola is a signatory to several international agreements promoting gender equality, there is still little monitoring and implementation capacity to put in place effective instruments. As a result, a certain bias against girls has to be taken into account, especially in secondary and university education; there are no women provincial governors and only 16% of parliamentary seats are held by women.

II.1.4. Environmental Situation

Angola is well endowed with natural resources:

- About 35 of the 45 most traded minerals are found in Angola, oil and diamonds being the main sources of revenue.
- About 13% of the soil is subject to extreme or severe degradation.
- Water resources are a major asset of the country. Angola's internal renewable water resources are estimated at 140 km³/yr, and are a major contributor to international river basins (Zaire, Zambezi, Okavango, Cunene).
- Marine water resources and fisheries are also important, accounting for 2% to 3% of GDP.
- Because of the diversity of soils and climate, biodiversity is important in Angola: About 5000 plant species are recorded there, of which 1260 are endemic. Fauna is also very rich. Forests cover 43% of the country area, 30% of them in the high to medium productivity category.

However, 27 years of war have had a direct impact on these resources:

- Oil exploitation generates pressure on, and pollution of, marine resources and mangroves, and this may increase in future with the stepping-up of oil production. In the mining areas chemical products are used which pollute the water and soil. Groundwater extraction is also widespread.
- Antipersonnel landmines are a constraint on the use of land all over the country.
- In agriculture there is little investment in new/appropriate technologies, mechanisation, animal draught or small-scale irrigation to ensure food security. Farmers are putting increasing pressure on natural resources to find additional food supplies.
- The management of fishery stocks is unsustainable: over-fishing, non-compliance with prohibition periods and fishing zones and poor controls on fishing put pressure on

marine fish stocks. A complete study of the situation of available fish stocks should be carried out.

- Forests are damaged by illegal logging, non-efficient charcoal processing and agricultural pressure. Poaching is also widespread. Natural habitats and biodiversity are thus threatened.
- Urban and peri-urban development as a result of the war has led to inadequate provision of services such as water distribution and solid-waste and waste-water collection, disposal and treatment, with serious consequences for public health. While poverty may be an underlying cause of environmental degradation, a degraded environment leads to more poverty. Indeed, the very poor rely heavily on natural resources and are the most vulnerable in the event of natural disasters.

The legal framework has recently been updated and includes modern principles of sustainable environmental management. New developments include a report on the state of the environment (2006) and the preparation of the national environmental management plan scheduled for 2007. However, the environmental information system is still weak: instruments such as the EIA (environmental impact assessment) and the EMS (environmental management systems) are being created and must be encouraged. The existing institutional capacity is weak, and incorporation of environmental concerns into sectoral policies and interministerial cooperation needs to be pursued. At provincial level the situation is similar.

A national programme on the environment, financed by the African Development Bank (AdB), was carried out in February 2007. There is a pressing need for an analysis of the potential impact of climate change, especially in view of its expected impact on fisheries, agriculture and the human habitat (climate change already has already had an impact in Africa with serious consequences. This impact will grow in future and may increase the incidence of floods and droughts and threaten the condition of the soil, biodiversity and fishery resources, which are already under pressure in Angola. The predicted rise in the sea level will affect the coastal area where there is much activity. Climate change threatens development and will make it harder to reach the Millennium Development Goals (MDGs). Adaptation to climate changes is becoming a precondition for sustainable development.

There is also an urgent need to place environmental natural-resource management higher on both the Government's and the donor community's agendas, in order to secure the sustainable development of the country.

The country's environmental profile, updated in March-May 2006, gives more details about the existing situation and suggests a set of actions to improve it. Inclusion of environmental indicators in the CSP is one of them.

II.1.5. Angola in the International Context

The substantial increase in oil production and the international need to secure oil resources from elsewhere than the Middle East is rapidly changing Angola's position in international affairs. Angola became a member of OPEC at the end of 2006. Relations with newly industrialised economies (NIEs), especially in Asia and Latin America, have significantly expanded since the advent of peace and are likely to become even closer as these relations provide Angola with sufficient resources for its reconstruction effort and the NIEs with secure energy sources for their rapidly expanding industries. China is likely to maintain its privileged position in the coming years as new oil-backed loans are expected to be approved. Relations with Brazil are also likely to become even closer, especially in the agri-business and

construction sectors, as Angola seeks to modernise the agricultural sector. Trade relations with the US and the EU are also likely to expand—they have traditionally been the main sources of Angola's imports—though at a slower pace than those with NIEs (with the exception of Portugal).

Angola is becoming a more active player in regional organisations and its position is also strengthened by the size and the capacity of its military forces and the fact that it has become the third largest economy in sub-Saharan Africa. In 2007 Angola was elected member of the Peace and Security Council of the African Union and also a member of the United Nations Council for Human Rights. Angola formally acceded to the SADC Trade Protocol in March 2003 and is currently preparing a schedule for its implementation. In this framework Angola could make significant progress in dismantling trade barriers and achieving regional integration in the medium term. Growing commercial links and the end of apartheid are driving a general improvement in ties with South Africa, which is becoming increasingly important both as an investor and as a supplier of goods and services. It is expected that this relationship will further develop in the coming years.

Some members of SADC (Angola, Botswana, Lesotho, Namibia, Mozambique, Swaziland and Tanzania) have agreed to negotiate an Economic Partnership Agreement with the EU; South Africa recently also asked to be included in these negotiations, which was accepted by the EU. This is a difficult and complex process. A Southern Africa Customs Union (SACU) exists to which Angola is not a party, and South Africa, the leading member of SACU, has its own Free Trade Agreement with the EU. Given that Angola as a least-developed country, does not have to apply reciprocity in future negotiations with the EU, it tends to view the EPA's market-access component in particular with some reservations.

Angola also became a full member of the CEEAC in 1999, and political links are likely to be strengthened with its members as several of them have recently become significant oil producers. In addition, Angola played a key role in past years in supporting militarily some of their regimes, those of the DRC and Congo-Brazzaville, for example. Angola will continue to seek stability in the Great Lakes region in order to protect its borders and avoid regional sources of internal instability.

Angola is a founding member of the CPLP (Comunidade dos Países de Língua Portuguesa) and PALOP (Países Africanos de Língua Oficial Portuguesa) and it has been reactivating these relations recently, especially with Portugal and Brazil.

II.2. POVERTY REDUCTION ANALYSIS

Since the end of the war there has been some progress towards achieving the MDGs but challenges remain. Basic public service provision remains deficient as reflected by poor social indicators (see Annex 1) and much effort will have to be made in order to achieve the MDGs by 2015. Angola ranked 160th out of a total of 177 countries in the 2005 Human Development Report, only slightly better than neighbouring countries such as DRC that have much lower per capita incomes. Data on income poverty remains very scarce but according to a national income household survey dating back to 2000, 68% of the population lived below the poverty line. Poverty rates are thought to be higher in eastern and central areas than in coastal regions. Although the advent of peace and the rapid rates of economic growth experienced in recent years are expected to have a positive impact on poverty reduction, the

trickle down effects of growth are likely to be limited as capital intensive sectors have grown faster than other sectors that employ a larger proportion of the population.

The incidence of poverty is thought to be greater in rural areas than in the cities (94% against 57% in 2000). The rapid urbanisation caused by the war has led to the urbanisation of poverty. The main determinant of urban poverty and vulnerability is access to employment. However, employment opportunities in the formal sector are very limited since most investment is concentrated in capital intensive sectors and most people rely on the informal sector, particularly petty trade, to acquire some meagre income.

Factors contributing to rural poverty are the lack of access to markets owing to poor road networks, a shortage of agricultural services and a lack of private and public investment in agriculture. This leads to low production by smallholders, which in turns leads to low productivity and high vulnerability to climatic hazards. Some sectoral growth can nevertheless be noted, which provides a flow of agricultural products to urban areas. The use of renewable natural resources (water, forests, biodiversity, etc.) is a key coping strategy in rural areas. Ensuring sustainable management of these resources will be crucial for rural poverty eradication.

The main vulnerable groups are those with no access to productive resources or to effective safety nets. They include: demobilised soldiers, female headed households, the disabled, the elderly and orphaned children. The Government has recently introduced some safety nets but most efforts have been focused on demobilised soldiers. MINARS is still mainly focused on social reintegration and should, besides its programmes of demobilisation and reintegration, develop global social policies to improve access to basic social services, not only for specifically vulnerable groups but also for low income households.

II.3. ANGOLA'S DEVELOPMENT AGENDA

The Government of Angola has a structured development agenda in the form of a series of inter-related documents bringing together a medium-term and longer term vision.

NEPAD

Angola has always been an active member of the African Union and is one of the African countries whose policies reflect, at country level, the philosophy behind NEPAD, namely that Africa should solve its own problems. Institutionally, it is the Ministry of Planning that has led the talks on NEPAD. In February 2004 Angola formally joined NEPAD's Africa Peer Review Mechanism. In order to prepare for this monitoring, the Government created a unit at ministerial level to pave the way for the APRM.

Regional policy within SADC

Taking its cue from global and continental initiatives, SADC has responded with the Regional Indicative Strategic Development Plan (RISDP), which accords top priority to poverty eradication with the aim of promoting sustainable and equitable economic growth and socio economic development.

Deepening regional integration to take advantage of Angola's comparative advantages within SADC is key for Angola's development. Angola has become an active player within SADC since the end of the war. The Government sees SADC as the market that Angola does not have, and aims at positioning itself advantageously within the region in order to exploit its

potential. The Government aims to make the most of the larger market to introduce products and benefit from economies of scale. It sees SADC as an entry point to diversify Angola's oil-based economy, as SADC's demand is high for certain products, such as petrochemicals.

Angola has accepted the SADC Trade Protocol and has made progress in integration. Being a member of SADC requires certain reforms, some of which have already been implemented in Angola. One of these is customs reform: a revised tariff, the main trade policy instrument, was introduced in February 2005. Further reforms should be introduced. These reforms are aimed at preparing the creation of a "SADC common market" among the 14 members of SADC (Angola, Botswana, Lesotho, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Mauritius, Seychelles, Malawi, Zambia, Zimbabwe, and the DRC) with a Free Trade Agreement in 2008, a Customs Union in 2010, a complete common market in 2015 and a Monetary Union in 2016.

Poverty reduction strategy

Angola's Poverty Reduction Strategy Paper (*Estratégia de Combate à Pobreza*) focuses on reconstruction and rehabilitation of the country. It covers the period 2003-07 (although approved only in January 2004) with a total cost of implementation calculated at almost USD 3 billion. Most of these costs will be covered by the national budget, with external assistance also planned.

The strategy identifies 10 priority areas of intervention: (i) social reintegration; (ii) security and civil protection; (iii) food security and rural development; (iv) HIV/AIDS; (v) education; (vi) health; (vii) basic infrastructure; (viii) employment and vocational training; (ix) good governance; and (x) macroeconomic management.

This national strategy was published in 2004 after a process of constant revision since 2003. The final version has a defined set of indicators and an action plan for the monitoring and evaluation of the programme. This plan will be implemented with Commission support for the Government. Although it is a global planning document, the strategy is an important basis for the Government's action plans, which are two-year programmes. It is likely that the strategy will be extended to 2008 in the short term.

Programa Geral do Governo 2007-2008

Angola's policy is set out in two-year plans. The *Programa Geral do Governo 2005-06* was approved by the Council of Ministers in November 2004, and was recently (in December 2006) extended until 2008. Although it includes components for improving social conditions as provided for in the strategy, it emphasises the programmes needed for reactivating the productive sectors of the economy. The Public Investment Programme attached to it clearly reflects the relative importance given to stimulating economic growth through rehabilitation of critical infrastructure. This is the plan that currently guides Angola's policies and it is clearly linked to the budget. The two-year programme briefly sets out the analysis for 2005-2006 and mentions the broad macroeconomic objectives for 2007 and 2008 (see Annex 1A "Macro-economic indicator projections of the government"). It also summarises the overall and specific objectives of the Government. It includes the re-establishment of the central administration of the State, the development of human resources and consolidation of democracy. The two-year programme sets a number of targets to be reached in the following programmes over the coming two years: (a) development of economic activities (b) improvement of social services (c) social assistance (d) administrative reforms and

institutional capacity (e) urban planning, housing and environment and (f) the financial system.

Medium-Term Plan and *Visão 2025* (both being finalised)

The Government is elaborating a medium-term, five-year plan for the period 2009-2013 to help consolidate the necessary economic conditions for developing the private sector and improve the well-being of the population. It is likely that the six guiding principles of the current Programa Geral do Governo will be replicated in the medium-term plan, as they are medium-term objectives.

Finally, the Government is working — with the participation of the main political parties and civil society — on a long-term strategy, *Visão 2025*, which sets out the broad reforms that need to be carried out in Angola over the next two decades, including global reforms (mostly macroeconomic), sector reforms (drawing up strategies for the different sectors) and an innovation called ‘matrix reforms’, which attempt to look at key issues such as poverty, hunger and human capital as a mix of policies that need to be undertaken under different ministries. The Government has identified targets for various types of reform and the most important indicators up to 2025.

II.4 ASSESSMENT OF THE VIABILITY OF CURRENT POLICIES AND MEDIUM-TERM CHALLENGES

Since the end of the war, national development policies have focused on the rehabilitation of key economic and social infrastructure. Although infrastructure rehabilitation is crucial for effective poverty reduction, boosting growth to help the poor and the provision of basic social services also require long-term efforts in terms of improving human-resource capacity and facilitating means of production for the poor. This is necessarily more challenging and deserves more attention from the authorities.

The push for accelerating the decentralisation process may have a significant impact in achieving the MDGs. However, institutional weaknesses and lack of appropriate legislation are reasons why funds do not always reach those responsible for service provision, especially in rural areas. Unequal distribution of skilled public-sector servants hampers improvement in service provision quality.

A major challenge for Angola is how to ensure that its natural resources will generate an economy that is diversified and sustainable in the long run. Resource abundance frequently leads to increased income inequality, given that the oil industry is characterised by its ‘enclave’ nature, with few, and only short-term, links to the economy. The production and exports of natural resources should make for a true distribution of wealth and reduce poverty. The more peaceful and socially stable the country becomes, the faster the non-oil economy will grow. The improvement of living standards and the promotion of decent employment for all is a sure route to post-conflict peace. The challenge facing the Government is that of using the oil revenues to promote the non-oil productive sectors. The Government is consequently trying to put in place major economic and social reforms to encourage the growth of the private sector and infrastructure projects generating employment. It therefore needs to continue implementing these important reforms.

CHAPTER III: OVERVIEW OF PAST AND PRESENT EC COOPERATION

III.1. OVERVIEW OF PAST AND PRESENT EC COOPERATION (LESSONS LEARNT)

The 9th EDF indicative allocation for Angola was €117 million (A envelope) and €29 million (B envelope). €64m from previous EDFs was also available, to be used in accordance with the EC strategy for Angola. The beginning of the 9th EDF period had humanitarian and reconstruction needs as the main priorities of the post-war situation in Angola. The CSP and the NIP under the 9th EDF signed in January 2003 took due account of these needs and they formed the basis of cooperation for 2002-2007.

The link between emergency relief, rehabilitation and development (LRRD) was the main strategy underlying EC cooperation to Angola in this period. Under the LRRD approach, in which the strategy focuses on providing emergency relief, improving the humanitarian situation and alleviating poverty, EC programmes were targeted on two focal sectors: food security and the social sector (health and education). However, as the country became increasingly stable and substantially increased its own revenues, EC programmes became more focused on capacity-building and the strengthening of government institutions.

A new intervention framework was drawn up during the MTR. However, the unavailability of data is common to all sectors and, where available, it is rarely reliable. Budget allocations are not always translated into budget execution, though again, information on this issue is scarce, and outcome indicators cannot be monitored as yet.

The main lessons learnt during this period are analysed in the sections below. Those which apply to all sectors are:

- **The importance of ownership.** The most successful projects are those integrated in Government processes and those drawn up jointly with Government. This entails engaging in a continuous dialogue and ensuring a common learning process between the EC and the Government through joint dissemination of results.
- **Strengthening the links between centre, provinces and municipalities.** Annex X contains a diagram of how activities at municipal level should complement reforms at national level to ensure that institutional changes reach the final beneficiary. Ownership must also be enhanced at the municipal level.
- **The importance of capacity-building** across sectors. This is an issue which is raised systematically across all sectors and at all levels of intervention. Similarly, the importance of indicators and information systems is emphasised in all EC projects. A key lesson is that the EC must ensure a common and strategic approach across sectors to address these issues.

III.1.1. Focal Sectors

Food Security

Interventions linked to food security and rural development have been implemented through the LRRD approach. It has helped to articulate the objectives of the programmes, namely relief, rehabilitation and development, with a clear trend between 2002 and 2005 away from relief and rehabilitation projects and programmes to more development-oriented programmes.

- Agricultural development with NGO projects financed under the food security budget line between 2005 and 2008 (€9.6 million for eight NGO projects in the Benguela and Huíla provinces), which aim to improve the income of smallholders through the extension, increase and diversification of agricultural production, distribution, support for livestock and for community based associations. The PRSA (*Programa de Relançamento da Segurança Alimentar*) financed under the food security budget line for €10 million between 2006 and 2009 will support (i) the institutional framework at provincial and national levels, particularly on extension issues, (ii) land issues and (iii) the development of the commercial private sector in agriculture.

The EC is the main donor for food-security and rural-development interventions with more than 30% of the total aid in this sector in 2005. The second most important donor is the World Bank with nearly 20% of total contributions, followed by USAID with 12%, but with a clear exit strategy from the rural sector. The coordination mechanisms with the World Bank are improving considerably. The EC is financing two trust funds in the rural sector under the 9th EDF: €45 million for the FAS project (rehabilitation of basic infrastructure in rural areas) and €16.4 million to support the vulnerable groups component of the ADRP (reintegration of ex-combatants in rural areas, mainly in agricultural activities). In terms of donor coordination, while the diagnosis of the situation and the priorities of reducing rural poverty and increasing food security are clearly shared by the main donors, leadership from the MINADER in coordinating the various interventions is still missing.

In achieving its main objectives our strategy has been very successful. The situation in the country has clearly stabilised. Within the last three years, food aid distribution has gone down substantially. EC support for the WFP stopped in 2005 and ECHO closed its office. For those communities with access to aid the recovery process has been quicker than that in other post-conflict countries. After two to three harvests, most communities were able to continue farming without the distribution of additional seeds and tools. Access improved significantly as the impact of mines lessened (from 4210 suspected mine areas in 2000 to 2650 in 2006). But vulnerability remains high, particularly with the drought in the south of the country. Smallholders' assets remain limited (most of the animals were killed or lost during the war) and the capitalisation process is still in its early stages. This is still a big constraint on the development of food security in rural areas. Nationally agricultural production has increased significantly (cereal production from 711 000 up to 881,000 tonnes and, cassava production from 6.5 to 8.5 million tonnes between 2002 and 2005). In the first two years after the end of the conflict, the PEAPP and the interventions financed under the food security budget line were decisive instruments for stabilising the situation in rural areas and consequently for the peace process in the country.

Over the last two years our strategy has clearly shifted from emergency issues to development, our interventions now integrated into a structured political dialogue with the key ministries, using the project approach in a coordinated and comprehensive way and focusing on specific areas where our support may have significant leverage. Given the situation in Angola, where the state has financial resources, support to the Government is now given preferentially in the form of pilot actions, which work on complex issues and build the capacity to gain experience from local pilot projects through a bottom-up learning approach that feeds into strategies and aid and into the design and implementation of programmes which meet expectations at local and national levels.

The complementary use of existing instruments, namely the EDF and the food-security budget line is also key for the implementation of our LRRD strategy. While EDF projects combine components of physical rehabilitation, institutional support and development of pilot approaches, the food-security budget line, with its annual programming cycle, has been used to move gradually but rapidly from food aid and seeds and tools distribution projects (2002-2004) to agricultural development projects (2005-2006). Finally, supporting the most suitable partners was the last key element of our strategy. It includes technical ministries and their local offices, innovative or specialised international NGOs, local NGOs, specific departments of UN Agencies or the World Bank. Again, the added value of each partner is always assessed in relation to the planned activity: moving from UN agencies and NGOs as main operators during the emergency period to institutional support for government institutions (MINADER, CNIDAH, provincial and local administrations) when the objectives are more linked to development.

From 2002 to 2005 the main objective of our cooperation, both in general terms and within the food security and rural development focal sector, was to support the peace process and to respond to the humanitarian crisis which was really acute in rural areas where refugees, displaced population and ex-combatants were trying to rebuild their lives. The specific objective of the interventions within this focal sector was to reduce rural poverty and to achieve food security for this rural population.

The main interventions financed by the EC to achieve these objectives focused on several complementary themes, which all contributed to rural development and food security. Note that health and education in rural areas, which are part of the broader concept of food security, are supported as part of a national policy (other focal sectors). Annex 12 gives more details of the rationale behind these interventions, which can be summarised as follows:

- Access thanks to demining of bridges and rehabilitation of roads (see the demining and bridges components of the PEAPP (emergency programme to support the peace process) for €30 million and the PERDRP (emergency programme for the resettlement of displaced persons and refugees) financed under the 9th EDF B envelope for €26 million). Access appeared to be one of the main obstacles to improving food security in rural areas, with a clear positive impact on agricultural production and distribution in the targeted areas.
- Rehabilitation of social and productive infrastructure in rural areas under the PAR (*Programa de Apoio a Reconstrução*); the FAS (*Fundo de Apoio Social*) financed under the 9th EDF with €45 million allocated to a trust fund managed by the World Bank, which implements two components: a main component of community development (construction of community infrastructure) and a pilot component of municipal development (participatory planning at municipal level); the PMR (*Programa de Micro-Realizações*) financed under the 8th EDF between 2002 and 2006 with €7.4 million for the rehabilitation of rural productive and social infrastructure.
- Support for economic and social reintegration of ex-combatants and vulnerable groups with the financing under the 9th EDF for the vulnerable groups component of the ADRP (trust fund of €13.4 million managed by the World Bank) and with a component to support the reintegration of children and adolescents affected by the war (€1.5 million with Unicef); the PGE (*Programa de Geração de Emprego*) with €3.5 million to be financed between 2006-2009 under the 9th EDF.

The PRSA (€10 million, 2005-2008) and the PAPEFSA programmes (livestock programme in the south of Angola, €10 million), to be implemented between 2007 and 2010 and financed under the food-security budget line, are good illustrations of these principles. The PRSA is seen by the MINADER as a pilot component of the national programme (PERDRP) and as such as a key contribution to the government's strategy for reducing rural poverty.

Social Sectors

EC-funded interventions in the social sectors have followed the LRRD approach. From the end of the civil conflict until 2004, the focus was on providing support to the large number of internally displaced populations that decided to go back to their areas of origin. There was also a conscious effort to link these interventions with those funded by ECHO in order to achieve greater synergies and ensure a stronger link between emergency and rehabilitation. UN agencies and international NGOs played a crucial role as implementers of programmes because there was not a sufficient government presence in some areas. The emphasis was placed on direct provision of health services to vulnerable groups, including the distribution of critical resources such as essential drugs.

From 2004 onwards, programmes shifted towards making the link between rehabilitation and development. Most new programmes were implemented via government structures and the aim was to strengthen the capacity of national institutions to provide good quality social services in a decentralised context. In addition, multisectoral projects with a community-development component continued to provide support for the rehabilitation of social infrastructure in a critical state, mainly in rural areas.

The NIP for the 9th EDF allocated between €74 million and €90 million to social sectors, but only €61 million have been committed, mainly because of the implementation of health programmes funded under the 8th EDF financing agreements (€55 million) that will not be concluded until late 2007, thereby limiting take-up capacity for further funds. In total an estimated €117 million will be spent in the social sectors between 2002 and 2007 under the 7th, 8th and 9th EDFs. Annex X includes a list of all the programmes supported by EC funds over this period.

Health

Reforms in the health sector in Angola have been slower than predicted, mainly due to limited human resources and little institutional capacity within the Ministry of Health. Despite the ongoing formulation of a national health policy, the sector remains in need of a properly budgeted medium-term strategy based on primary health services. Reforms to implement group purchases of drugs have been delayed but there have been substantial developments in the drafting of a health financing policy and in the approval of drug and blood use regulations. Between 4% and 5% of the national budget was allocated to the health sector, less than the planned 10%, partly caused by insufficient take-up capacity caused by institutional weaknesses.

Interventions in the health sector were structured around five main priorities:

- Direct support for primary-health-service delivery. These interventions targeted areas with difficult access and included the provision of essential inputs such as essential drugs and vaccines.

- Support for vulnerable groups, especially the physically disabled. The EC was the main partner of the National Programme for Physical Rehabilitation.
- Training of health-sector personnel. A big training component was included in all programmes in order to aid capacity development, especially of non-qualified personnel. On-the-job training was favoured so as to avoid disruption of service delivery. In addition, training for trainers was supported via a regional programme.
- Construction and rehabilitation of health posts and centres. Following the advent of peace, priority was given to facilities in municipal centres and rural areas.
- Support for institutional reforms. Specialised technical assistance provided support in five key areas: drafting of medium term strategy, improving drug regulation, establishing a safe blood policy, improving budget and planning capacity in a decentralised context, and drawing up a national policy to finance the health sector.

Although the sector still lacks a reliable information system to monitor the health impact of the interventions, major achievements include the provision of health services, including essential drugs to over 1 million beneficiaries; rehabilitation/construction of over 60 health posts (excluding those of FAS); and training for health personnel in over 30 municipalities; support for the implementation of significant reforms including health finance policy and the revision of the human-resource development plan.

Education

Despite some delays, the government has been steadily implementing the educational reform approved in 2001. Access to education expanded significantly following the recruitment of more than 71 000 new teachers between 2003 and 2006. However, there have been large variations in the budget allocations to the education sector: from over 10% in 2004 to less than 4% in 2006. At the same time the trend of increasing the percentage of public resources allocated to primary education since 2000 has been reversed, with the rising importance accorded to technical and vocational training in the 2005-2007 general government plan, especially with the construction of new technical schools.

EC programmes have supported the following type of intervention:

- on-the-job training first focused on teachers but from 2006 also on other categories (headmasters, inspectors and managers);
- school building/rehabilitation, mainly through multisectoral programmes based on community development approaches;
- support for vocational training;
- support for institutional reforms. These activities started in 2006 and are designed to make public expenditure more efficient through more appropriate planning and budgeting, better evaluation of teaching and drafting of a human-resource development plan.

The main achievements of these interventions include the academic accreditation of over 10 000 primary school teachers, better access to primary education thanks to the building of over 100 schools (to date), and support for the setting-up and equipping of 18 provincial centres for in-service training.

III.1.2. Projects and Programmes outside Focal Sectors

Governance

Governance under the 9th EDF was treated as a “focal cross-cutting issue” with specific actions in various areas to promote democracy and human rights, public financial management reform, reform of the justice sector and public administration. These include:

1. The justice reform programme, which was delayed and the public-administration reform programme not carried out. In part this was due to a government decision to deal directly with sensitive issues of sovereignty but also because of a lack of clarity and consensus about the content and structure of these programmes. On the other hand, interventions with civil society were quite successful. The EC delegation built up significant in-house expertise plus contacts with a variety of civil society organisations, and began to play a constructive role in building their capacity.

2. The PAR and the FAS have contributed significantly to the growing body of experience in local governance at municipal level. There is a move towards a greater institutionalisation of community involvement in which there is dialogue between the citizen and the state, instead of the citizen and aid agencies. Such gradual ‘institutionalisation of participation’, the beginning of bottom-up responsibilities at local level with a concomitant gradual growth in capacity, have been valuable contributions in this field. Success should not be exaggerated, but there has been marked progress in the policy debate on decentralisation in Angola since 2002 and the EC has contributed to it.

3. The Programme to Reinforce the Process of Planning and Budgeting, which introduces some positive technical changes, is an instrument to further the Government’s own governance objectives to improve public financial management. The work with the National Statistics Institute has had a technical impact by developing a Consumer Price Index in six provinces, completing an Enterprise Survey and financing a survey on well-being (QUIBB). It is necessary to ensure that intervention in the Ministry of Planning promotes the formulation of the government’s development plans, with an impact on good governance.

Governance as a cross-cutting issue is discussed in the other sections. There have been significant interventions in the education, health and agriculture sectors but there has not been a common framework for these interventions and they have not been sufficiently linked to reforms in the other areas mentioned above. In education and health governance impact is measured by the assignment of responsibilities and resources at the various levels of institutional hierarchy so that governance objectives are met.

Non-State actors (NSAs)

In the transition from the emergency phase to a more development-oriented stage, the role of civil society has become ever more important. In order to better understand the situation faced by NSAs in the country a mapping study was carried out in 2005. The analysis facilitated the involvement of NSAs in the development process, as well as the preparation of a specific Programme in Support of Non-State Actors (specifically to networks and intermediary groups). The main objective of this programme is to promote the participation of non-state actors in the transition and development process with a view to poverty reduction and good

governance. Specific objectives include: capacity building, improved access to information and promoting a social and political dialogue with local and national authorities.

Water and basic sanitation

Water was an important non-focal sector in 2002-2007 and over €40 million was committed to water and sanitation programmes. Most funds have been allocated to improving water-supply systems in the peri-urban areas of Luanda and the town of Tombwa. In addition, medium-sized towns and rural areas in the provinces of Moxico, Kuando Kubango, Lunda Sul, Malanje, Kwanza Norte and Sul, Uige, Huila and Huambo have benefited from enhanced access to drinking water in areas with a large number of returned IDPs. Although the focus of most interventions has been on infrastructure, rehabilitation and borehole drilling, programmes since 2005 have included important institutional development work such as: technical support to water institutions at the national and provincial levels, improving the commercial services of EPAL (Luanda Water Utility), setting up water public companies and improving the management information system (in partnership with Unicef).

As a result 450 000 people are estimated to now have access to an improved water source through the rehabilitation of 26 water-supply systems in towns/communes and in large villages and the building of 285 water points in rural areas. The Luanda water programme is expected to provide safe drinking water to a million people before 2008 and EPAL has already doubled its monthly revenues.

Transport

Multisectoral programmes funded interventions in the transport sector to the tune of €18 million between 2002-2005. This contributed to the rehabilitation of 300 km of secondary and tertiary roads—mainly in the provinces of Huila and Huambo—and to the construction of 20 metal bridges that improved access to remote areas in the provinces of Zaire, Moxico and Bié. In addition, the rehabilitation of the Namibe-Lubango road was completed in 2003 (€12.5 million). The rehabilitation of sections of the Lubango-Ondjiva road is expected to begin by the end of 2007 (estimated budget €25 million).

III.1.3. Utilisation of Envelope B

The €29 million for Envelope B was completely used up: €2.2 million went to the Peace Facility, €0.8 million to ECHO and €26 million to the Emergency Programme to support the resettlement of displaced persons and refugees between 2004 and 2006. The demining programme is designed to solve the access problem in rural areas with a main component of humanitarian demining through NGOs (€15 million), a bridges and road-rehabilitation component (€6m) plus, like any other programme, a component of institutional support to the regulatory institution of the sector, the CNIDAH. This programme is a key contribution to the problem of the food-security focal sector and as such is part of the strategy being implemented within this focal sector. An addendum to the financing agreement was agreed in 2006 to extend (+2 years) and to reinforce this programme (+ € 5 million using the remaining funds from the 9th EDF) because of its key role for rural development. Contracts and addendums to existing contracts were prepared in late 2006.

III.1.4. Other Instruments

Community budget lines are important instruments that harness the effective participation of civil society in sensitive areas such as human rights. It is important for the 2008-2013 strategy that the continuity of these instruments be guaranteed, given the need for complementarity with the focal areas of the 10th EDF.

Food Security: €90.7 million complemented EDF funds in the 2002-2007 period. See the food-security focal sector in III.1.1.

European Initiative to support Democracy and Human Rights (EIDHR): There are three types of intervention, namely target projects, microprojects and macroprojects:

- Since 2003 three target projects have been financed for €1 372 700 in sensitive areas such as the right to land, access to justice and national reconciliation.
- Since 2004, two calls for proposals have been launched to finance microprojects in Angola in the areas of conflict prevention and resolution, especially concerning land-tenure disputes; civic and voter education and promotion of the democratic process. Initial difficulties encountered arose from the organisational weaknesses of organisations that submitted proposals, namely the eligibility of local partners.
- A macroproject for €635 000 that focuses on the freedom of expression to prevent and resolve land-related conflicts and on democracy, human rights and the electoral process began in 2006.

Cofinancing with NGOs: The cofinancing budget line (€6.9 million) saw an increased participation by local partners in recent years. However, in some areas emergency strategies still prevail, with European NGOs effectively substituting for the State in the provision of services.

Decentralised cooperation: In recent years the Decentralised Cooperation Programme (€2.2 million) has aimed to ensure the greatest possible impact and coordination with other EC financed activities. This has entailed a focus on improving local governance by strengthening the capacity of existing municipal councils to operate as forums for dialogue between civil society and local authorities. Particular stress is placed on the formulation of and consultation on local policies to encourage a climate of social justice.

Anti-personnel landmines: past and ongoing financing for key projects in the "Mine Action Sector" in synergy with the demining programme financed under Envelope B:

- €1.5 million contribution to the Angola Landmine Impact Survey in 2004. This survey is a key element for drawing up a national strategic plan for mine action in Angola. The survey is 80% completed (some provinces are still missing but will be completed before the end of 2006).
- €1.5 million for a two-year UNDP project (2005-2006) to implement the Ottawa Convention through the disposal of stockpiles of anti-personnel landmines in Angola.
- €0.8 million for a project implemented by Handicap BE for the socio-economic reintegration of mine victims (2006-2009).

Intra-ACP cooperation: in 2005 headquarters approved funding for WHO and UNFPA interventions in the region. €2.8 million for the WHO intervention will be used to improve maternal health in Angola and approximately €1 million will be used by UNFPA to improve access to reproductive health services in the country.

The EC agreed to contribute €3.6 million under the Water Facility (a first call for proposals) to a project run by Unicef which aims to improve access to safe water in rural areas by expanding the existing number of safe water sources and enhancing information systems and the planning capacity of provincial governments.

The Global Fund to Fight HIV/AIDS, Malaria, and Tuberculosis approved USD 63 million in funding for Angola in 2004 and 2005, which will be managed by the UNDP. The activities started up in 2005.

In 2005, **the European Investment Bank** undertook a number of activities in Angola, including contacts with the Government, private and public companies, and financial institutions. These intensified contacts were possible thanks to cooperation with the Angolan Government to resolve the issue of outstanding arrears and to a general improvement and stabilisation of the business environment in the country.

Although the Government has expressed a wish that new financing be directed mainly to the private sector, some projects with the public sector are being looked at. The success of the EIB's future participation in Angola will depend firstly on the private sector's appetite for investing in Angola and secondly on the Government's willingness to diversify its sources of funding. Evaluation missions started in 2006 and a contract – the first after 16 years- was signed in Luanda in October 2007 with TV Cabo Multimedia (a €15 million loan).

Energy

Angola benefits from the COOPENER programme, the external component of the European programme for the promotion of policies, technologies and best practices in the fields of renewable energy and energy efficiency ("Intelligent Energy Europe Programme 2003-2006"). COOPENER takes into account the importance of providing sustainable energy for poverty alleviation in developing countries.

III.2. INFORMATION ON THE PROGRAMMES OF MEMBER STATES AND OTHER DONORS

Donor support was substantially reduced in 2005. With an improvement in the humanitarian situation, the country moved from an emergency situation, where most international support was in the form of food aid and emergency de-mining actions, to a post-conflict situation where the enabling conditions for sustainable development are created. Donors moved from channelling funds through the consolidated appeal to more targeted interventions. The Member States present in Angola are: Spain, France, Italy, Netherlands, Belgium, Germany, Portugal, Sweden, Poland, the Czech Republic, the UK, Bulgaria and Romania. The donor matrix in Annex 2 shows what in which sectors and in which provinces donors have been providing aid. The other largest donor is the World Bank, which focuses on reconstruction.

As can be seen from the donor matrix in Annex X, the largest sectors of intervention in 2005-2007 were health, education and food aid. The first two are likely to remain so under the 10th EDF. The largest donors are the multilateral institutions, although USAID, Portugal and

Norway also provide significant contributions as bilateral donors. The provinces that receive most aid, apart from Luanda, are Benguela and Huambo.

III.3. OTHER EC POLICIES

The Community policy that affects Angola directly is trade. Trade policy in Angola has to be clearly coordinated with National Development Plans. In 2005 the WTO undertook Angola's first Trade Policy Review and Angola requested the Delegation to be the lead facilitator in the Integrated Framework process (the participants being the Ministry of Trade, the World Bank, Unctad and the European Commission), which suggests willingness to integrate trade policy into national development plans and to improve the trade governance structure. In order to stimulate exchanges linked to the increase of non-oil exports, to create an attractive environment for investment and to negotiate advantageous multilateral business agreements, a "Train for Trade" programme to strengthen capacity in 2007 was agreed with Unctad and the Ministry of Trade.

Angola is an active member of the SADC and took the political decision along with the other SADC members at the SADC Lusaka Summit in August 2007 to establish a Free Trade Area (FTA) in 2008, thus stepping up SADC's regional integration. In relation to the EU and the "Everything But Arms" (EBA) initiative, Angola already has full duty- and quota-free access to the EU market without having to reciprocate in any way. Angola has also joined the SADC-EPA negotiating group. As a least-developed country, it is in Angola's interest to negotiate an EPA, which would entail opening its own markets to regional and EU goods in the medium term. Therefore, in line with its partners in the SADC, and taking into account a long period of progressive liberalisation (25 years), Angola could still sign the EPA agreement to stay in line with its SADC partners and promote regional integration. Although Angola might not wish to pursue a protectionist trade policy in the long run, it regards protection of domestic production against foreign competition as necessary in the short term to facilitate the reconstruction of its economy.

III.4. POLITICAL DIALOGUE WITH ANGOLA

Under Article 8 of the Cotonou Agreement five structured meetings with the Government have taken place (launched in December 2003). In 2004 the topics discussed were elections, constitutional reform, and human rights issues. In 2005 one meeting was held on economic governance issues and another on Angola's Poverty Reduction Strategy. In 2006 the first meeting focused on migration. The Heads of Mission of Member States in Luanda believe that due attention should be paid to the frequency of this political dialogue and how to make it more results-oriented. This is particularly important in order to meet the commitments made under the Cotonou Agreement, which must be respected. By the end of 2006 the Angolan Ministry of Foreign Affairs indicated to the Troika its willingness to reinforce the political dialogue. For 2007 the Ministry agreed to organise two meetings with the Troika under the German Presidency and two meetings under the Portuguese Presidency. The items jointly agreed for the dialogue will be, in particular: administrative capacity and national reconstruction, the issuing of visas, regional integration, the establishment of peace and peace processes in post-conflict areas, elections and good governance, and the African year of culture, science and technology. The process is, however, running behind. Concerning the elections, no request for assistance has been submitted to the EU by the Government of Angola.

Note that the Government has sent the European Commission a list of governance commitments, which are set out in Annex 9. These commitments could be discussed and

used as a basis for exchanges of views in the framework of the abovementioned Article 8, in accordance with the agenda.

III.5. PARTNERSHIP WITH ANGOLA AND PROGRESS TOWARDS HARMONISATION

The Delegation formally launched the process to develop an EU Roadmap with the Member States in Angola in 2005 (see Annex 6). There has been no formal coordination mechanism for aid delivery up to now and this has sometimes led to a duplication of efforts across sectors. Given this, the initiative to enhance coordination and harmonisation was greatly appreciated, especially as it would increase the visibility of EU development assistance. It was agreed that the EC Delegation and the EU Presidency would take the lead on this, and that Switzerland and Norway would be invited to join the discussions.

The EU Roadmap was agreed in September 2006, and the focus in the early stages is on a limited number of actions with a concrete operational content. One is to improve the sharing of information amongst the EU Member States on programmes aimed at improving aid coordination and harmonisation in practice. Another is to improve sectoral coordination. To this end, thematic working groups will be created to improve coordination within sectors, based on the Thematic Framework outlined in the “European Consensus”. This will eventually lead to joint programming in specific sectors. A third action will be an undertaking to carry out common evaluations and studies in specific areas of joint interest.

CHAPTER IV: RESPONSE STRATEGY

The response strategy for the EC-Angola cooperation must be based on achieving sustained poverty reduction in the light of Angola’s needs and most important priorities. The priorities of the Government of Angola at this moment in time are clearly focused on rebuilding the country. This is shown by the Government’s efforts to invest in infrastructure, mostly in transport and social infrastructures, and in the strategic choices that Angola has made to ensure that bilateral partners, such as the Chinese, provide the capacity to support the reconstruction efforts.

Against this background, it is recognised that the country’s needs – due to the importance of its own resources and also the access to external financing – are not so much finance as institutional capacity-building and training of human resources. This CSP, in addressing these needs in all focal areas, constitutes a coherent response. The EC’s comparative advantage is that of providing technical assistance and capacity-building in the areas where the Government has most need to achieve its reform objectives. Furthermore, the EC has developed great effectiveness with projects of broad reform initiated at national level and matched with activities in the provinces and municipalities. Interventions will need to reflect the regional disparities across Angola, where provinces are at different stages of development, and include actions to rehabilitate and rebuild infrastructure linked to the focal areas of cooperation. This is especially important in a country with a considerable shortage of basic infrastructure.

Partners such as the EIB could also play a role in the rehabilitation process. EIB operations in the framework of Angola's development strategy, which will be in the form of various Investment Facility risk capital instruments and loans from its own resources, will essentially remain demand-driven. The objective will still be to provide long-term financial resources for sound and productive investments, mainly in revenue generating sectors, promoted by either

public or private sector entities. Synergies and complementarities between the EIB and the EC will be further explored and developed through the instruments available, in particular the Water and Energy Facilities (possibly under the 10th EDF) and the EU-Africa Infrastructure Partnership Trust Fund. The establishment of this Trust Fund is intended to increase lending volumes for crossborder infrastructure projects in Africa. However, the establishment of such a Fund will not modify the types of projects financed by the EIB in the ACP region (governed by the Cotonou agreement) nor will it affect the Bank's internal appraisal or lending criteria. Considering Angola's specific economic situation and the Bank's past experience in the country, the main sectors where the Bank might intervene would preferably be construction materials, transports and communications, electricity, water, the financial sector and agri-business. Support to small and medium enterprises will also be considered, provided that appropriate instruments are put in place.

The extent to which the Bank will be able to commit resources in Angola will largely depend on the macroeconomic framework and the business environment, which is itself largely determined by the economic policy of the Government of Angola.

In order to increase EC aid effectiveness, cooperation activities are to be focused in a limited number of areas. Given that the eligibility criteria for budget support laid out in the Cotonou Agreement are not yet satisfied in Angola, EC-Angola cooperation will continue to be project-based or implemented through a programme approach at sector level. This does not mean, however, that projects cannot be mounted ad hoc or carried out in different areas. The principle of concentration will underpin EC-Angola cooperation, and there will be an opportunity for programme-based interventions under the 10th EDF. Cofinancing with multilateral institutions and with the Member States, pool funds and a programme approach will also be possible implementation methods, as will other methods to be determined during identification of the activities. It is also important to consider the sustainability of the development process. The selected projects should fully embrace the three pillars of sustainable development. Raising development awareness, preparing the post-oil period by exploiting the potential for renewable energy and ensuring subsequent land and natural resources management plans are essential steps for securing the sustainable development of the country.

Angola is currently in the development phase of the LRRD. It has clearly emerged from the emergency post-war phase and is completely in reconstruction mode. Government reforms are under way and EC support is important for them to be effective. The weakness of human resources is visible in all areas of EC-Angola cooperation. Given the need to build capacity across all areas and that the main principle of intervention will be through project implementation, plus the fact that Angola receives large oil revenues (making donor contributions less than 1% of the national budget), it is proposed that the EC-Government cooperation should focus on three areas: 1) governance and institutional reforms; 2) human and social development; 3) rural development, agriculture and food security. It is important to keep in mind the current experiences of cooperation between the EC and the Government of Angola and the structured political dialogue that has been established with line ministries, especially relevant for governance owing to the weak capacity of the public administration.

In an ever-changing environment such as that of Angola, it is a true challenge to adapt strategies and activities to the real needs. Strategies should be flexible enough to accommodate new priorities as they emerge. As mentioned above, information is scarce and unreliable in Angola. EC-funded programmes will therefore place particular emphasis on

strengthening management information systems so that fresh information will feed into the planning process.

IV.1. GOVERNANCE AND SUPPORT FOR ECONOMIC AND INSTITUTIONAL REFORMS

Functioning democratic institutions are a condition of sustainable development. The main **objective** of intervention in this area is to support the strengthening of Angola's institutional capacity. Progress in the protection of human rights, good governance and democratisation is fundamental for poverty reduction and sustainable development. EC-Angola cooperation will actively promote a participatory dialogue on governance in areas such as decentralisation, public financial management reform, public-sector reform and access to justice. This is essential to building country-driven reform programmes in a context of accountability and an institutional environment that upholds human rights, democratic principles and the rule of law.

The main **justification** for EC intervention in this area is Angola's need to strengthen institutions in its current resource-rich, post-conflict situation. The weakness of human resources is, as mentioned above, a recurrent problem that prevents the State and the administration from playing their normal role in management and planning.

EC-Angola cooperation has an important role in improving public management in general (including financial management) and enhancing the impact which public spending as a whole has on poverty. The EC also has a role to play in supporting the decentralisation process and backing local authorities, strengthening the role of parliament, promoting human rights, and supporting the national process to ensure free, fair and transparent elections.

The main **intervention priorities** will be:

1. *Institutional development in the context of the modernisation of public administration.* The modernisation of the public administration is a pillar of the Government's governance strategy. The institutions need to be built and reinforced in order to provide the necessary services to society as a whole. In particular, it is necessary to strengthen the capacity of the National Institute of Statistics and that of the fiscal administration in order to help the government better coordinate external aid and to continue support to the National Authorising Officer of the EDF. The programming/monitoring capacity of national institutions also needs to be strengthened, as does the implementation capacity of local authorities, whose responsibilities in terms of primary services are expanding rapidly. Institutional development can also include, if deemed necessary, the management of natural resources, the equipping, rehabilitation and construction of infrastructures in the sectors referred to, in order to increase the supply of services to the population.
2. *Support for the decentralisation process and local governance.* It would be desirable for the sake of future good governance to introduce greater decision-making powers (and the resources with which to execute those decisions) at local level. This approach encompasses the issue of decentralisation/devolution and of public management reforms. We would move away from decentralisation 'projects' towards integrated support for local governance. This support may involve strengthening the capacity of the competent local non-state actors.

3. *Support for the justice sector.* There is willingness on the government's side to make this sector more efficient, to reduce arbitrary decisions and increase the protection of individuals against the state. This support -in particular to the Ministry of Justice- includes extending the reach of the judiciary to all parts of the country to improve access to justice and incorporating African traditional law into Angolan jurisprudence. In particular, this support could include assistance to the Ombudsman.
4. *Strengthening public-finance management.* Here we need to distinguish between "good governance" and the "technical" aspects of government, although both are important. The process of capacity-building for better quality planning and budgeting (Ministry of Planning and Ministry of Finances) – which will start in 2007- is one that opens up the possibility of introducing economic governance. This entry point would involve using the technical reforms to increase transparency, clarity and downward accountability in the planning and budgeting processes at national and local levels; this can then be linked with the other entry points mentioned below.
5. *Enhancing accountability and transparency. The importance of institutional control will increase,* especially after the parliamentary elections. In this context, support for the National Assembly in order to improve MPs' capacity to represent and defend the general interest and to implement mechanisms of accountability is important. Targeted technical assistance to the Court of Auditors could also be important and linked with other interventions in order to increase capacity for public-funds management, and promote transparency and responsibility in public services. The participation of communities and users in the management of primary services is already provided for in the legislation. It is important to strengthen these bonds since they can significantly improve the efficiency of services and they are a key mechanism for increasing responsibility.

A general condition for involvement in this area is a strong Government commitment to pursue reforms in the judiciary and to create capacity both at civil-society and at parliamentary levels. A further condition is that the regulatory framework for the decentralisation process is established and implemented.

There is a **risk** that not enough institutional space will be found to create and implement the necessary policies and institutional reforms to reduce global poverty, but the changes witnessed to date and the upcoming elections make this risk quite small.

Cross-cutting issues will be mainstreamed. Good governance is in itself a cross-cutting issue, key to the whole reform agenda and crucial for the achievement of development objectives. Within these areas there is scope for either making existing legislation work or for working within the government agenda to improve legislation. Much existing legislation leaves the door open for mechanisms of accountability to citizens, but these are not fully developed in practice. The promotion of human rights and the rule of law have to be stressed in all interventions as sensitive but essential issues for the implementation of the strategy. An integrated approach to gender will be followed so as to promote the active participation of women in decision-making. The environment will also be a crosscutting issue. Environmental governance and environmental mainstreaming will be promoted through training and a better use of the existing instruments such as strategic environmental assessments (SEAs) at sector level or environmental impact assessments (EIAs) at programme/project level, one of the objectives being the creation of national capacity to act on and integrate these analyses in their

daily work. Support for the implementation of environmental mainstreaming instruments is particularly important for the transport and infrastructure sectors. Job creation will also constitute a cross-cutting issue to be taken into consideration: the actions and programmes of this strategy will be implemented with an eye to creating jobs.

IV.2. HUMAN AND SOCIAL DEVELOPMENT

The main **objective** of the intervention is to support Angola's efforts to achieve the MDGs related to poverty eradication and health and education, and to protect the most vulnerable groups from unexpected shocks and chronic poverty. EC-Angola cooperation will expand access to basic services while at the same time improving the quality of the services provided in a cost-effective manner.

The **justification** of the intervention is that Angola needs to make more effort to improve public-service delivery if it is to achieve the MDGs on schedule. The war took a heavy toll on both physical infrastructure and on the capacity of the responsible institutions to provide quality services. Public spending on the rehabilitation of critical social infrastructure, including that needed for basic service provision, has increased rapidly, especially since 2004, and is likely to keep on rising over the next few years. The EC-Angola strategy will support the reconstruction process by focusing on strengthening institutions and improving the capacity of frontline providers such as health and education staff to do their job. Interventions will prioritise capacity-building in the public sector so that it can provide social services efficiently. However, in this framework co-production arrangements with private sector and civil society will be sought to improve the efficiency of public service provision.

Despite obvious technical differences the health, education and water sectors suffer from similar institutional weaknesses and poorly qualified human resources, so synergies will be sought between the three sectors to achieve a greater impact.

The main **intervention priorities** will be:

1. *Human-resource development.* Interventions will continue to support the training of human resources in the social sectors. National institutions responsible for the provision of both initial and in-service training need to be strengthened by increasing the number of qualified trainers and improving the learning process. Human-resource development will also require more clearly defined professional profiles and better adaptation to current and future contexts. Emphasis will also be placed on enhancing the capacity and instruments for improving the distribution of sector professionals, assessing their performance and developing their career.
2. *Supporting different tiers of government in delivering services.* The ongoing decentralisation process can have a very positive impact in basic service delivery but it is also throwing up new challenges as different levels of government strive to become acquainted with their new responsibilities. It is crucial to continue supporting the management-information systems and the planning and budgeting process to improve the effectiveness of public spending in the social sectors (as well as the distribution of resources to match responsibilities). The monitoring capacity of national institutions also needs to be strengthened, as does the implementation capacity of local governments whose responsibilities in terms of primary services are rapidly expanding.

3. *Improving the links between providers and communities/users.* The participation of communities and users in the management of primary services is already provided for in the legislation. It is important to strengthen these links as they can significantly improve the efficiency of services.
4. *Strengthening mechanisms to support vulnerable sections of the population.* The current legislation stipulates that there should be universal access to basic public services, so support will be given to the government to draw up an overall social policy that will effectively protect vulnerable groups and reduce the fragmentation resulting from a multiplicity of vertical programmes. Second, interventions in the health and education sectors might target specific groups (e.g. school-aged girls, disabled persons and children engaged in child labour) to give groups who are more likely to face problems access to the requisite services.
5. *Improving the synergies between the health and education sectors and water and sanitation provision to prevent the emergence and spread of epidemics.* Scarce and uncontrolled sources of water, along with absence of sanitation facilities and appalling sanitary conditions, present a threat to public health and a certain recurrence of epidemics. EC-Angola cooperation will design a number of measures to monitor and improve the quality of water, and provide affordable safe water and sanitation facilities and general hygiene-improvement measures. A well-functioning inter-institutional set up, linking relevant line ministries—primarily health and water—will be necessary to achieve this result.
6. *Rehabilitation, construction and equipment.* This is an important element in the supply of social services and could take the form of Commission financing for equipment and social infrastructure, especially at municipal levels.

The main **risks** militating against rapid improvement in social indicators are a rapid spread of HIV/AIDS and other epidemics and the difficulties in training poorly qualified human resources that are already part of the public administration. An inefficiently managed decentralisation process in which resources (both human and other) do not match the delegation of responsibilities will jeopardise improvements in service delivery. A significant improvement in social indicators also requires broad-based growth to reduce the incidence of poverty.

Improving good governance, especially access to information, participation and efficiency in public service delivery, is a crucial **cross cutting issue** in the strategy. The interventions will also promote gender equality by directly targeting women (e.g.; vulnerable groups) and by ensuring equal access for trained women. Increased awareness of HIV/AIDS will be part of the planned training to limit the spread of HIV/AIDS. Relevant reproductive health initiatives will be included in the health programmes. EIAs will be carried out during the identification phase of projects whenever it is deemed necessary. This will ensure that any intervention is environmentally sustainable. The recent environmental profile drawn up with EC support sets out a series of recommendations on programmes in this area.

IV.3. RURAL DEVELOPMENT, AGRICULTURE AND FOOD SECURITY

The main **objectives** of interventions in this focal area will be to reduce rural poverty and to achieve food security for the rural population. Since labour is the main asset of the poor, emphasis should be put on policies to promote employment and income opportunities for the

poor, through enhancing their employability and facilitating their access to income generating activities. This will be a key contribution to the overall objective of our cooperation which is to reduce poverty in Angola. The strategy will incorporate the visible changes already achieved over the last two years of the EC-Angola cooperation with a clear focus on development issues. Structured interventions will take into account lessons learned based on our experience under the 9th EDF and also the Food Security Budget Line

About half of Angola's population is thought to live in rural areas, where the incidence and depth of poverty is likely to be more acute. Over the 2008-2013 period, the EC will remain the main donor for food security and rural development interventions with the World Bank as the second important donor. Donor coordination, which started progressively between 2004 and 2005, will be consolidated under the leadership of MINADER.

The main **intervention priorities** financed under the 10th EDF to achieve these objectives will focus on several complementary themes, consistent with the interventions financed under the 9th EDF:

1. *Agricultural development* with a clear focus on developing new opportunities for smallholders: technical innovation, markets, diversification of rural income, rural financial services, access to land, and research, training and extension. Agriculture appears to be a sector of the economy able to provide income and employment to an important part of the population and as such agricultural development will reinforce social cohesion. Particular attention will be paid to developing new opportunities for women. The agricultural development strategy will include the sustainable management of natural resources (particularly integrated land- and water-resource management).
2. *Support for the economic and social reintegration of vulnerable groups in rural areas*: The diversity of situations in the provinces makes it advantageous to opt for specific actions targeted at specific vulnerable groups in areas where the economic and socio-reintegration of ex-refugees will remain important in the coming years. In addition, special attention will be given to situations of extreme poverty and social exclusion which often affect women and children engaged in child labour. There will be a trial run of pilot social transfer programmes for rural areas, for example in the remote province of Moxico. This kind of intervention will make a direct contribution to greater national cohesion. A common approach to the protection of vulnerable groups is outlined in section IV.2, but this particular intervention will target the specific circumstances of the most disadvantaged groups in rural areas.
3. *Access*: demining actions and possibly interventions linked to the rehabilitation of feeder roads. Access has been one of the main obstacles to rural development in recent years and will remain an important issue. EC funds will support government investments and have a clear focus on institutional support.
4. *Improving access to rural water and sanitation services* by supporting local water institutions to improve access to safe drinking water and basic sanitation in rural areas, with a special focus on the impact on women, children and vulnerable groups. EC funds will help catalyse the response in the rural-water sector, enhancing the potential for replication and upgrading of sustainable water-management models. Also taking into account the planned mobilisation of resources in the form of water projects in the non-focal sector, support at national, provincial and local levels will be given to the

Government in order to implement the regulatory framework and mobilise all actors under a national strategy for rural water and sanitation, thus bringing together existing knowledge and capacity in a more focused approach.

5. *Rehabilitation, construction and equipment.* This intervention concerns the rehabilitation and construction of rural infrastructure in order to facilitate the freedom of movement and integration of vulnerable groups within the agricultural community and so underpin the whole process of economic development at local level.

Risks in this area of cooperation include social instability due to the lack of employment opportunities. This could have a major impact on access to rural areas and increase insecurity in the movement of goods and people. Programmes should be flexible enough to transfer geographically should these issues arise. An important condition is institutional capacity at both national and local levels. If this condition does not hold there is the risk of low take-up capacity and lack of ownership and participation of the beneficiary institutions throughout the implementation cycle. Political willingness to implement pro-poor policies, absence of extreme climatic events and a functioning legal framework linked to rural development are further conditions for achievement of the objectives in this area.

Cross-cutting issues

- *Regional planning and targeted interventions* to strengthen local authorities and promote their involvement in the identification of investment priorities and management of resources at local level. Those interventions will support the decentralisation process and local governance (see section IV.1).
- *Gender.* Although official figures are lacking, various specific studies show that female headed households make up a high percentage of the rural population, in particular in war-affected areas such as the Planalto central provinces. All measures on the ground will make women's participation a key criterion for the selection of beneficiaries. Institution building and the provision of improved agricultural services are also planned with a view to giving women more access.
- *HIV/AIDS* is spreading very quickly in rural areas and is a major concern, especially in the southern part of the country. This issue will be mainstreamed into rural development interventions through grassroots awareness campaigns and activities aimed at alleviating the workload of HIV-affected people.
- *EIAs* will be carried out during the identification phase of projects, whenever it is deemed necessary. This will ensure that any intervention, particularly those related to natural-resource use, is environmentally sustainable. The recent environmental profile, drawn up with EC support, sets out a series of recommendations for designing programmes in this area.

CHAPTER V: OTHER PROGRAMMES (non-focal sectors)

V.1. WATER

The overall **objective** of the EC's intervention in the water sector is to improve access and the quality of water and basic sanitation services for the most vulnerable people in Angola.

The **justification** for the EC's intervention in this area is that access to safe drinking water is crucial for improving the health and the livelihoods of the population, especially women and children. These aspects have already been partially included in the social and rural development strategies but they should be complemented by other interventions to maximise the impact of EC-Angola cooperation in the water sector.

Possible areas of intervention:

1. An agreed and approved legal and regulatory framework for the water sector which establishes a realistic standard of services and identifies clear roles, rights and responsibilities for institutions, users and service providers. Implementation of the decentralisation process, specifically with respect to the water and sanitation sectors, will be the backbone of EC institutional support (see IV.1).
2. A reliable monitoring and evaluation system implemented at different tiers of the Government, leading to effective planning and, in turn, to the formulation of realistic budgetary exercises.
3. An approved human resource development plan for relevant line ministries and public service providers.
4. The continuous participation of civil society, including the private sector and end-users, in policy and planning activities, in the monitoring of budget execution and in the implementation, running and maintenance of water and sanitation services.
5. Improving living conditions in peri-urban areas with an integrated health-water-sanitation approach (see IV.2).

In order to maximise the available financial resources and in view of the cross-cutting dimension of the water sector, some of the above-mentioned intervention priorities will be included, where appropriate, in the social and rural development focal sectors, while the main purpose of the 'water' component as a non-focal sector will be to provide overall coherence for all water-related activities, notably by way of actions that require synergies and coordination with national institutions.

A condition for achieving the objectives in this area is the Government's adoption of water legislation and a coherent regulatory framework for implementation of water policies. In this respect a political commitment to push ahead with reform is a condition for the successful implementation of all of the above activities. If cost-sharing formulas for the construction of water supply and sanitation facilities are promoted, the beneficiaries' willingness to participate is crucial. The same applies when it comes to operations and maintenance costs.

V.2. SUPPORT TO THE PRIVATE SECTOR

In order to facilitate the growth and strengthening of the private sector and to guarantee and facilitate access to the banking sector, special attention may be given to supporting the creation of a system of credit guarantees to small companies having difficulty in obtaining credit. Annex 15 provides more information about the private sector.

V.3. NON-STATE ACTORS (NSAs)

The Cotonou Agreement sets out the important role played by NSAs. It is important to guarantee continued support to NSAs under the 10th EDF with the aim of improving dialogue and cooperation between national authorities and civil society in promoting the democratic process and more equitable economic growth. Support for Non-State Actors (NSAs) covers NSAs eligible for funding under Article 6 of the Cotonou Agreement and Article 4(1)(d) of

Annex IV to the revised Agreement. Depending on their mandate, support for NSAs may cover activities such as capacity building, advocacy, research, awareness raising, monitoring and delivery of services to the population. In supporting NSAs the EC may make use of Article 15(4) of the above Annex, which allows it to be the Contracting Authority.

V.4. REGIONAL INTEGRATION, TRADE AND EPA SUPPORT

Regional integration, trade and EPA support will form a non-focal area of the CSP. As in the SADC RIP, this area will have two components. One would be geographically limited to the SADC EPA framework and would support Angola in implementing the EPA commitments. The other component would support the overall regional integration process of the SADC as set out in the Regional Indicative Strategic Development Plan (RISDP) and the relevant action plans. This relates to areas such as the full implementation of the Free Trade Area (Trade Protocol), development of common trade policies, liberalisation of trade in services, the framework for the SADC Customs Union and the Finance and Investment Protocol, plus wider regional integration aspects.

Infrastructure remains a very high priority of the region. Thus, infrastructure support to interconnect the region should be an area of intervention as part of regional integration and trade support. Given the existence of the Africa Infrastructure Facility and the responsibility of individual Member States for the actual construction, NIP funding unlikely to be enough to finance infrastructure investment. Instead, support could be given to project preparation and development in the framework of the SADC Regional Infrastructure Development Master Plan currently under preparation. Use of environmental mainstreaming instruments will be encouraged in this framework. Strategic and regulatory issues currently being explored are regional harmonisation of instruments and procedures in road transport (including customs and trade facilitation), development of a regional policy framework for ICT, plus issues related to air transport liberalisation, air safety and aviation security.

V.5. BIODIVERSITY MANAGEMENT

Given the linkage between the environment and poverty, renewable natural resources can play an important role in poverty eradication. Taking into account the importance and the value of biodiversity resources in Angola, specific activities relating to biodiversity management will be part of the response strategy as a non-focal area, paving the way for larger-scale activities in future. Angola's recent adoption of the national biodiversity strategy and action plan within the framework of the UN Convention on Biodiversity provides a clear framework for future interventions in this sector. The EC's experience in the region, through the ECOFAC programme (*Ecosystèmes forestiers d'Afrique centrale*) and support to COMIFAC (*Commission des Forêts d'Afrique Centrale*), where Angola is an observer, clearly offers added value in that respect.

Also noteworthy on the European side is the LIFEWATCH programme, which is intended to harness European efforts to bring together Europe's leading scientific capacity under one roof and set up a monitoring and observation system which could be of interest well beyond Europe's boundaries. There is also the SpeciesBase Initiative (www.speciesbase.org), which is the European contribution to the development of a Global Species Information System (GSIS) to bring together significant scientific studies on aquatic and terrestrial biodiversity in one portal accessible to the public.

V.6. EC-PALOP COOPERATION

EC PALOP cooperation played an important role in this context and continuation of EC PALOP cooperation activities in support of the area of governance will be considered. These countries, together with East Timor, share a common identity based on a similar heritage, history, culture, and language, including similarities between the systems of public administration, justice, management of public finances, the labour market and social sectors. There is value in stepping up cooperation and exchanging experiences, while respecting each country's respective circumstances and experience.

Again this background and with the experience gained from past interventions and the analysis of capacity and common needs support, it will be appropriate to consider common projects in the area of democratic governance, in particular in the sector of political (democracy and rule of law), economic and social governance as well as government effectiveness.

Priority will be given to joint actions for capacity building since this will enhance the viability of poverty-reduction and national development strategies, including the efficient delivery of public services, especially for the most disadvantaged sections of the population. In these areas of cooperation, the PALOP countries will continue to benefit from sharing experience and knowledge as well as developing joint responses to commonly identified needs.

The overall policy guidelines and procedures of this cooperation are set out in a Memorandum of Understanding between the PALOP countries, East Timor and the European Commission.

PART 2: NATIONAL INDICATIVE PROGRAMME

1. INTRODUCTION

On the basis of the cooperation strategy presented in Part One and in accordance with Article 4 of Annex IV to the Cotonou Agreement, the Indicative Programme has been drawn up as a set of tables showing the intervention framework for each sector, the financial programming timetable and a detailed schedule of activities for all listed programmes over a rolling three-year period.

Amounts mentioned in this chapter indicate the overall breakdown of funds between the focal sectors and other programmes. The breakdown may be adjusted in the light of mid-term or final reviews or ad hoc studies. However, for any adjustment resulting in a substantial change to the structure of the response strategy, a formal decision in the form of an addendum to the strategy document will be required.

2. FINANCIAL INSTRUMENTS

The implementation of the EC's cooperation strategy with Angola will be financed with several financial instruments. The following figures are indicative.

2.1 10TH EDF -- A ENVELOPE: € 214 MILLION

This envelope will cover long-term programmable development operations, and in particular:

| | | |
|------------------------------|---------------|-----|
| Governance | €42 million | 20% |
| Human and Social Development | €68.5 million | 32% |
| Rural Development | €68.5 million | 32% |
| Other programmes | €35 million | 16% |

| | | |
|-----------|--|------------|
| of which: | - Water | €8 million |
| | - Regional Integration | €9 million |
| | - Private Sector | €3 million |
| | - Non-State Actors | €3 million |
| | - Technical Cooperation Facility | €3 million |
| | - Biodiversity Management | €2 million |
| | - Governance Initiative in PALOP countries | €7 million |

2.2 10TH EDF -- B ENVELOPE: € 13.9 MILLION

This envelope will cover unforeseen needs such as emergency assistance, where such assistance cannot be financed from the EU budget, contributions to internationally agreed debt relief initiatives and support to mitigate the adverse effects of instability in export earnings.

In accordance with Article 3(5) of Annex IV to the Cotonou Agreement, this amount may, if necessary, be increased for operational reasons or in the light of ad hoc reviews.

2.3 INVESTMENT FACILITY

In addition to the financial instruments mentioned above, of which the A envelope is the main programmable basis for the NIP, the 10th EDF also includes an Investment Facility, which is an instrument managed by the European Investment Bank. The Investment Facility is not part of the NIP.

Some specific activities may be supported by the Centre for the Development of Enterprise (CDE) and the Centre for the Development of Agriculture (CDA).

2.4 10TH EDF REGIONAL INDICATIVE PROGRAMME

This programme will cover long-term programmable development operations under the SADC regional strategy. The allocation is not part of the NIP but may have repercussions at national level depending on Angola's participation in the programmes proposed under the regional framework.

2.5 OTHER FINANCIAL INSTRUMENTS

Specific activities may be supported by means of external actions funded from the general budget of the European Community under the financial framework for 2007-2013 (but subject to special procedures and the availability of funds), not from EIB own resources. Actions funded by the general budget include programmes funded under the Development Cooperation Instrument such as the thematic programmes "investing in people", "non-state actors in development", "migration and asylum", "environment and sustainable management of natural resources" and "food security" plus actions funded from other instruments such as the stability instrument, the instrument for promotion of human rights and democracy and the instrument for humanitarian and emergency assistance.

2.6 MONITORING AND EVALUATION

Monitoring of results and evaluations of the impact of individual activities (programmes, projects, sectors) under this CSP will be undertaken in line with the Technical and Administrative Provisions that will be annexed to each individual Financial Agreement that implements this CSP.

The results and impact of the Community's cooperation with Angola, implemented under the NIP and through other external actions funded by the general budget of the European Community, will be evaluated by an independent external evaluator. This country-level evaluation may be undertaken jointly with the Member States and possibly also with other donor agencies.

3. FOCAL THEMES

3.1 GOVERNANCE AND SUPPORT FOR ECONOMIC AND INSTITUTIONAL REFORMS

The main **objective** of intervention in this area is to support the strengthening of Angola's institutional capacity. Progress in the protection of human rights, good governance and democratisation is fundamental for poverty reduction and sustainable development. EC-Angola cooperation will actively promote a participatory dialogue on governance in areas such as decentralisation, public financial management reform, public sector reform and access to justice. This is essential to building country-driven reform programmes in a context of

accountability and an institutional environment that upholds human rights, democratic principles and the rule of law. In particular, it is necessary to strengthen the capacity of the National Institute of Statistics, the justice sector and financial management, support the process of decentralisation and local governance, support for the government in improving the coordination of external aid, and continuing support for the National Authorising Officer. The programming/monitoring capacity of national institutions also needs to be strengthened, as does the implementation capacity of local authorities, whose responsibilities in terms of primary services are expanding rapidly. Institutional development could include, if deemed necessary, the equipping, rehabilitation and construction of infrastructure in the sectors referred to, in order to increase the supply of services to the population. As an indicative amount, about **€42 million** will be set aside for this intervention.

The main **actions** proposed are:

A. Institutional Development in the Context of Modernising Public Administration

In order to support the process of modernising the administration and public institutions, priority will be given to enhancing the capacity of some key institutions, such as INE and INAP, to provide support to the whole public administration system. Strengthening these institutions will require investment in capacity building of their human resources and provision of technical assistance where national expertise does not exist. This will require supporting the government's initiatives to put in place the relevant legislative, policy and regulatory frameworks. To properly implement these new frameworks; interventions will also need to pay heed to developing the capacity of decentralised management structures. These key interventions will complement any technical assistance to the ongoing public administration reform process. In all, the above interventions will help deliver better administration with improved public services.

B. Support to the decentralisation process and local governance

Good governance can be furthered by introducing greater decision-making powers (and the resources with which to execute decisions) at local level. Three parallel approaches provide the foundation for interventions in this area: the establishment of *autarquias* (elected municipalities); the revision of Law 17/99 and the attribution of resources and responsibilities at national and local levels. Within these three areas, there is scope for either making existing legislation work or for working within the government agenda to improve legislation. Much existing legislation leaves the door open for the introduction of mechanisms of accountability to citizens; however, these are not fully developed in practice.

This approach encompasses the issue of decentralisation/devolution and of public management reforms. It would move away from decentralisation 'projects' and towards integrated support for local governance. In practical terms this would include a partnership with the Ministry of Territorial Administration, the Ministry of Finance and the Ministry of Planning. Discussions with the government at central and provincial level have indicated that there is institutional space for such a programme.

The decision to move ahead with 41 pilot *autarquias* confirms this strategic choice, and is also the rational choice in the light of international experiences. The province is the lowest level of decentralised central government. The provinces will assume responsibility for facilitating and supporting central government but will eventually lose any direct executive role, apart from strategic areas such as major roads, though even these may be handled by national ministries. Programmes for institutionalised municipal capacity-building will in fact

involve a great deal of work at provincial level to build up the provincial capacity to service the municipalities. This implies working with sectors at all levels to develop the legal reforms that establish appropriate divisions of labour between provincial and municipal responsibilities.

C. Support to the justice sector

The main objective is to ensure improved access to justice within the framework of institutional reforms and the democratisation process. There is willingness in government to make this sector more efficient, to reduce arbitrary decisions and increase the protection of individuals against malfunctions that affect the rights of the citizens. This includes extending the reach of the judiciary to all parts of the country and incorporating African traditional law into Angolan jurisprudence. The Government is prepared to find innovative solutions to achieve this aim.

Amongst other things, this might involve increasing access to lawyers, increasing awareness of citizens' rights, increasing the number of trained lawyers, working to ensure that the objective of developing mediation and 'African' jurisprudence does not endanger other principles, such as gender equality.

This intervention will include support for modernising judicial institutions: reforming the legal framework, capacity-building and training activities, and research. It will support improved access to justice by communities at central level with a view to innovation. This support will be an integrated approach to improve the quality of dialogue and coordination between the different actors (Ministry of Justice and its different levels, judges and lawyers, the Bar Association, human rights defence associations, and so on). This support will be coordinated with other donors, such as the UNDP.

D. Strengthening Public Finance Management

The PFM system refers to the structures and procedures through which decisions are made and implemented for the allocation and management of public resources. These decisions are made in the context of the annual budget process. However, they are influenced by the wider policy process and by the institutional and legal framework of government.

The cyclical aspect of the budget process is crucial to its effective operation. It is the quality of budget execution that gives meaning to the process of budget preparation. It is the strength of auditing which lends rigour to the process of execution and it is the quality of the policy review that gives direction to strategic planning. A weak link in the cycle will undermine the system as a whole. For this reason it is important to look at the cycle in its entirety when attempting to diagnose strengths and weaknesses. Out of these, it is expected that two crucial steps have to be improved.

1. Framing policy: budget formulation

Through the budget formulation process the government must make a number of choices about the financing of public expenditure and the allocation of available resources or new programmes and institutions. The national budget is therefore a very clear statement of intent, which is much more accurate than the policies or plans on which it is based, about the Government's priorities and commitments. This often involves a compromise between what might be seen as optimal technical solutions and the reality of the politics and interests within the country.

2. Making things happen: budget execution

Budget implementation is the outcome of a combination of political, technical and legal processes. These include: (i) the realism of the budget figures, which is a function of the government's capacity to accurately forecast variables such as growth and inflation rates and revenue levels, as well as its capacity to implement programmes; (ii) regularity in the execution of the budget, or the degree to which it is free from arbitrary manipulation, which can come from political pressures or lack of transparency; and (iii) shocks and flexibility, reflected in the capacity of the budget to adjust to sudden changes in priorities or availability of resources resulting from external circumstances.

E. Enhancing Accountability and Transparency

The best mechanism for ensuring accountability in a democratic system is to ensure that the population participates in the electoral process. Given its strong electoral experience, the EC can provide valuable support in the democratisation process by supporting the electoral cycle, as defined by national authorities, especially in terms of voter education and capacity building in key institutions, such as the National Electoral Commission.

Another way of enhancing political accountability is by making the National Assembly better able to perform its legislative responsibilities. EC-Angola cooperation will support integrated capacity building initiatives in order to strengthen the New Assembly scheduled to be elected in 2008. Finally, other institutions such as the Court of Auditors need to be supported to improve the transparency of their public services.

The main implementation instrument will be project support. In addition, pooled funds and joint programmes are innovations that can offer donors the advantages of national strategies and approaches, with localised implementation. They offer opportunities to increase donor harmonisation and in the long term may be more easily absorbed into government policy and structures than collections of projects.

The main sectoral policy measures to be taken by the Government as a contribution to the implementation of the response strategy in this field are:

- Human resource action plan for the public administration
- National census
- Progress in the decentralisation process, especially in the 41 pilot municipalities
- Presidential, parliamentary and municipal elections
- Better budget formulation as shown by improved execution rates in key sectors
- Consolidated unified budget
- National plan adopted in the justice sector
- Progress in the reform of the legal framework of the justice sector and property rights
- Progress in revision of the legal framework for civil society

The main commitments by the Government to ensure mainstreaming of the cross-cutting issues are:

- Human rights situation monitored regularly
- Improved dialogue between Government and human rights' associations
- Voice of civil society heard in the highest circles of Government
- Improved access to information

3.2 HUMAN AND SOCIAL DEVELOPMENT

The main objective of the interventions funded in this focal area is to accelerate progress towards achieving the MDGs related to poverty eradication, health and education by helping both government and non-government institutions to work more efficiently and thereby improving access and quality in the delivery of basic social services. This will require special actions to support the most vulnerable groups to ensure that they are not left out of the development process.

As an indicative amount, about **€68.5 million** will be set aside for this area. Programmes will be formulated on a sectoral basis owing to the technical specificities of each sector. However, given that some of the constraints faced by the education, health and water sectors are similar, the overall intervention logic set out in point IV.2 of the CSP does not differentiate between them. The main actions proposed are:

A. Capacity-building in the education sector

The reform of education is not scheduled to be completed until 2011. Given the large number of unqualified teachers who entered the public service after the war and the size of the country, training programmes will need continued support and their cost-effectiveness will have to be improved by introducing innovative methods such as distance learning. In addition, greater emphasis will be placed on initial training and on evaluating the impact of the training on teaching-learning efficiency and the quality of education in general.

One of the main constraints on the education system is the lack of management capacity, especially as regards planning and budgeting. There will be ongoing support for enhancing the capacity to plan and budget, with a stronger emphasis on enhancing the capacity of municipal authorities since under decentralisation they are responsible for primary education. A major challenge will be to ease the bottleneck between primary and secondary education (especially for girls). The new interventions will also support parents' associations and other types of professional association, since it is recognised that they could have a significant impact on improving the quality of education.

B. Support to the health sector

The national health system possesses a very weak information system that needs to be strengthened for efficient planning and timely action to prevent the outbreak of epidemics. The sector still lacks a national health policy and a medium-term strategy to provide the framework for future funding. The interventions in this sector will contribute to strengthening these processes and to aiding municipalities shoulder the responsibilities they have been given in terms of primary health care delivery. The latter will require a strengthening of municipal health systems so that they can respond to new challenges. However, interventions at national and provincial levels will still be crucial for supporting the monitoring capacity of key departments.

The sector is already preparing a new ten year human resource development plan that should be operational from 2007. The EC will be a key partner in the implementation of this plan. In addition, programmes will also explore how to guarantee increased sustainability with enhanced community participation in the management of local health services.

C. Protection of vulnerable groups

The concept of vulnerable groups is rapidly evolving in Angola owing to the rapid economic expansion and the end of the war. Demobilised soldiers, female headed households, the disabled, the elderly and orphan children engaged in child labour are examples of the most vulnerable. Attention will also be paid to poor workers in the informal sector in urban areas. There is a lively debate as to what should be the role of the government in protecting these groups and in ensuring that they have access to basic social services. It is hoped that this will lead to the formulation of clear social policy objectives. This is likely to be a difficult process owing to the large number of government departments involved (MINARS, MINSA, MINED, MINUA, MINADER) and our programme will support this coordination process. In addition, new objectives will be translated into a strategic medium-term plan which our programme will support. It may be necessary to support preliminary experiences of transfers of financial means. Some programmes may additionally target specific vulnerable groups.

D. Water and sanitation

Programmes will be designed to increase access to safe drinking water and basic sanitation, accompanying all activities with a strong component of hygiene and health promotion and the setting-up of a monitoring mechanism to control the quality of formal and informal drinking water sources. Peri-urban areas are likely to be the focus of these interventions, given that their high population density and the scale of poverty make for much worse hygienic conditions. In addition, the role of water associations will be strengthened both as suppliers of services and as institutions that represent the rights of users.

E. Rehabilitation, construction and equipping

In the framework of the abovementioned interventions, rehabilitation and construction actions and the provision of equipment to strengthen the supply of social services are also planned. This could take the form of Commission financing for equipment and social infrastructure, especially in municipalities.

The main **implementation instrument** will be project support.

The main sectoral policy measures to be implemented by the government as a contribution to the implementation of the response strategy in this field are:

- Formulation of stable sectoral plans in the medium term and creation of a regulatory framework and adequate legislation
- More efficient public spending by increasing spending on primary health and education, both in absolute and relative terms
- The implementation of mechanisms that allow users to get involved in the management of local services (already planned in the legislation)
- The implementation of broad policies to develop human resources
- Completion of education reform
- Adoption of health sector policy and financial policy, and formulation of a medium-term strategy
- The establishment of financial mechanisms for primary medical treatments, without contribution (something that will be abolished)

3.3 RURAL DEVELOPMENT - AGRICULTURE AND FOOD SECURITY

The following specific objective will be pursued: reduction of rural poverty and food insecurity.

Under the last CSP many interventions linked to rural development and food security were financed under the food security budget line, which does not exist anymore. All the interventions should now be financed under the 10th EDF.

As an indicative amount, about **€68.5 million** will be set aside for this intervention.

The main **actions** proposed are:

- A. Actions to support adaptation and diversification of smallholder agriculture.** This agricultural development project will focus on developing new opportunities for smallholders: technical innovation, markets, diversification of rural income, rural financial services, research, training and extension. New employment and income opportunities for women will be developed. Sustainable management of natural resources (particularly integrated land- and water-resource management) will be a cornerstone of this project.
- B. Actions to support the economic and social reintegration of vulnerable groups.** This project may include a pilot implementation of social transfer programmes in rural areas such as the remote province of Moxico. It will explore new ways to reach the rural poor (including women, children engaged in child labour and unskilled youth) and create the conditions for including them more fully in the socio-economic development process. This kind of intervention will make a direct contribution to strengthening national cohesion.
- C. Actions to support demining and associated security activities.** This project will support the Government's efforts with a clear focus on institutional support for Angolan institutions, such as the CNIDAH and the National Demining Institute.
- D. Improving access to basic infrastructure at rural and municipal levels**
 - a) The main focus will be on supporting local authorities in making the best use of their resources, improving their management capacity and planning instruments for implementation and provision of services. Wherever Community funds can give an added value and complement what is done by the authorities, a contribution to the costs of rural, communal and municipal infrastructure will be made available. Special attention will be given to water and sanitation interventions linked to the basic health and education units. Wherever possible, and on a small scale, social infrastructure and access to projects to rehabilitate roads should also be financed on an ad hoc basis.
 - b) This intervention should also cover the rehabilitation and construction of rural infrastructure to facilitate freedom of movement and the integration of vulnerable groups of the rural population, so underpinning the whole process of economic development at local level.

The **main implementation instrument** will be project support, with interventions integrated in a structured policy dialogue with the key ministries, using the project approach in a coordinated and comprehensive way and focusing on specific areas where our support may have leverage. This is a way of integrating a project-based approach into a sectoral strategy. For agriculture, a programme approach involving the Government and the widest range of stakeholders, other donors and international organisations will be considered.

The main sectoral policy measures to be taken by the Government as a contribution to the implementation of the response strategy in this area are:

- to finalise and implement the whole set of rural development-related laws and regulations currently in preparation. In this context, the approval and implementation of the land regulation in order to secure land for rural communities is particularly important;
- to support smallholder agriculture through the improvement of services to smallholders, in line with the EPRD;
- to support national cohesion by strengthening the national reconstruction process. This includes investments in roads, demining and also social infrastructure in rural areas;
- to complete the rehabilitation of agricultural vocational training centres and develop curricula with the aim of increasing the number of qualified people at all levels;
- to implement proactive policies aimed at encouraging the presence of appropriate and trained staff in public services in rural areas

4. OTHER PROGRAMMES

An indicative amount of **€35 million** is earmarked for the following actions:

Water and sanitation

The **objective** of the EC's intervention in the water sector is to improve access to and quality of water and basic sanitation services for the most vulnerable people in Angola.

Specific **actions** here will require intense dialogue and cooperation with the authorities, especially at national level. They include:

- Support for the implementation of the regulatory framework, specifically with a view to the implementation of the water and sanitation-related decentralisation process.
- Support for the existing government initiatives to prepare a national monitoring, evaluation and steering system in selected provinces.
- Support for preparing or revising water quality-related policies, conducting surveys with specific focus on peri-urban areas, and designing and implementing measures to improve water quality.
- Support to the authorities for setting up a coordination process with other relevant Government institutions and donors. To involve civil society and end users in a consultation and decision-making process, to explore possibilities to involve the private sector as a small service provider of rural and small town water facilities.
- Support for preparation of a national Human Resources Development Plan for water and sanitation and selected activities to accompany its implementation.

Private sector

In order to facilitate the growth and strengthening of the private sector and to guarantee and facilitate access to the banking sector, special attention may be given to support for the creation or reinforcement of a system of credit guarantees to small companies or economic operators experiencing difficulties with access to credit.

Regional integration

Regional integration, trade and EPA support will form a non-focal area of the CSP. Like the SADC RIP, this area will have two components:

1. Support for Angola in implementing its EPA commitments, and
2. Support for the overall SADC regional integration process as set out in the Regional Indicative Strategic Development Plan and the relevant business plans. This relates to areas such as the full implementation of the Free Trade Area (Trade Protocol), development of common trade policies, liberalisation of trade in services, the framework for the SADC Customs Union and the Finance and Investment Protocol, plus wider regional integration aspects. This support could include strengthening the capacity of Angolan institutions responsible for the implementation and follow up of SADC regional integration.

Infrastructure remains a very high priority within the region. Infrastructure support to interconnect the region should therefore be an intervention area within regional integration and trade support. Given the existence of the Africa Infrastructure Facility and the responsibility of individual Member States for the actual construction, NIP allocations are unlikely to be pertinent for infrastructure investment financing. Instead, support could be given to project preparation and development in the framework of the SADC Regional Infrastructure Development Master Plan currently under preparation. Strategic and regulatory issues currently being explored are regional harmonisation of instruments and procedures in road transport (including customs and trade facilitation), development of a regional policy framework for ICT, plus issues related to air transport liberalisation, air safety and aviation security.

Non-State actors

Support for Non-State Actors (NSAs) covers NSAs eligible for funding under Article 6 of the Cotonou Agreement and Article 4(1)(d) of Annex IV to the revised Agreement. Depending on their mandate, support for NSAs may cover activities such as capacity building, advocacy, research, awareness raising, monitoring and delivery of services to the population. In supporting NSAs the EC may make use of Article 15(4) of the above Annex, which allows it to be the Contracting Authority. The objective is to promote the development of Angolan civil society, particularly in relation to democracy and human rights. Institutional support for NSAs will be carried out in a second phase of the project "Support to Non-State Actors in Angola" in order to guarantee the implementation of the Cotonou Agreement with a general programme on capacity building and promotion of dialogue with national and local authorities. The challenge is to define the role of civil society in the specific context of Angola.

Technical Cooperation Facility

The TCF is designed to provide support for the implementation of the CSP. The aim is to better identify and implement actions under EC-financed projects, together with improved awareness among key actors of Angola of general development and trade issues and of EU policies in these areas. The overall objectives of are:

- Successful implementation of the Government's development objectives through the support of sound development programmes financed under the NIP.

- Fostering a more coherent and informed approach to development and trade issues among decision-makers in Angola.

Biodiversity management

The objective is to support the rational management of protected areas in order to preserve Angola's rich biodiversity, presently under threat, and to better contribute to poverty eradication in Angola among the population making their living from these natural resources. This will be done through projects (e.g. protected areas management, training and scientific activities, better management of non-timber forest products and ecotourism,), taking advantage of the general framework offered by the 12 years of experience with ECOFAC (*Ecosystèmes forestiers d'Afrique Centrale*) in Central Africa, and COMIFAC (*Commission des Forêts d'Afrique centrale*). SADC experience and initiatives will also benefit this programme.

Environmental screening and analysis

All the projects and programmes supported under this strategy paper and indicative programme, both in the focal and non-focal sectors, may significantly affect the environment and therefore have unintended effects on the environment and human welfare. These effects will be taken into account during project and programme formulation by means of a project screening procedure, which may be followed by an environmental impact assessment (EIA) or a strategic environmental assessment (SEA) aimed at mitigating negative effects and enhancing beneficial ones. Adequate financial resources will be earmarked for this purpose.

EC-PALOP/Timor Leste cooperation (governance initiatives)

The five PALOP countries and Timor Leste have a strong shared identity based on history, culture, language, heritage (including similar systems of public administration, justice, public finance management, inter-linked labour markets and social services) and have an interest in enhanced collaboration and exchanges about their own situations and experiences in these fields. EC-PALOP cooperation will continue through support for governance.

In view of this, and with the experience gained from past interventions and from analysis of common capacities and needs, it would be appropriate to consider common projects, especially in the area of governance, both political (democracy and rule of law) and economic and social, plus the effectiveness of public administration.

Special emphasis will be placed on joint capacity-building actions within the selected governance areas. In these areas of cooperation, the PALOP countries will continue to share experiences and knowledge as well as developing joint responses to commonly identified needs. The general guidelines and arrangements for this cooperation are set out in a separate Memorandum of Understanding signed between the PALOP countries, Timor Leste and the European Commission.

A National Authorising Officer involved in a project cofinanced by other participating countries shall delegate his functions for implementation of the project to the National Authorising Officer of the lead country within the limits necessary for the purpose of implementing the project.

Budgetary support

No budgetary support is currently provided for under the 10th EDF. However, should conditions change so as to make it feasible and opportune, part of the A envelope may be reprogrammed for general budgetary support at a later stage, by agreement between the National Authorising Officer and the European Commission. Such an agreement may be reached in the context of a mid-term or end-of-term review. An agreement on such a reallocation of funds may, where necessary, take the form of an addendum to the CSP.

5. INTERVENTION FRAMEWORK & PERFORMANCE INDICATORS

FOCAL SECTOR 1 – Governance and Support for Economic and Institutional Reforms

| | Intervention Logic | Objectively Verifiable Indicators | Sources of Verification | Assumptions |
|---------------------------|---|--|---|-------------|
| Overall Objectives | Improved institutional capacity to achieve development objectives | | | |
| Programme Purpose | Support key institutions to strengthen judicial, administrative, political and economic governance in order to enhance delivery of state services to benefit the poor. | | | |
| Results | <ol style="list-style-type: none"> 1. Key institutions that provide “core services” strengthened (e.g. INE, INAP) 2. Progress in decentralisation process 3. Judiciary strengthened 4. Strengthening public finance management 5. Accountability and transparency improved | <ul style="list-style-type: none"> - Regular statistics on poverty produced - Administrative and political powers in 41 pilot municipalities - Presidential, legislative and municipal elections - Budget execution rates reflect budget allocations - Unified budget consolidated and reflect national priorities - No of lawyers and judges available - No of municipal courts functioning & cases presented/solved - Legislative reform of justice system - Number of laws approved by Parliament - Number of annual reports produced by Court of Auditors available publicly - Publication of the Court of Auditors annual report | <ul style="list-style-type: none"> - INE Bulletins / Government statistics - Government plans and National Budget - Budget reviews | |

FOCAL SECTOR 2 – Human and Social Development

| | Intervention Logic | Objectively Verifiable Indicators | Sources of Verification | Assumptions |
|---------------------------|--|---|------------------------------------|--------------------|
| Overall Objectives | Accelerate progress towards achieving poverty eradication, health and education related MDGs | Under-5 mortality rate Rate of the population with access to health services Rate of population with access to medicaments Maternal mortality rate Net enrolment rate (by gender) Completion rates Number of registered pupils % of population living on less than \$1 day | MIS of health and education sector | |
| Programme Purpose | Support both government and non-government institutions to work more efficiently and thereby improving access and quality in the delivery of basic social services | | | |

FOCAL SECTOR 3 – Rural Development, Agriculture and Food Security

| | Intervention Logic | Objectively Verifiable Indicators | Sources of Verification | Assumptions |
|---------------------------|---|---|---|---|
| Overall Objectives | poverty and food insecurity reduction in rural areas | incidence and severity of poverty in rural areas | Surveys | |
| Programme Purpose | <ul style="list-style-type: none"> - agricultural development - support to economic and social reintegration of vulnerable groups - improvement of access - improvement of local capacity in territorial planning - | <ul style="list-style-type: none"> Agricultural production (t of products) - % traded - producer prices - severity of poverty in rural areas (% of pop. with < 1\$/day, national census) - km of demined and practicable feeder roads - No of municipal plans developed through a participatory approach - No of municipal plans used and implemented | <ul style="list-style-type: none"> - statistics from MINADER - surveys - CNIDAH data -project reports | <ul style="list-style-type: none"> - confirmed political willingness to implement pro-poor policies - political stability - absence of extreme climatic events - functional legal framework linked to rural development - confirmed political will to tackle the regional socio-economic inequalities - functional vocational education framework |

| | | | | |
|----------------|---|---|--|--|
| Results | <ul style="list-style-type: none"> - human resource development - relevant government institutions strengthened - links between providers and communities consolidated - effective policies support vulnerable populations - occurrence of water related epidemics substantially reduced | <ul style="list-style-type: none"> % of professionals properly qualified Education and health sectors have properly budgeted medium term plans % of municipalities with qualified personnel in the social sector % of municipalities with functioning parent and water associations % of vulnerable households benefiting from a social programme % of population affected by diarrhoeal diseases % of children in waged employment, | <ul style="list-style-type: none"> EMIS of education, health and water sectors Annual budgets, public expenditure reviews Evaluations and personnel information systems Project reports and provincial government reports Household survey Health information system | |
|----------------|---|---|--|--|

| | | | | |
|----------------|---|---|---|--|
| Results | <ul style="list-style-type: none"> - increased and diversified agricultural production and trading - increased income of smallholders - improved network of efficient service sin rural areas - better integration of women and vulnerable groups in the socio-economic development process | <ul style="list-style-type: none"> - agricultural production / household- income breakdown - No of efficient and functioning public services available in rural areas - No of women and vulnerable people benefiting from a social transfer programme - No of smallholders benefiting from technical and financial support - No of women engaged in productive economic activities - Child labour statistics in rural areas | <ul style="list-style-type: none"> - statistics - household surveys - projects reports | |
|----------------|---|---|---|--|

6. INDICATIVE TIMETABLE FOR COMMITMENTS AND DISBURSEMENTS

6.1 INDICATIVE TIMETABLE OF GLOBAL COMMITMENTS

(This table is indicative only. In accordance with the sectoral strategies of the Government and the guidelines of this strategy, consideration will be given to a programme approach that concentrates within a single programme –corresponding to one global commitment- projects and actions of different sectors belonging to the same theme.)

| FOCAL SECTOR 1 –Governance and Support for Economic and Institutional Reforms | €42 m | 2008 | | 2009 | | 2010→ | |
|--|----------------|------|---|------|---|-------|---|
| | | 1 | 2 | 1 | 2 | 1 | 2 |
| Institutional capacity building (incl. support to INE) | €8-15 m | | x | | | | |
| Support to the decentralisation process and local governance | €8-15 m | | | | | | x |
| Support to the justice sector | €15-20 m | | | | x | | |
| Strengthening public finance management | €8-10 m | | | | | | x |
| | | | | | | | |
| FOCAL SECTOR 2 – Human and Social Development | €68.5 m | | | | | | |
| Integrated Programme of Support to Municipal Health Systems and Central Structures | €20-30 m | | | | x | | |
| Quality Water, Hygiene and Sanitation | €15-20 m | | | | x | | |
| Education | €15-20 m | | | | x | | |
| Programme in Support of Vulnerable Groups | €8-10 m | | | | x | | |
| | | | | | | | |
| FOCAL SECTOR 3 – Rural development agriculture and food security | €68.5 m | | | | | | |
| Support adaptation and diversification of smallholder agriculture | €15-20 m | | | | x | | |
| Social integration of the most vulnerable groups | €15-20 m | | | | x | | |
| Support mine action | €15-20 m | | x | | | | |
| Support infrastructure in rural areas (including water) | €15-20 m | | | | x | | |

| | | | | | | | |
|---|---------------|--|--|--|----------|--|----------|
| | | | | | | | |
| NON-FOCAL SECTORS | €35 m | | | | | | |
| Water and sanitation | €8 m | | | | x | | |
| Regional integration | €9 m | | | | x | | |
| Non-state actors | €3 m | | | | | | x |
| Technical cooperation facility | €3 m | | | | | | x |
| Support to the private sector | €3 m | | | | x | | |
| Biodiversity management | €2 m | | | | | | x |
| Governance Initiative in PALOP Countries | €7 m | | | | x | | |
| Total Commitments: | €214 m | | | | | | |

6.2 *INDICATIVE TIMETABLE OF DISBURSEMENTS*

| FOCAL SECTOR 1 –Governance and Support for Economic and Institutional Reforms | €42 m | 2008 | | 2009 | | 2010→ | |
|--|----------------|------|---|------|---|-------|---|
| | | 1 | 2 | 1 | 2 | 1 | 2 |
| Institutional capacity building (incl. support to INE) | €8-15 m | | | 2 | | 3 | |
| Support to the decentralisation process and local governance | €8-15 m | | | | | | 2 |
| Support to the justice sector | €15-20 m | | | | 1 | | 3 |
| Strengthening public finance management | €8-10 m | | | | | | 2 |
| | | | | | | | |
| FOCAL SECTOR 2 – Human and Social Development | €68.5 m | | | | | | |
| Integrated Programme of Support to Municipal Health Systems and Central Structures | €20-30 m | | | | | 4 | |
| Quality Water, Hygiene and Sanitation | €15-20 m | | | | | 3 | |
| Education | €15-20 m | | | | | 2 | 1 |
| Programme in Support of Vulnerable Groups | €8-10 m | | | | | 2 | |
| | | | | | | | |
| FOCAL SECTOR 3 – Rural development agriculture and food security | €68.5 m | | | | | | |
| Support adaptation and diversification of smallholder agriculture | €15-20 m | | | | | 3 | |
| Social integration of the most vulnerable groups | €15-20 m | | | | | 4 | |
| Support mine action | €15-20 m | | | 2 | | 4 | |
| Support infrastructure in rural areas (including water) | €15-20 m | | | | | 2 | |
| | | | | | | | |

| | | | | | | | |
|--|----------------|--|--|--|-----|---|-----|
| NON-FOCAL SECTORS | € 35 m | | | | | | |
| Water and sanitation | €8 m | | | | | 3 | |
| Regional integration | €9 m | | | | 2 | | |
| Non-state actors | €3 m | | | | | | 2 |
| Support to the private sector | €3 m | | | | 1 | | |
| Technical cooperation facility | €3 m | | | | | | 1 |
| Biodiversity management | €2 m | | | | | | 0,5 |
| Governance Initiative in PALOP Countries | €7 m | | | | 1,5 | | |
| Total disbursements | € 214 m | | | | | | |

7. SCHEDULE OF ACTIVITIES

| Governance and Support for Economic and Institutional Reforms | 2008 | | | | 2009 | | | | 2010→ | | | |
|---|------|----|----|----|------|----|----|-----|-------|----|----|-----|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Institutional capacity building | FS | IF | AF | | FAg | | | | | | | |
| Support to decentralisation process & local governance | | | | | | | | | FS | IF | AF | FAg |
| Support to the justice sector | | | | | FS | IF | AF | FAg | | | | |
| Strengthening public finance management | | | | | | | | | FS | IF | AF | FAg |
| Human and Social Development | 2008 | | | | 2009 | | | | 2010→ | | | |
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Programme in Support to Municipal Health Systems and Central Structures | | | | | FS | IF | AF | FAg | | | | |
| Quality Water, Hygiene and Sanitation | | | | | FS | IF | AF | FAg | | | | |
| Education | | | | | FS | IF | AF | FAg | | | | |
| Programme in Support of Vulnerable Groups | | | | | FS | IF | AF | FAg | | | | |
| Rural development, agriculture and food security | 2008 | | | | 2009 | | | | 2010→ | | | |
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Support adaptation and diversification of smallholders agriculture | | | | | FS | IF | AF | FAg | | | | |
| Social integration of the most vulnerable groups | | | | | FS | IF | AF | FAg | | | | |
| Support mine action | | | | | | | | | | | | |

| | FS | IF | AF | | FA g | | | | | | | |
|--|-------------|-----------|-----------|-----------|-------------|-----------|-----------|-----------|--------------|-----------|-----------|-----------|
| Support infrastructures in rural areas (including water) | | | | | FS | IF | AF | FAG | | | | |
| NON FOCAL AREAS | 2008 | | | | 2009 | | | | 2010→ | | | |
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Water and sanitation | | | | | FS | IF | AF | FAG | | | | |
| Regional integration | | | | | FS | IF | AF | FAG | | | | |
| Non state actors. | | | | | | | | | FS | IF | AF | FAG |
| Technical cooperation facility | | | | | | | | | FS | IF | AF | FAG |
| Biodiversity management | | | | | | | | | FS | IF | AF | FAG |
| Private sector | | | | | FS | IF | AF | FAG | | | | |
| Governance Initiative in PALOP countries | | | | | FS | IF | AF | FAG | | | | |

FS: Feasibility Study
IF: Identification Fiche
AF: Action Fiche
Fag: Financing Agreement



República de Angola – Comunidade Europeia
Republic of Angola – European Community

DOCUMENTO DE ESTRATÉGIA PARA O PAÍS
COUNTRY STRATEGY PAPER

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NB: Annexes remain in their original language (Portuguese, English or French). / Os anexos ficam na língua original (Português, Inglês ou Francês).

ANNEX 1a. KEY MACROECONOMIC INDICATORS

| | | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|-----------------------------------|---|-------|--------|--------|--------|--------|--------|--------|
| Basic data¹ | | | | | | | | |
| 1 | Population (in 1000) | 15.1 | 15.5 | 16.1 | 16.5 | 17.0 | 17.4 | 17.9 |
| | - annual change in % | 2.9 | 2.9 | 2.9 | 2.8 | 2.8 | 2.8 | 2.8 |
| 2a | Nominal GDP (in billion €) | 12.7 | 16.2 | 21.2 | 27.0 | 34.8 | 45.3 | 59.5 |
| 2b | Nominal GDP per capita (in €) | 840.7 | 1042.9 | 1318.3 | 1635.8 | 2049.3 | 2603.0 | 3324.7 |
| 2c | - annual change in % | 5.4 | 24.0 | 26.4 | 24.1 | 25.3 | 27.0 | 27.7 |
| 3 | Real GDP (annual change in %) | 3.3 | 11.2 | 20.6 | 18.6 | 23.4 | 26.6 | 12.9 |
| 4 | Gross fixed capital formation (in % of GDP) | 12.8 | 9.2 | 6.7 | 7.8 | 8.3 | 9.2 | 8.5 |
| International transactions | | | | | | | | |
| 5 | Exports of goods and services (in % of GDP) | 69.6 | 69.7 | 79.3 | 73.8 | 67.2 | 67.0 | 60.8 |
| | - of which the most important: oil (in % of GDP) | 90 | 90 | 92 | 93 | 93 | 94 | 94 |
| 6 | Trade balance (in % of GDP) | 28.9 | 38.6 | 51.4 | 49.3 | 40.8 | 42.8 | 35.3 |
| 7 | Current account balance (in % of GDP) | -5.2 | 3.5 | 16.8 | 23.3 | 6.4 | 8.7 | 4.1 |
| 8 | Net inflows of foreign direct investment (in % of GDP) | -6.9 | 7.6 | 17.2 | 5.3 | 3.5 | 3.9 | 1.2 |
| 9 | External debt (in % of GDP) | 73.1 | 54.5 | 39.9 | 20.3 | 16.3 | 13.5 | 14.4 |
| 10 | Service of external debt (in % of exports of goods and non-factor services) | 23.7 | 16.5 | 10.9 | 8.7 | 4.5 | 3.6 | 4.2 |
| 11 | Foreign exchange reserves (in months of imports of goods and non-factor services) | 0.9 | 1.6 | 2.9 | 4.3 | 4.0 | 5.7 | 6.4 |
| Government | | | | | | | | |
| 12 | Revenues (in % of GDP) | 37.9 | 36.9 | 40.7 | 46.4 | 34.5 | 35.4 | 33.0 |
| | - of which: grants (in % of GDP) | 0.8 | 0.5 | 0.2 | 0.0 | 0.1 | 0.1 | 0.1 |
| 13 | Expenditure (in % of GDP) | 44.3 | 38.5 | 33.3 | 31.6 | 33.6 | 31.4 | 30.9 |
| | - of which: capital expenditure (in % of GDP) | 7.6 | 4.9 | 5.0 | 8.9 | 9.1 | 9.7 | 9.1 |
| 14a | Deficit (in % of GDP) including grants | -6.4 | -1.6 | 6.8 | 2.2 | 3.2 | 3.8 | 3.4 |
| 14b | Deficit (in % of GDP) excluding grants | -5.7 | -1.2 | 6.5 | 2.1 | 3.1 | 3.6 | 3.3 |
| 15 | Debt (in % of GDP) | 73.1 | 54.5 | 39.9 | 20.3 | 16.3 | 13.5 | 14.4 |
| | - Of which: external (in % of total public debt, est.) | 98 | 98 | 99 | 99 | 99 | 99 | 99 |
| Other | | | | | | | | |
| 16 | Consumer price inflation (annual average change in %) | 100.2 | 45.31 | 23.24 | 12.9 | 12.2 | 11.7 | 11.5 |
| 17 | Interest rate (for money, annual rate in %) | 81 | 57 | 11 | 7.9 | 11.2 | - | - |
| 18 | Exchange rate (annual average of national currency per 1 €) | 82 | 102.2 | 95.6 | 101.0 | 105.0 | 111.3 | 102.5 |
| 19 | Unemployment (in % of labour force, ILO definition) | n.a | n.a | n.a | n.a | n.a | n.a | n.a |
| 20 | Employment in agriculture (in % of total employment) | n.a | 85.6 | n.a | n.a | n.a | n.a | n.a |

Data source(s) and notes:

1) All population related figures are estimates as the last national census was done over in 1970.

(2) 2007 figures are estimates and 2008-9 projections

(3) *Main sources:* Government of Angola, National Budget 2007 and 2008; Government of Angola, Programa Geral do Governo para o Biénio 2007-8; IMF, Article IV Consultations, 2007; OECD African Outlook, Sumario Angola 2006/2007; World Bank, Country Economic Memorandum Angola 2006.

Government forecast for macroeconomic indicators for 2007/08 (source: bi-annual programme 2007/2008 p. 19)

| | 2007 | 2008 |
|-----------------------------------|-------------|-------------|
| GDP Growth | 31,2 | 15,9 |
| Inflation | 10 | 8 |
| GDP (billions Kwanza) | 4483 | 5479 |
| Oil production (millions barrels) | 736 | 835 |
| Barrel price (average) | 50 | 45 |
| Growth, oil sector | 33,6 | 13,4 |
| Growth, diamond | 20,2 | 9,6 |
| Growth, non oil sector | 27,9 | 19,5 |

National Budget, repartition by sectors

TOTAL 2007 Budget: 2 503 887 000 000 Kwanzas equivalent to 33 billions USD

| | |
|------------------------------------|---------|
| Education | 5,61 % |
| Health | 3,68 % |
| Social Insurance | 10,63 % |
| Sport and culture | 0,64 % |
| Housing and services | 7,51 % |
| National Defence | 6,88 % |
| Public Order | 5,83 % |
| Agriculture and fisheries | 2,96 % |
| Transport and communications | 5,76 % |
| Publics services | 22,65 % |
| Financial load + economic services | 25,40 % |
| Industry | 0,26 % |
| Energy | 1,58 % |
| Trade | 0,60 % |

ANNEX 1B. TABLE ON MILLENIUM DEVELOPMENT GOALS

| Indicators | 1995 | 2001 | 2004 | 2005 | 2008*** | 2010 | 2015 |
|---|------|----------|-------|------------|------------|-------|-------|
| % population living below national poverty line | | 68 | | | | 45.7 | 34.0 |
| % of under-5s suffering from severe chronic malnutrition | | 22.1 | | | | 14.1 | 11.1 |
| % of children enrolled in primary education (gross enrolment) | | 56.7 | 91.1 | 182 | 163 | | 100.0 |
| Net enrolment ratio in primary education | 33.8 | 37.0 | | | 58,8 | | 100.0 |
| % of children completed fifth year of primary education | | 76.0 | | | | | 100.0 |
| Under-5 mortality rate per 1 000 | 172 | 250 | 241 | | | 140.0 | 97.0 |
| % of children (12-23 months) immunised against measles | | 53.4 | | | | 80.1 | 100.0 |
| Maternal mortality rate (per 1000 live births) | | 15/1000* | | 17/1000*** | 14/1000*** | | |
| Births assisted by skilled health personnel | | 44.7 | | | 50% | 75.0 | 90.0 |
| % of pregnant women with HIV (Attending ante natal clinics). | | | 2.8** | | | | |
| Population with access to potable water in urban areas | | 70.9 | | | | 80.4 | 85.5 |
| % population with access to potable water in rural areas | | 39.9 | | | | 57.9 | 70.0 |

* Baseline data from 1998 (Sources: PRSP, 11 September 2003** Minsa/CDC-2004 – 26 sentinel sites - ante natal clinics in 18 provinces. *** Government General Plan 2007-2008

Measuring progress on MDGs is difficult, as statistics on Angola are rare and unreliable, which in itself is not surprising for a country just emerging from a long period of civil war. Angola with support from the UN prepared two MDG progress reports (2003 and 2005). Which shows development of progress towards achieving the MDGs and outline undertaken, planned and required government measures.

Poverty Reduction

The assessment of the country's progress towards poverty reduction on the basis of the MDGs continues to be difficult due to scarcity and weakness of data. The few data available, while not allowing to identify a clear trend, point to still dramatic poverty levels (in particular in rural areas), while income is highly concentrated. Angola ranked 162nd out of 177 countries in the 2008 UNDP's Human Development Index.

Education. Overall: improvement (in access)

Following official sources a third of the population is estimated to be illiterate, with very high disparities between men (82%) and women (54%), especially in rural areas.

As regards primary education, according to government sources the number of pupils in primary education rose from 1.9 M to 4.9 M in the 2001-2005 period; in spite of this performance, more than 700 000 children are still out of school. This significant growth in access is due mainly to two factors: a) the recruitment an additional 50,000 teachers (though most of these new teachers do not have any pedagogical accreditation), b) (some) efforts made in rehabilitating and constructing primary schools infrastructures.

Gross enrolment rates are now well above 100% (182 in 2005 according to the MED) reflecting the large number of children that were previously excluded from the school system. In 2007 20.630 new teachers will be deployed.

On the other hand, high repetition and drop out rates (28.6% and 16.1% respectively) reflect the poor quality of education, which has also been affected by the non-availability of critical education inputs. A further challenge to the Angolan primary education provision is the low number of annual hours of teaching received per pupil where 3 shifts are applied (only 250 hours instead of a benchmark of 900).

The large increase in overall public spending has led to increased expenditure in the education sector (in absolute levels), however the share has declined steadily in the period 2004-06 (from 10.5% to 3.8%) and only with the recent approval of the 2007 budget the trend reversed (5.6%).

Gender. Overall: Stagnation

Discrimination of women is still widespread in Angola. While women are strongly represented in the informal sector, the share of women in more responsible positions is very low. The share of female MPs is low (12%) and there are no female governors in any of the 18 provinces, 3 out of 26 ministers are women (and 5 out of 43 vice-ministers). Angolan women are particularly affected by poverty, lack of access to education and the threat of HIV/AIDS.

Access to primary education is almost equal to that of boys but drop outs rates are higher.

Health. Overall: slight improvement

Health infrastructure and service delivery is still rudimentary (low coverage, weak use and insufficient quality of rendered services) and special efforts must be made setting sound policy and strategy, rehabilitating structures, retaining staff, management and providing essential basic services. Some areas of especial concern are the very low allocation to health (barely 2% of the GDP) and its distribution (centralised, even paying for elite referrals overseas).

Budget allocations: 2001 5.02%, 2002 4.57%, 2003 5.82%, 2004 5.69%, 2005 4.78%, 2006-4.42% 2007 3.68%. (However, this decrease in % does not mean a decrease in absolute terms) Another area of weakness is the low number of health workers (6 physicians per 100,000 pop), with significant in-country brain drain to non-public services including international organizations. The weak capacity of the Ministry is further undermined by this fact. In terms of basic health indicators, Angola has one of the top under five mortality rates, related to malnutrition and preventable infections, despite some moderate reductions estimated in the post-war period. The contraceptive rate (around 6%) is the lowest in the region and translates in high fertility rates (still over 6 children on average per woman) and, together with less than half of deliveries having adequate care, high maternal mortality rates. HIV prevalence is still largely unknown in many areas.

ANNEX 2A. DONOR INTERVENTIONS

| Donor/Sector 2005 (x €M) | Food Aid | Health | Agriculture | Education | Human Rights & Democracy | De-mining & disarmament | Public Administration | Civil Society | Water & Sanitation | Transport & Infrastructure | Transparency & Accountability | Energy | Justice | Decentralization | Rural Development | Environment | Economic Growth & Trade | Refugees & IDP's | Unknown (?) | Total per donor | % of aid per group | % of total aid | |
|-----------------------------|--------------|--------------|--------------|--------------|--------------------------|-------------------------|-----------------------|---------------|--------------------|----------------------------|-------------------------------|-------------|-------------|------------------|-------------------|-------------|-------------------------|------------------|-------------|-----------------|--------------------|----------------|--------------|
| Bilateral ODA - EU | | | | | | | | | | | | | | | | | | | | | | | |
| The Netherlands | 0,10 | | 0,20 | 0,15 | 0,60 | 7,80 | | | | 1,10 | | | | | | | | | | 9,95 | 10,4% | 3,4% | |
| United Kingdom | | 1,38 | | | 2,48 | 0,16 | | | 0,61 | 0,13 | | | 0,17 | | 0,19 | | | | | 0,45 | 5,57 | 5,8% | 1,9% |
| Spain | 4,00 | 2,92 | 1,18 | 2,29 | 0,25 | | | | 0,05 | 0,40 | | | | | | | | | | | 11,09 | 11,6% | 3,8% |
| France | 1,00 | 0,60 | 0,46 | 1,60 | 0,03 | 1,00 | 0,39 | 1,23 | | 0,02 | | | | | | 0,50 | | | | 0,70 | 7,53 | 7,8% | 2,6% |
| Poland | | | | | | | | | | | | | | | | | | | | 0,50 | 0,50 | 0,5% | 0,2% |
| Germany | 0,59 | 1,46 | | | | | 2,10 | | 3,44 | | 3,10 | | | | | 0,69 | | | | 1,90 | 13,28 | 13,8% | 4,5% |
| Portugal | 0,46 | 0,39 | 0,22 | 8,35 | | | 3,12 | 1,80 | 0,93 | 0,00 | 0,79 | 0,06 | 0,33 | 0,19 | 0,59 | 0,09 | 0,15 | 0,36 | | | 17,83 | 18,6% | 6,1% |
| Italy | 0,43 | 1,64 | 3,80 | 0,55 | 0,63 | 2,10 | 0,80 | 1,65 | | 4,00 | | | 2,42 | 1,00 | 0,50 | 0,40 | | | | 0,15 | 17,57 | 18,3% | 6,0% |
| Belgium | | 0,57 | 0,53 | 0,00 | 0,37 | 0,31 | | 0,29 | | | | | | | | 0,14 | | | 0,71 | | 2,92 | 3,0% | 1,0% |
| Czech Republic | | | | 0,16 | | | | | | | | 0,04 | | | | | | | | | 0,20 | 0,2% | 0,1% |
| Sweden | | 3,10 | | | 0,70 | 0,90 | | | | | | 0,30 | | | | | | | | 4,50 | 9,50 | 9,9% | 3,2% |
| TOTAL EU MS | 6,58 | 12,06 | 6,39 | 13,10 | 5,06 | 14,37 | 4,31 | 9,07 | 2,56 | 7,12 | 1,13 | 0,23 | 2,75 | 1,38 | 2,42 | 0,49 | 0,86 | 8,06 | 0,50 | 95,94 | 100,0% | 32,6% | |
| % aid/sector EU MS | 6,9% | 12,6% | 6,7% | 13,7% | 5,3% | 15,0% | 4,5% | 9,5% | 2,7% | 7,4% | 1,2% | 0,2% | 2,9% | 1,4% | 2,5% | 0,5% | 0,9% | 8,4% | 0,5% | 100,0% | | | |
| Other DAC | | | | | | | | | | | | | | | | | | | | | | | 0,0% |
| Switzerland | | 0,51 | | | | 0,59 | | | | | | | | | | | | | | 1,71 | 2,81 | 3,5% | 1,0% |
| Norway | | 1,25 | 0,25 | 3,69 | 1,57 | 2,44 | 0,61 | 2,21 | 0,25 | | 0,46 | | | | 0,11 | | | | 3,42 | | 16,26 | 20,1% | 5,5% |
| United States (USAID) | 24,46 | 7,88 | 1,69 | | 1,98 | 4,96 | 0,56 | 0,85 | | | 0,60 | | | | 0,06 | | | 1,05 | 1,13 | | 45,22 | 55,9% | 15,4% |
| Japan (JICA) | 3,13 | 6,37 | | 5,75 | | 0,33 | | 0,39 | | | | | | | | | | | 0,63 | | 16,60 | 20,5% | 5,6% |
| TOTAL OTHER DAC | 27,59 | 16,01 | 1,94 | 9,44 | 3,55 | 8,32 | 1,17 | 3,45 | 0,25 | | 1,06 | | | | 0,17 | | | 1,68 | 6,26 | 80,89 | 100% | 27,5% | |
| % aid/sector Other DAC | 34,1% | 19,8% | 2,4% | 11,7% | 4,4% | 10,3% | 1,4% | 4,3% | 0,3% | 0,0% | 1,3% | 0,0% | 0,0% | 0,0% | 0,2% | 0,0% | 0,0% | 2,1% | 7,7% | 0,0% | 100,0% | | |
| Multilateral ODA | | | | | | | | | | | | | | | | | | | | | | | |
| EC | 2,3 | 10,41 | 9,07 | 8,42 | 0,59 | 11,4 | 1,83 | 0,04 | 5,6 | 4,5 | | | 0,02 | 1,5 | 25,5 | | | | 7,4 | | 88,58 | 75,4% | 30,1% |
| Worldbank | | 8,71 | 1,05 | 7,43 | | | 4,12 | | 6,51 | | | | | | 1,03 | | | | | | 28,85 | 24,6% | 9,8% |
| TOTAL MULTIL. ODA | 2,3 | 19,12 | 10,12 | 15,85 | 0,59 | 11,4 | 5,95 | | 12,11 | 4,5 | | | 0,02 | 1,5 | 1,03 | | | | 7,4 | | 117,43 | 100,0% | 39,9% |
| % aid/sector Multil. ODA | 2,0% | 16,3% | 8,6% | 13,5% | 0,5% | 9,7% | 5,1% | 0,0% | 10,3% | 3,8% | 0,0% | 0,0% | 0,0% | 1,3% | 0,9% | 0,0% | 0,0% | 0,0% | 6,3% | 0,0% | 100,0% | | |
| Total ODA per sector | 36,47 | 47,19 | 18,45 | 38,39 | 9,20 | 34,09 | 11,43 | 12,52 | 14,92 | 11,62 | 2,19 | 0,23 | 2,77 | 2,88 | 3,62 | 0,49 | 2,54 | 21,72 | 0,50 | 294,26 | | 100,0% | |
| % of ODA per sector | 12,4% | 16,0% | 6,3% | 13,0% | 3,1% | 11,6% | 3,9% | 4,3% | 5,1% | 3,9% | 0,7% | 0,1% | 0,9% | 1,0% | 1,2% | 0,2% | 0,9% | 7,4% | 0,2% | 100,0% | | | |

AID TO ANGOLA IN 2005 (UN contributions, estimated in 79 M euros with possibilities of overlapping with the above figures, not included).

Source: EC Delegation with data provided by donors themselves.

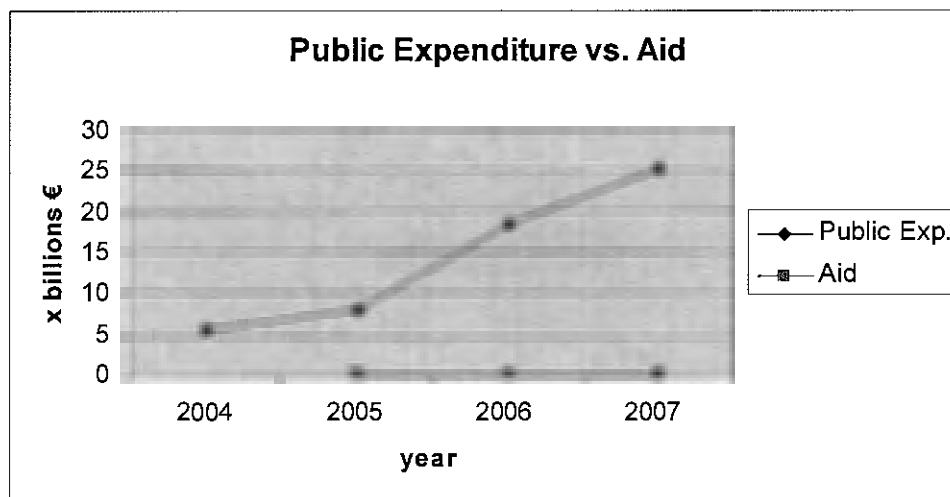
ANNEX 2. A (suite): AID INTO CONTEXT

As an overview of past interventions, a survey was conducted for the year 2005 when the whole donor community, exclusive the United Nations (UN), spent an estimated €287.65 million. In this figure some soft loans are included from the World Bank, but some of the UN funds are not taken into account either. We should consider that public expenditures by the Angolan Government over 2005 was of 10,159 USD billion (approximately 8.16 billion €).

If we compare those figures we can conclude that the total amount of aid of the donor community represented an estimated 3.5% of the Angola state budget public expenditure for 2005. This amount has further declined in recent years.

Although this shows that the **cooperation is indeed of little importance in quantitative terms for Angola**, its **significance is greater from a qualitative point of view** (mainly in technical assistance and cooperation) **and in certain sectors**. For example, in the health sector¹ donor aid would be 12% (11.90%) of expenditures without UN and Global Fund and 19.67 % including UN and global fund.

| <i>Billions of Euros</i> | <i>2004</i> | <i>2005</i> | <i>2006</i> | <i>2007</i> |
|---------------------------------------|-------------|-------------|-------------|-------------|
| Total Aid ² | N/A | 0,287 | 0,249 | 0,208 |
| Total public expenditure ³ | 5,703 | 8,160 | 18,444 | 25 |



AID PER SECTOR 2005-2007

Top 5 Sectors

In the table below there is made an overview of the 5 largest sectors of aid per year. **Health is for all the years the most important area of support around 20% of the total amount of aid.** Food Aid, Water & Sanitation and De-mining & Disarmament are also large sectors who

¹ In 2005 the health sector was 4,40% of the public expenditure. And the health share of is budgeted for 2006 for 4,42%

² Data on aid coming from donor database.

³ The analysis for this annex was done in 2006. Data for 2004 and 2005 are expenditures. Data for 2006 and 2007 were commitments.

switch of position sometimes. It is clear that the support for Refugees & IDPs is becoming less, while it is not part of the largest five sectors of attention after 2005.

The DDR activities and typical post-conflict sectors, like Food Aid, De-mining & Disarmament and Refugees & IDPs, are diminishing in importance from 2005 to 2007. The development areas like water and sanitation and education are increasing their share of total aid. However it is to point out the oddness of food aid that becomes the second sector to be supported by donors in 2007.

Regarding the Millennium Development Goals (MDGs) the five largest sectors do cover to a certain extent the MDGs 1, 2, 4, 5 and 6⁴. It is not possible though to give more details on to what extent based on the available data.

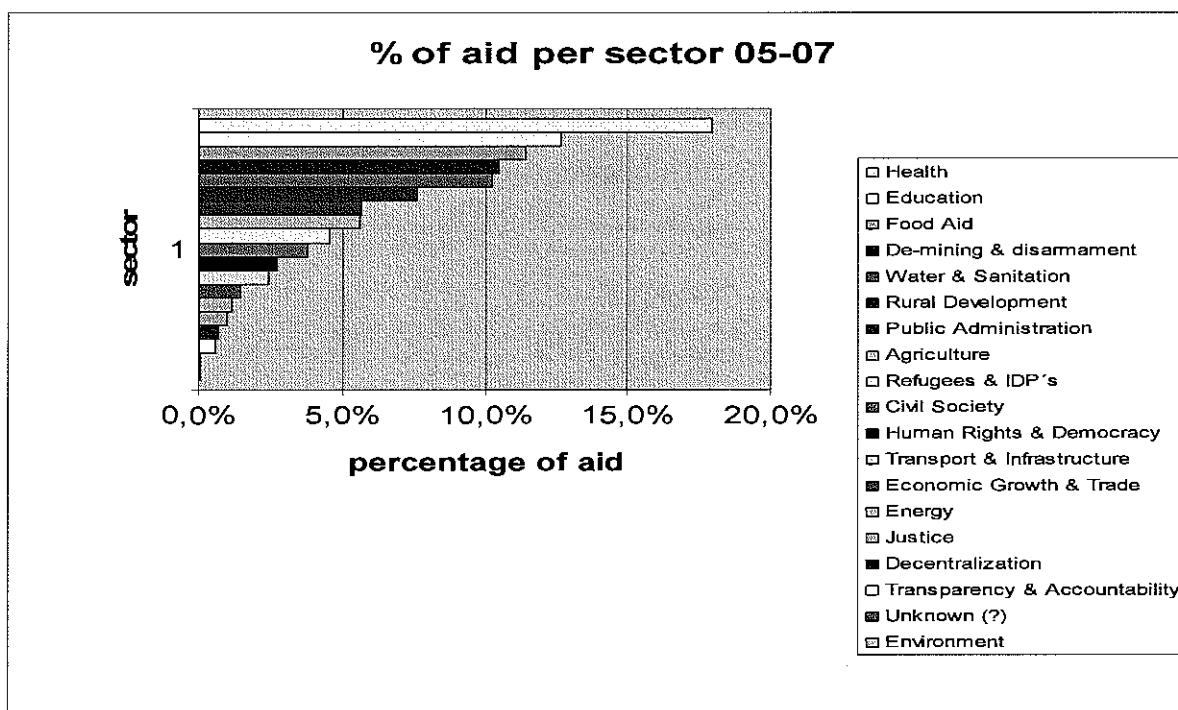
| Largest sectors in % | 2005 | 2006 | 2007 |
|-----------------------------|---------------------------------|---------------------------------|--------------------------------|
| 1. | Health (16%) | Health (21,3%) | Health (20,1%) |
| 2. | Education (13%) | Water & Sanitation (13,3%) | Food Aid (16,3%) |
| 3. | Food Aid (12,4%) | Education (12,3%) | Water & Sanitation (16,0%) |
| 4. | De-mining & Disarmament (11,6%) | De-mining & Disarmament (11,9%) | Education (15,0%) |
| 5. | Refugees & IDPs (7,4%) | Food Aid (8,1%) | De-mining & Disarmament (9,1%) |

The chart below displays the aid of all the donors except the UN-agencies, over the period 2005-2007. As we can see Health is by 17.9% by far the largest sector of aid. Secondly, Education forms with 12.6% an important sector. The EC, WB, Portugal and Norway are important donors in this sector. Third, Food Aid is an important sector with 11.4%. It should be taken in account that USAID and Portugal spend together € 71.39 million on Food Aid. Therefore this sector is that large, 11.4%.

De-mining & Disarmament is a large sector with 10.4% follows in close distance on Education. Mainly the high percentage is caused by the impact of the EC and the Netherlands. The EC, USAID and the WB are by far the largest donors in this sector. Other quite large sectors of attention that follows are Civil Society, Public Administration, Agriculture, Transport & Infrastructure and IDPs and Refugees.

DDR and classical post conflict interventions (Food Aid, De-mining & Disarmament, Refugees & IDPs) sum up 26,3% over 2005-2007 representing an important part of the total amount of aid spread over the sectors for the period. Other post-conflict activities (e.g. some health interventions) are not possible to be detected taken into account the detail of the available data.

⁴ <http://www.un.org/millenniumgoals/>



The largest donors of the top 5 sectors for 2005-2007

In the table below the two largest contributors per each of the 5 largest sectors are inserted. It shows that the EC is important in all the 5 largest sectors, except of Food Aid. Food Aid is mainly supported by Portugal and USAID. The Netherlands is a large donor on Water & Sanitation and De-mining & Disarmament. Sweden is after the EC a large donor in the sector Refugees & IDPs. The World Bank⁵ is one of the largest donors in Health, Education and Water & Sanitation.

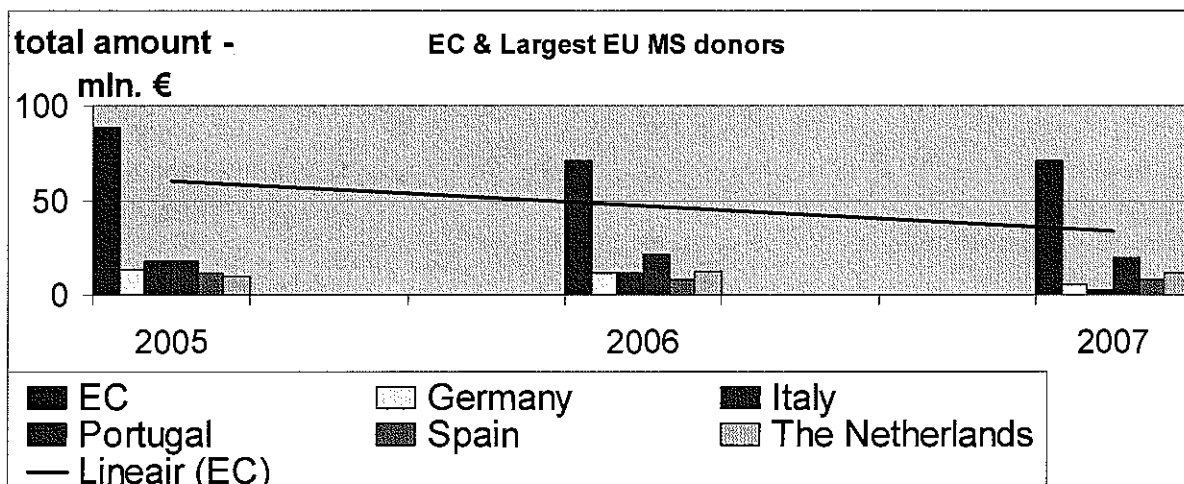
| Health | Education | Food Aid | Water & Sanitation | De-mining & Disarmament | Refugees & IDPs |
|--------|-----------------------|----------|--------------------|-------------------------|-----------------|
| EC | Portugal ⁶ | Portugal | EC | EC | EC |
| USAID | EC | USAID | Netherlands | Netherlands | Sweden |

Largest donors EU MS & EC

As we study the figures of the EU MS and the EC we can conclude that the amount of the aid from the EC is diminishing as well for the other donors. The support from the Netherlands and Portugal do stay more or less at the same level, while the aid from Germany is going up in 2006 and will go down in 2007. Italy will diminish its aid quite a bit from 2005 tot 2007. Note: Sweden is in 2006 with €8,8M larger than Spain which is mentioned in the chart above. Like Sweden also other donors are phasing out their development co-operation in Angola. The forecast is that aid will diminish every year slightly, after 2007.

⁵ The World Bank is not included in the box below, because of possible double counting and soft loans.

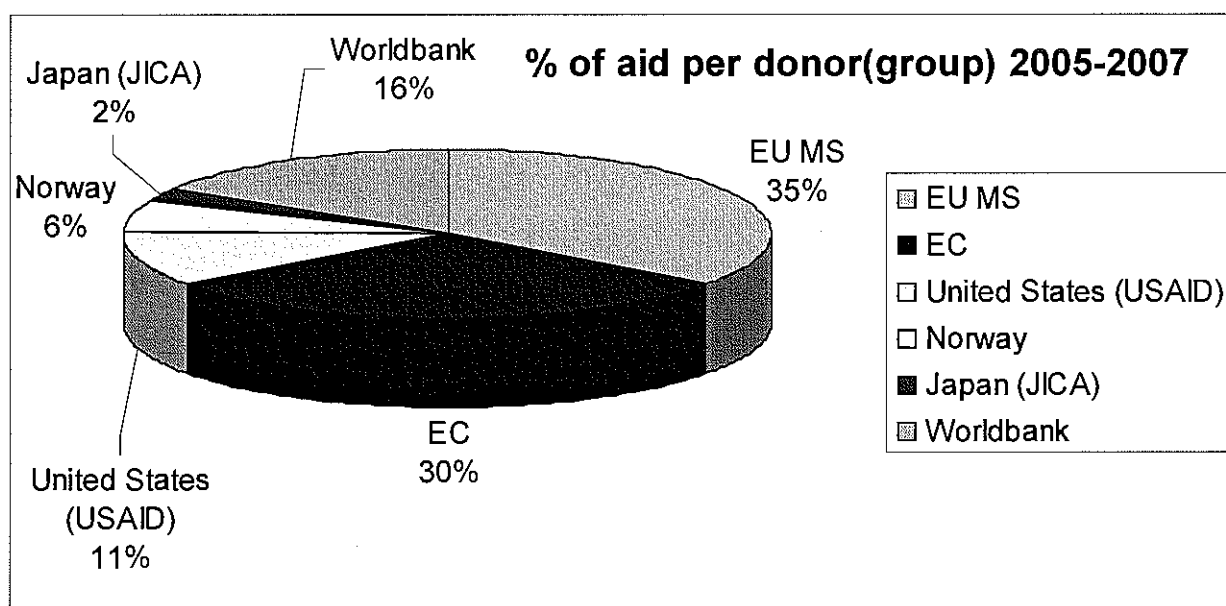
⁶ Parts of their contributions are soft loans (especially for education for 2006 and 2007).



Aid per donor (group)

In the pie below we have put the different donors and a few groups of donors, the EU MS and the UN-agencies. **The EU MS and the EC together are responsible for 65% of all aid in Angola.** The EC is the most important bilateral donor with 30% of the total aid for the period. The WB is responsible for 16% of aid, also here part of the support comes from other donors like the EC, USAID, UK and the Netherlands. The USAID on itself does have 11% of total aid, with Norway on 6%. Japan and Switzerland follow with a smaller percentage.

The UN is kept out of this chart to prevent double counting. Of course, some percentage of the total amount of aid is also for the UN. Based on the information we have, the net percentage of UN-aid (only UN-funds) will be around 6% to 8%⁷ of the total amount of aid in Angola.



⁷ This figure is estimated on basis of calculations on the UN-funds provided by the UN in Angola, as available in the donor matrix. The 6-8% accounts only for funds coming from their respective UN HQs targeting Angola.

Annex 2B- PAST EC COOPERATION: OTHER INSTRUMENTS

1. REGIONAL COOPERATION

PALOP Justice Programme: The regional project “Apoio ao Desenvolvimento dos Sistemas Judiciarios dos PALOP” is based in Luanda. To make this possible, institutional support was given to the national judicial training centre “INEJ”. This institute is supported by a TA from the Portuguese Instituto Nacional de Administraçao.

A rider increasing the time execution and the budget (€ 3M from the EC and € 0.66 from the Portuguese Cooperation) was approved in August 2006. The programmed activities have been carried out with a large degree of ownership by the relevant authorities. This program is very often cited by the Ministry of Justice as an important capacity building initiative.

A financial audit to the work program were on going and some delays in the execution could happen in the 2nd semester 2007. The TA for the Database component will be recruited in May/June 2007. A new team for the work program management financed by the 9^o EDF shall be hired during the 1st semester 2007.

2. BUDGET LINES

Decentralised cooperation: A Call for Proposals (CfP) was launched in May 2006 for an estimated amount of 0.5m. The objective of the programme is to strengthen the dialogue with local government through a support to local initiatives, to strengthen civil society by means of capacity building. This program was designed in order promote local initiatives and also to guarantee continuity with the activities carried out under the concluded “Programa de Apoio à Reconstrução” in support to participatory planning at municipal level. Five contracts were signed in 2006 (with an unspent balance of about 20,000 € with respect to the € 0.5M allocated)

Democracy and Human Rights: Despite difficulties encountered during the evaluation of the proposals (mainly due to the weak institutional set up of the local organisations and to the local legal context) which led to a second launching of a Call for Proposal, the Delegation managed to commit almost all funds (the “reliquat” for the budget 2005 is only 2,000 €) and has already started to commit funds of the 2006 budget (2 contracts, € 0,18M worth, were signed in December 2006).

On the overall the Delegation currently (beginning 2007) deals with 14 projects within the EIDHR: 1 target project with the Bar Association (€ 0.45M), 2 Macro-Projects (€ 1.6M) and 13 Micro-projects (€ 1M). More specifically, in the framework of the components 3 and 4 of the EIDHR, “Promoting democrating process” and “Enhancing equality, tolerance and peace”, two Call for Proposals for Micro-Projects were launched by the EC Delegation in July and December 2006 with an amount of € 0.9M and € 0.4M respectively. As a result 10 contracts were signed, for a total amount of € 0.8M (Budget 2005 + Budget 2006).

The contracts decommitments and closure process is on going, the delays are in great part due to the weak quality of the audit reports.

A request was made to DG DEV to approve target projects to support disarmament of civilians and support for the electoral process. They were not approved but another request was made for 3 projects: Electoral process, Human Rights Defender and Human Trafficking.

Co-financing: On the overall the Delegation is currently dealing with 8 projects (€ 9.5M) and with 1 Block Grant (€ 0.77M). The Delegation evaluated 18 proposals within the CfP EuropeAid/122438/C/G. Four contracts were signed in December : “Prevention of HIV, support and care for people affected by the epidemic in Cunene, Angola” with Deutsches Rotes Kreuz (€ 0.75M); “Reabilitação integrada e global dos Serviços Municipais de Saúde no Município de Ombadja (Província do Cunene), Angola” with Italian NGO CUAMM (€0.75M); “Projecto de Apoio ao Relaçamento e ao Desenvolvimento Agrícola do Norte Do Cubal, ANGOLA” with French NGO AGRISUD (€ 0.6M) and “Network of services for vulnerable girls and young women in the cities of Luanda and Lobito, Angola” with Italian NGO CIES AGRISUD (€ 0.75M). The contracts decommitments and closure process is on going, the delays are in great part due to the weak quality of the audit reports.

Food Security: In 2006, under the Food Security budget line, following the launch of a call for proposals, € 4M contracts were signed concerning the management of natural resources in Huambo and Cabinda (respectively with IMVF and ADPP), goats distribution (Concern) and vaccination tests for poultries (German Agro Action).

Currently the number of relevant contracts is 17 and the total amount committed is € 17.3M. The process of closure of 5 contracts is on-going, however the difficulties encountered in collating all the supporting documents, especially financial and audits reports, have slowed down the procedures.

Food Security Recovery Programme - PRSA

The PRSA has been running since 2005; during 2006 3 service contracts, 16 supply contracts and direct agreement were signed, totalling € 7.4M of contracted funds. The last service contract was signed in September 2006 with Agrer, in order to provide institutional support to MINADER (Ministry of Agriculture and Rural Development). Earlier in the year (July 2006) the EC signed a € 2.8M contract with FAO on the land reform component. During the first semester of 2006 contracts were signed also for the implementation of the support to private sector in agriculture and to the institutional support component at local level

The Delegation has set up a close monitoring system for these contracts, especially regarding the service contracts that mobilised international technical assistance in the provinces of Lubango, Benguela and Luanda.

Regarding centralised Call for Proposals, the Delegation evaluated 3 concept paper and 2 proposals within the initiative EuropeAid/122581/C/ACT/TPS – Campaign 3 “Promoting the democratic process”. A €1M contract “National civic and electoral education programme in Angola” was signed in December 2006 with the Dutch NGO NIZA and local partners.

Under the budget line “Poverty Diseases” the Delegation was not consulted in the evaluation of the CfP Europeaid/121404/C/G/Multi. The contract “THEME II/Partnerships for minimising transmission and impacts of HIV/AIDS in rural Angola” with OXFAM GB (€: 4.1M) was signed in November 2006.

The Delegation participated in the evaluation of several concept notes under the Call for Proposals EuropeAid/122581/C/ACT/TPS – Campaign 3 “Promoting the democratic process” and EuropeAid/123767/ACT/Multi - Programme for Reproductive Health.

ECHO: in Angola in the 9th EDF period, whilst firmly keeping its humanitarian mandate in mind, has been to actively contribute to the LRRD process in close coordination with the other EC instruments. Primary health care, nutrition, water and sanitation, provision of emergency non-food items, coordination of humanitarian assistance and humanitarian access

(through air transport and de-mining) were the main activities. The main objective during the transition from emergency to medium-term funding was the establishment of minimum conditions for resettlement of vulnerable returning and resident vulnerable populations. A further major emergency intervention in 2005 comprised two emergency decisions totalling 2m€ to fight the Marburg virus outbreak. The resettlement process of IDPs and returning refugees was in principle concluded in early 2005 and with the stabilisation of the humanitarian situation ECHO closed its office in Luanda (opened in 1994) on 31 June 2005. The humanitarian situation in the country is now monitored from its sub-regional office in Zimbabwe, and ECHO continues to be prepared to support emergency interventions if required (see emergency decision of 1,5m€ in April 2006 to fight the Cholera outbreak).

Others: The **Fishery Agreement** expired in August 2004 and was not renewed. Under the **Water Facility** a contribution of €3.6m was decided to a project implemented by UNICEF and which aims at enhancing access to safe water in rural areas by expanding the existing number of safe water sources and enhancing the information systems and the planning capacity of provincial governments. The **Global Fund** to Fight HIV/AIDS, malaria, and tuberculosis approved US\$63m of funding for Angola in 2004 and 2005, which will be managed by UNDP. The programmes started being set in place in 2005 and it is expected that implementation in the course of 2006. The **European Investment Bank** is not yet active in Angola, although there has been an intensification of exchanges in 2005 following the settling of arrears owed by the Angolan Government to the EIB.

ANNEX 3. COUNTRY ENVIRONMENTAL PROFILE

1.1. EXECUTIVE SUMMARY

Angola goes through a transition period, after the establishment of Peace in 2002. The priorities of the Government have changed from defence to development. Many areas are now open or becoming accessible which allow the return of the population and the stability of settlements. The economic development has resumed and it is accompanied by additional (or different type of) pressures on environment.

Despite the high macro-economic performance of Angola, poverty affects very severely a high percentage of the population (over 60%). Priorities are given to basic needs such as infrastructure, health and education while there is lack of understanding of the relations between environment and poverty hence environment is not high in the government's agenda. Government and donors too often consider the environment in a passive or reactive way instead of in a pro-active way.

The on-going natural resources management systems have adverse impacts on the environment:

- * Forests are damaged by non efficient charcoal processing, agricultural pressure and illegal logging activities. Cutting for farming or to fulfil energy needs, and poaching are the main causes of the loss of natural habitats and biodiversity.
- * Agriculture receives too limited investments in mechanisation, animal draught and irrigation to ensure food security. Farmers impose an increasing pressure on natural resources to find additional food supplies
- * Fisheries products are exposed to increasing constraints of unsustainable management of the stocks. Over fishing, non compliance with defence periods and fishing zones, poor control of fishing systems as well as changes in hydro climatic conditions constitute real pressures on marine fish stock.
- * As the largest part of the population lives in urban and peri-urban areas where the services sector is still poorly developed, unsafe water distribution systems, waste disposals and non adapted sewage systems represent a continuous threat for health of the population.
- * The pressure by oil exploitation is mostly seen on marine resources, some cases of pollution in the Cabinda region and Zaire.

There is also no national environmental policy, no environmental information system, and the installed institutional capacity installed is weak. This poses obstacles to the commitment of financial resources by international donors and investors. Besides, the Government Budget is often not adequate to the achievement of the objectives set in on the Government Programme for the environment, nor for the strengthening of environmental institutions.

However strong environmental laws are being enacted following the strong framework law on environment, and different sectors are integrating environmental concerns and regulations on their policies and legislation. Besides the National Environmental Management Plan revised in 2005 (approval expected in 2006) defines a set of priorities for the strengthening of environmental governance in Angola, and the State of the Environment Report is expected to draw a base line for environment and to draft an Investment Plan on environment. The

National Strategy and Action Plan for Biodiversity have also been concluded and are submitted to the Council of Ministers for approval. All these instruments are being developed through consultative processes on different ministries, and being analysed by an inter-ministerial committee.

The Fundamental Law of Angola and the Framework Law on Environment (FLE) have set the basis for the significant body of environmental legislation that today exists. The Decree on Environmental Impact Assessment is seen as an instrument that promotes the integration of environmental concerns on other activities. However, there are some areas which are under-regulated such as waste, chemicals, noise, environmental responsibility, and environmental criminal law, and the terrestrial biodiversity legislation is outdated and not adapted to the current context. A set of legal instruments are currently being finalised for submission to the Council of Ministers for approval⁸ but the finalisation of the publication and enacting process is usually long.

A very significant strengthening of the integration of environmental concerns in sectoral legislation is occurring for the water, fisheries, oil activities, industry and rural development. It should be noticed that the development of regulations is still required for most of these sectors. In sectors as mining, transports and tourism the environmental considerations are yet to be covered by the law.

Progress is also registered on public access to information and justice as well as public participation on environmental management, namely through environmental protection associations – the law on environmental protection associations of November 2005, has facilitated the strengthening of these associations. However, the environmental awareness of the population regarding environmental protection and sustainable management of natural resources is weak.

Angola is Part of several Multilateral and Regional Environmental Agreements⁹, and the impact of the ratification of these instruments is noticeable on the modernization process of the environmental legal framework of Angola. Nonetheless, it is noticed that part of the approvals by the National Assembly of the ratification of conventions have not yet been published and, from those published, part of the ratification instruments have not yet been deposited at the Secretariat of the conventions, preventing Angola to access technical and financial cooperation mechanisms.

There exists an overall weakness on Angola's environmental institutional capacity in terms of qualified human resources, material resources and technical means. This situation hampers the fulfilment of the responsibilities of the ministry (such the conduction of the environmental impact assessment processes) and obstructs the implementation of the legislation. Although existing, the inter-ministerial cooperation is still weak, which magnifies the difficult situation originated by the lack of a clear separation between the competencies of the different ministries regarding the management of environmental components – as in the case of forests. The institutional capacity at province level is at least as weak as at central level. This, together with a lack of a national strategy has held back the possible benefits of the autonomy of the

⁸ Law Decree on Public Consultation; Law Decree on Environmental Audits; Law Decree on Environmental Licensing; Law Decree on the Environmental Fund; Law Decree on Waste; Law Decree on Medical Waste; Law Decree on Environmental Surveillance; and Law Decree on Environmental Crimes. A new framework law on wild fauna and flora and protected areas is being developed through a public consultation process.

⁹ A list of the Multilateral Environmental Agreements ratified by Angola is provided in Chapter 3.

provinces on environmental governance, through decentralisation and strengthening of public participation. It is urgent to address this situation to allow an effective decentralization and delegation of power.

On what concerns international agreements the main recommendations are that Angola undertake efforts to:

- Approve the plans and strategies foreseen in the Multilateral Environmental Agreements of which it is Part;
- Ratify the Multilateral Environmental Agreements which have been signed;
- Publish the approval of the ratification of the Cartagena Protocol on Biosafety and of Convention CITES, and deposit the ratification instruments of the Bonn Convention on Migratory Species finalising ongoing processes on nature conservancy and biodiversity;
- Conclude the ratification process of the PIC and POP Conventions, already approved by the National Assembly, and prepare the ratification of the Basel Convention on Hazardous Wastes;
- Ratify all agreements related to compensation by accidents that originate pollution by oil spills or hazardous and toxic substances, having in mind the risks associated to marine pollution;
- Ratify the Kyoto Protocol, and become eligible to participate on Clean Development Mechanisms;
- Ratify the Convention of the Non-Navigational Uses of the International Watercourses, which provides protection to Angola in the cases it is the downstream country.

It is urgent to generate awareness on the private sector on the important potential for development that the environment constitutes. Ecological Tourism, which has a considerable international demand and may favour community development, is still not exploited in Angola. Besides, environmental related services, from consultancy to research, adaptation/development of clean technologies and adequate techniques benefiting industries constitute a strong market still unknown to Angolan society.

Environmental education and awareness rising, and technical training will constitute a driving force of all the process. There is a need for greater coordination efforts between the ministries and with the civil society.

1.2. SPECIFIC RECOMMENDATIONS FOR THE DONOR COMMUNITY

(classified per sector by priority order)

1.2.1. Water

- To strengthen the process of management of water shared by Angola with other countries.

Objective: to sustain the management of water in general. (GOA, SADC, CAs)

- To strengthen the sustainable use of water in every watershed through water management planning, sectoral use of water, coordination of projects and watershed monitoring systems.

Objective: Adequate watershed management will provide water and soil resources for agriculture while avoiding erosion. (MINEA, CAs).

- To develop small scale irrigation systems.

Objective: to improve access to agricultural lands and in drier regions and on salty soils. Water use awareness will improve the efficiency of water use by local communities (MINAGRI, CAs).

1.2.2. Forest

- To support pilot projects for sustainable management of forests, especially the areas of community management. To encourage the dissemination of improved ovens for processing charcoal as well as improved stoves for cooking.

Objective: to promote participation of the inhabitants in the management of their heritage; to process wood into charcoal by using improved ovens. (IDF, CAs).

- To support programs for community awareness.

Objective: to help local communities to improve the management of their natural resources like wood and other forest products (IDF, MINE, CAs, ADAs).

- To support forest research projects and centralize the results (master and PHD thesis in the areas of forest, natural reserves and parks).

Objective: to improve the management of forests, promote the rehabilitation of natural areas and improve the knowledge of Angolans about existing resources. (IDF, CAs, universities, private sector, ADAs).

1.2.3. Biodiversity

- To establish regulation for the management of national parks and reserve.

Objective: to create a frame for the management of natural parks and reserves with public-private partnership with national ADAs and international NGOs. (MINUA, CAs, ADA, ONG).

- To create and strengthen sustainable management units for protected areas that become progressively accessible, including a component for the monitoring of activities in the area, the development of infrastructures and community based tourism. In order to sustain and strengthen these units it is recommended to foster public-private partnership, with the support of non profit organisations.

Objective: To establish models of sustainable management that will diversify the local economy (GoA, ADA, CAs).

- to facilitate the implementation of the NBSAP (only 50% of the strategy is actually funded).

Objectives: To support MINUA to define priorities for programmes and projects presented to the NBSAP and develop those with the best potential impact MINUA, CAs).

1.2.4. Human settlements

- To launch management projects in the suburbs and support the social habitat planning.

Objective: to decrease the chaotic management of the suburbs and improve the living conditions of the communities. (MINEP, CAs, ADAs).

- To support the elaboration of solid waste management strategies. A strategy has to consider the implementation of pilot projects for managing solid waste in the suburbs including awareness team, recycling process and commercialization of recycled goods.

Objectives: To improve the environmental hygiene, specifically in the poor suburbs (MINEP, CAs, ADAs).

- To support the implementation of the MINEA programme for water and sanitation, to rehabilitate and construct water cleaning stations, to support NGOs implementing drinking water projects in rural areas.

Objective: to facilitate the population access to drinkable water (GoA, CAs, ADAs).

1.2.5. Oil, mining and industry

- To facilitate the transformation of natural resources within the country in order to create employment.

Objective: to create employment and reduce poverty (GoA, CAs).

- To strengthen the regulation of atmospheric emissions; to strengthen the MINPET for marine water monitoring. To strengthen research capacity to develop a model of ocean stream in front of Cabinda and Zaire.

Objective: considering the importance of the petrol sector, to support the MINPET for monitoring and developing alert systems to regulate the sector and prevent accidents. (CAs, ADAs).

1.2.6. Civil Protection

- To support the existing establishment of the prevention alert systems in various parts of the country, with links to the national meteorological network (INAMET) and the national hydrometrical network (MINEA).

Objective: to improve the environmental monitoring and the capacity to react on accidents. (GoA, CAs).

- To support the creation of a control centre of civil protection for the management and data compilation related to prevention and reaction to accidents and catastrophes.

Objective: to improve the national capacity of reacting, especially in case of petrol leakages. (GoA, CAs).

1.3. INTEGRATION OF ENVIRONMENTAL CONCERNS WITHIN SECTOR POLICY

1.3.1. Agriculture

- To make the agrarian census

Objective: to know the level of land use in order to improve its management. (MINADER, CAs).

- To develop the capacities for agriculture and the programmes of GRNC; to implement incentives existing in the rural development law.

Objective: to promote sustainable agriculture. (MINADER, CAs).

- To monitor the irrigation systems that had been destroyed during the war aiming to its rehabilitation when sustainable. To construct and rehabilitate small irrigation canals.

Objective: to sustain the irrigation of agricultural lands. (MINADER, MINEA, CAs).

1.3.2. Fishing

- To continue to support Angola in terms of monitoring and control of fishing.

Objective: to protect the fish stock, to reduce the damages to artisanal fishermen (CAs, SADC).

- To support INIP for monitoring the stocks and the pollution of marine water, promote the exchange of students with foreign universities and to promote oceanographic classes in Angolan universities; to support IPA for monitoring artisanal marine fishery.

Objectives: to improve the knowledge and monitoring of marine environment, facilitate the sustainable management of aquatic biological resources, including mangrove and estuary. (CAs).

- To provide technical assistance to IPA for promoting artisanal fishery and facilitate the access for fisherman to infrastructure for processing, cooling and storing within the Support Centres to Artesanal Fishery (CAPA), specifically during the phasing-in of these centres.

Objective: to strengthen the management of the CAPAs for improving living conditions of fishermen and promoting sustainable fishing. (CAs).

1.3.3. Rural development and food security

- To make provincial plans for the sustainable use of natural resources.

Objective: to improve the sustainable management of natural resources in each province (GoA, MINADER, MINEA, MINUA, CAs, ADAs).

- To support the local administration in their search for financing and in their management of identified programmes within the frame of the Support Programme for Reconstruction (EU – PAR).

Objective: To support the implementation of PPDMs. (GoA, MINADER, CAs, ADAs).

- To promote programmes for the management of natural resources at community level.

Objectives: to facilitate the access of natural resources and their sustainable management by local communities. To diversify activities at local level. (GoA, MINADER, MINEA, MINUA, CAs, ADAs).

1.3.4. Tourism

- To define regulations for eco-tourism management.

Objective: to create minimum standards for eco-tourism development (MINADER, MINTUR, Provincial governments, CAs, ADAs).

- To promote capacity building at central and provincial levels including training in eco-tourism and environmental management. To train local leaders and trainers, community based tourism guides.

Objective: to strengthen the various partners of rural tourism and create employment. (MINADER, MINTUR, Provincial governments, CAs, ADAs).

1.3.5. Energy

- To promote renewable sources of energy (sun, hydro-electric and biomass) in rural schools, natural parks and remote areas.

Objective: to use of renewable energy and facilitate the population access to alternative sources of energy aiming to reduce the use of charcoal and generators. (GoA, SADC, MINUA, MINADER, MINEA, ACS, ADAs).

- To promote energy efficiency in the industrial sector.

Objective: to increase the profitability of industries. (MINUA, MINEA, ACS).

1.4. TRANSVERSAL RECOMMENDATIONS

1.4.1. Environmental information

- To establish a network of information centres involving various public organizations (CTMA, institutions, provincial governments), universities, NGOs and private sector aiming to provide environmental data and facilitate the exchange of sectoral data of meteorology, water...

Objective: to facilitate the exchange of information (GoA, CAs, SADC, ADAs).

- To train civil servants of MINUA to process environmental data.

Objective: to ease the use of the data base (CAs).

1.4.2. Multisectoral environmental management

- To strengthen the capacities of MINUA in EIA and environmental audits.

Objective: to improve the know how of MINUA in these fields. (CAs).

- To support the implementation of PNGA.

Objective: To define MINUA priorities for programming and support their realization. (GoA, CAs, ADAs).

1.4.3. Good environmental governance

- To built up a sustainable development policy at national level. Considering the complexity of this process it is advised to make various steps. The first one should establish guidelines for the preparation of strategic sustainable development plans in the provinces taking into consideration the Main Options of the Use of the National Territory and the definition of Areas of comparative advantage and competence; to support financially the implementation of these programmes.

Objective: to include environmental and social concerns within the first steps of the planning process. (GoA, CAs, SADC).

- To support the PPDM process aiming to involve the local communities in the identification, design and implementation of participative plans for the sustainable use of the local resources.

Objective: to improve local ownership, relevance, efficiency, effectiveness, impact, sustainability of development plans. (MINADER, Provincial governments, CAs).

1.4.4. Environmental education

- To support the PECA, specifically the reformulation of curriculum including environment and non formal education.

Objective: to support the preparation of a GOA programme involving both MINUA and MINE. (MINUA, MINE, CAs).

- To promote the installation of solar panels on the roof of schools in rural areas.

Objective: to educate students about sustainable sources of energy and provide electricity to the school for running computers with internet connections (GoA, MINADER, CAs, ADAs).

- To support training of environmental specialists in the universities of Angola. (Environmental engineering, sanitation, environmental sciences);to promote partnership with foreign universities and training of Angolan students in foreign universities.

Objective: to promote the training of environmental sciences (MINE, CAs).

1.4.5. A market for environmental products

- To promote the market recycling of solid waste with collect at industrial and local community levels as well as organic composting.

Objective: To reduce the solid waste level by its transformation into products that will generate incomes. (GoA, Provincial governments, CAs, ADAs).

- To establish public-private partnership for the management of forests, distribution and treatment of water and valorisation of solid waste.

Objective: to improve the efficiency of management and find additional funding for investment (MINUA, Private sector, ADAs, CAs).

- To foster the development of a market for renewable energy with financial incentive, technical training, valorisation of national potential sources of energy.

Objectives: to generate new possibilities of qualified employment while reducing pressure on deforestation and facilitate energy access to populations living in remote areas; to reduce the emissions of carbon dioxide. (GoA, MINUA, Min Economia, CAs).

1.4.6. Recommendations for the EC

- To integrate the environment as a transversal concern of its projects in a proactive manner aiming to upgrade environmental technologies.

Objective: to create local qualified employment in the environmental sector as adapted technologies, valorisation of local products and potentials.

- To define environmental indicators to be used in the National Indicative Programme:
 - number of EIA realised in the EC projects
 - number of pro-active environmental measures in every project
 - Number of environmental sectoral and transversal recommendations of the CSP that are taken into consideration in a particular project.
 - Percentage of environmental achievement of a project with regard to every environmental objective specified in the project document.

ANNEX 4. MIGRATION PROFILE ANGOLA

A) Total number of residents

Angola has a territory of 1,246,700 sq km, with a total of 5,198 km land boundaries. The border countries of Angola are: Democratic Republic of the Congo (of which 225 km is the boundary of discontinuous Cabinda Province) (2511 km border), Republic of the Congo (201 km border), Namibia (1376 km border) and Zambia (1110 km border). The total number of residents was estimated at 14.5 millions in 2002; recent population figures are difficult to obtain due to the lack of a full national census. War related problems made it impossible to carry out a national census and the real number of inhabitants could largely overpass the estimated 14.5 millions to around 17.5 million.

B) Immigrants: no estimate. Between 1995 and 2000; average annual net cross-border migration in Angola was estimated at 17 000 or 1.4 per 1 000 inhabitants (UNDESA, 2002) Refugees represent more than a quarter of the country migrant stock which stood at 46 000 in 2000. This stock constituted 0.4 % of the total population/ In 2004 about 10 000 of the estimated 12 500 refugees in Angola originated from the DRC. In mid 2002, 445 000 refugees were registered abroad, the majority in the DRC, Namibia, Zambia. In recent years, due to the rapid economic development, new immigration of skilled workers is arriving, mainly from Portugal and China.

C) Refugees. Please see below the total number of Angolan returnees from neighbouring countries 2002-2005 (UN data).

| | Organized | Spontaneous Assisted | Spontaneous non-assisted** | Sub Total |
|--------------------|----------------|----------------------|----------------------------|----------------|
| 2002 | | | | |
| DRC | | 20000 | 32046 | 52,046 |
| Zambia | | 12770 | 19556 | 32,325 |
| Namibia | | 230 | 400 | 630 |
| | | 33,000 | 52,000 | |
| 2003 | | | | |
| DRC | 21038 | 18480 | 34546 | 74,061 |
| Zambia | 18126 | 14850 | 22056 | 54,831 |
| Namibia | 4183 | 230 | 400 | 4,813 |
| | 43,345 | 33,360 | 57,000 | |
| 2004 | | | | |
| Zimbabwe/Ukraine | 7 | | | 7 |
| DRC | 19272 | 3813 | 7029 | 30114 |
| Zambia | 27570 | 8420 | 15623 | 51522 |
| Namibia | 4452 | 1327 | 2448 | 8257 |
| RoC | 251 | 0 | 0 | 251 |
| South Africa | 20 | 0 | 0 | 20 |
| Botswana | 62 | | | 62 |
| | 51,673 | 13,560 | 25,000 | |
| 2005 | | | | |
| Zimbabwe/C.Verde | 3 | | | 3 |
| DRC | 9287 | 4365 | 6420 | 20072 |
| Zambia | 17711 | 4889 | 7158 | 29758 |
| Namibia | 389 | 903 | 1422 | 2719 |
| RoC | 636 | 0 | 0 | 636 |
| South Africa | 24 | 0 | 0 | 24 |
| Botswana | 475 | 0 | 0 | 475 |
| | 28,524 | 10,162 | 15,000 | |
| Sub Total | 123,542 | 90,082 | 149,000 | 362,624 |
| DRC | | 176,292 | | |
| Zambia | | 103,436 | | |
| Namibia | | 16,419 | | |
| RoC | | 896 | | |
| South Africa | | 44 | | |
| Botswana | | 537 | | |
| Others | | 10 | | |
| Grand Total | | 362,624 | | |

** The spontaneous non-assisted figure is an estimate.

| STATISTICS SUMMARY CHART
20-Dec-05

1. ANGOLAN REFUGEES IN BORDERING COUNTRIES -- As of April 2002

| | |
|--------------|----------------|
| DRC | 193,000 |
| Zambia | 211,000 |
| Namibia | 21,000 |
| RoC | 15,000 |
| TOTAL | 441,000 |

2. ANGOLAN REFUGEES IN NON-BORDERING COUNTRIES -- As of April 2002

| | |
|--------------|---------------|
| South Africa | 15,626 |
| Botswana | 2,000 |
| TOTAL | 15,626 |

GRAND TOTAL 456,626

A. RETURNS IN 2002

| | |
|------------------------|--------|
| Spontaneous unassisted | 52,000 |
| Organised | 0 |
| Spontaneous assisted | 33,000 |

Total number of Return in 2002 85,000

| | |
|----------------------|---------|
| Caseload end of 2002 | 371,626 |
|----------------------|---------|

B. RETURNS IN 2003

| | |
|------------------------|--------|
| Spontaneous unassisted | 57,000 |
| Organised | 43,345 |
| Spontaneous assisted | 33,360 |

Total number of Return in 2003 133,705

| | |
|----------------------|---------|
| Caseload end of 2003 | 237,921 |
|----------------------|---------|

C. RETURN in 2004

| | |
|------------------------|--------|
| Spontaneous unassisted | 25,000 |
| Organised | 51,673 |
| Spontaneous assisted | 13,560 |

Total number of Return in 2004 90,233

| | |
|----------------------|---------|
| Caseload end of 2004 | 147,688 |
|----------------------|---------|

D. RETURN in 2005

| | |
|------------------------|--------|
| Spontaneous unassisted | 15,000 |
| Organised | 23,524 |
| Spontaneous assisted | 10,162 |

Total number of Return in 2005 53,686

| | |
|----------------------|-----------------------|
| Caseload end of 2005 | 94,002 ^{***} |
|----------------------|-----------------------|

| | | |
|---------|--------------------------|----------------|
| Summary | Spontaneous unassisted | 149,000 |
| | Organised | 123,542 |
| | Spontaneous assisted | 90,092 |
| | Cumulative Return | 362,624 |

^{***} This figure corresponds to
a. Those in Camps (Zambia, DRC and Namibia)
b. Urban refugees
c. Registered spontaneously settled refugees

Note: Registration still on-going in neighboring countries for the spontaneously settled refugees

TREND OF ASSISTED SPONTANEOUS RETURN IN 2006
 As of 31 December 2006


| Cazombo | Maquela D. Zo. | Luau | M'Banza Congo | Kuando Kubango | L. N'Guimbo | Luena | Saurimo | Luanda | | | | | | | | | |
|--------------------|----------------|--------------|---------------|----------------|--------------|--------------|------------|------------|-----------|----------|-----|----------|----|----------|----|----------|----|
| Jan.'06 | 110 | Jan.'06 | 184 | Jan.'06 | 104 | Jan.'06 | 76 | Jan.'06 | 1,762 | Jan.'06 | 263 | Jan.'06 | 21 | Jan.'06 | 63 | Jan.'06 | |
| Feb.'06 | 105 | Feb.'06 | 333 | Feb.'06 | 98 | Feb.'06 | 178 | Feb.'06 | 0 | Feb.'06 | 273 | Feb.'06 | 6 | Feb.'06 | 9 | Feb.'06 | 1 |
| Mar.'06 | 330 | Mar.'06 | 281 | Mar.'06 | 201 | Mar.'06 | 319 | Mar.'06 | 0 | Mar.'06 | 413 | Mar.'06 | 19 | Mar.'06 | 63 | Mar.'06 | |
| Apr.'06 | 118 | Apr.'06 | 278 | Apr.'06 | 115 | Apr.'06 | 260 | Apr.'06 | 0 | Apr.'06 | 333 | Apr.'06 | 8 | Apr.'06 | 0 | Apr.'06 | 4 |
| May.'06 | 74 | May.'06 | 301 | May.'06 | 123 | May.'06 | 153 | May.'06 | 27 | May.'06 | 374 | May.'06 | 2 | May.'06 | 0 | May.'06 | 1 |
| June.'06 | 347 | June.'06 | 357 | June.'06 | 131 | June.'06 | 247 | June.'06 | 78 | June.'06 | 265 | June.'06 | 10 | June.'06 | 0 | June.'06 | 34 |
| July.'06 | 309 | July.'06 | 360 | July.'06 | 137 | July.'06 | 215 | July.'06 | 19 | July.'06 | 84 | July.'06 | 4 | July.'06 | 0 | July.'06 | 4 |
| Aug.'06 | 334 | Aug.'06 | 383 | Aug.'06 | 47 | Aug.'06 | 423 | Aug.'06 | 30 | Aug.'06 | 131 | Aug.'06 | 20 | Aug.'06 | 0 | Aug.'06 | 0 |
| Sept.'06 | 9 | Sept.'06 | 601 | Sept.'06 | 56 | Sept.'06 | 670 | Sept.'06 | 128 | Sept.'06 | 355 | Sept.'06 | 7 | Sept.'06 | 0 | Sept.'06 | 0 |
| Oct.'06 | 22 | Oct.'06 | 727 | Oct.'06 | 44 | Oct.'06 | 1,634 | Oct.'06 | 95 | Oct.'06 | 209 | Oct.'06 | 22 | Oct.'06 | 0 | Oct.'06 | 0 |
| Nov.'06 | | Nov.'06 | 458 | Nov.'06 | 22 | Nov.'06 | 988 | Nov.'06 | 28 | Nov.'06 | 64 | Nov.'06 | 51 | Nov.'06 | 0 | Nov.'06 | 0 |
| Dec.'06 | | Dec.'06 | 380 | Dec.'06 | | Dec.'06 | 1,457 | Dec.'06 | | Dec.'06 | | Dec.'06 | 1 | Dec.'06 | | Dec.'06 | |
| Sub-total | 1,758 | 4,823 | 1,978 | 5,620 | 2,167 | 2,784 | 171 | 135 | 44 | | | | | | | | |
| Grand Total | 19,360 | | | | | | | | | | | | | | | | |

ANGOLAN VOLUNTARY REPATRIATION OPERATION CONVOYS AND AIROPS
 As of 30 January 2007

1. CONFIRMED CONVOYS
2. CONFIRMED AIRLIFT OPERATION

| Zambia - Luena | | |
|----------------|--------------|-------------|
| Date | Persons | No. Flights |
| 9-Jan | 351 | 3 |
| 10-Jan | 244 | 2 |
| 11-Jan | 242 | 2 |
| 12-Jan | 242 | 2 |
| 13-Jan | 122 | 1 |
| 15-Jan | 358 | 3 |
| 16-Jan | 245 | 2 |
| 17-Jan | 121 | 1 |
| 18-Jan | 126 | 1 |
| 19-Jan | 105 | 1 |
| 20-Jan | 275 | 2 |
| TOTAL | 2,431 | 20 |

| DRC - Uige | | |
|--------------|------------|-------------|
| Date | Persons | No. Flights |
| 3-Jan | 185 | 3 |
| 4-Jan | 188 | 3 |
| 5-Jan | 61 | 1 |
| 25-Jan | 99 | 2 |
| 26-Jan | 100 | 2 |
| 29-Jan | 50 | 1 |
| 30-Jan | 149 | 3 |
| TOTAL | 832 | 18 |

| DRC - M'Banza Congo | | |
|---------------------|------------|-------------|
| Date | Persons | No. Flights |
| 5-Jan | 80 | 2 |
| 22-Jan | 129 | 2 |
| 23-Jan | 230 | 4 |
| 24-Jan | 161 | 3 |
| 27-Jan | 102 | 2 |
| TOTAL | 702 | 13 |

| DRC - Bengo / Huambo | | |
|----------------------|------------|-------------|
| Date | Persons | No. Flights |
| 9-Jan | 45 | 1 |
| 11-Jan | 66 | 1 |
| TOTAL | 111 | 2 |

Total returned to date in convoys and Airops by country

| | |
|--------------------|--------------|
| From | |
| RoC | 0 |
| DRC | 943 |
| Zambia | 2,431 |
| Nambria | 0 |
| Grand total | 3,374 |

D) Total number of emigrants.

The Angolan Ministry of Foreign Affairs (MIREX) estimates that there are currently around 80.000 Angolans in the diaspora, with woman outnumbering men. According to MIREX 68 Angolan diaspora associations in more than 18 countries exist. These include South Africa, Portugal, Zambia, Zimbabwe, Namibia, the United States, Germany, Brazil, Belgium, Canada, Republic of Congo, Spain, France, Britain, Sweden, Switzerland, the DRC and San Tome and Principe. According to the 2004 SEM (Border and Alien Service, Ministry of Interior) with 35'264 individuals, the Angolan community is the fourth immigrant community in Portugal accounting for 7.9% of the total immigrant population. Also South Africa hosts a significant number of Angolan migrants.

E) Amount of incoming migrant remittances.

So far, there are no projects in Angola, which monitor and/or enhance migrant remittances. A major challenge is related to the lack of knowledge among migrants regarding opportunities for investment and their concern over high investment risks. These negative perceptions are primarily related to an inefficient banking system to support private investments. The low

level of trust towards the current banking system and consequently the low levels of “banked” savings is a significant problem in Angola. Despite this, the institutional framework related to private investment has generally evolved. During 1999, Angola removed most restrictions related to payments and transfers for current international transactions when exchange rate transactions were liberalized and a new trade regime was approved. Law 11/03 abolishes different treatment for national and foreign investment; Law 14/03 promotes Angolan entrepreneurship and Law 17/03 introduces fiscal and customs incentive for private investment. Beginning of 2006, a Western Union Office opened in Luanda.

At the Ministerial Conference of the Least Developed Countries on Migrant’s Remittances, which took place in Cotonu, February 9th/10th, 2006, the participating countries (including Angola) urged the Governments of countries of origin and receiving countries of migrants, national, regional and international financial and banking Institutions, UN System Organizations and other appropriate Institutions, Organizations and Bodies working in the area of the building of an inclusive financial system in the Least Develop Countries, as well as the diaspora and NGOs to: Seek lasting solutions for the enhancement of the impact of remittances on development.

At the Conference on Migration and Development within the CPLP countries, which took place May 5th/6th, 2006 in Lisbon, discussed different diaspora organisations and government officials (also from Angola) the question on how diaspora can contribute to development in the CPLP countries. Remittances were one key factor mentioned for development in the CPLP countries, but it was also stated that there is not a lot of data available.

ANNEX 5. CSP DRAFTING PROCESS

1. The Gaborone Seminar

The launching of the EDF 10 Programming exercise for 2008-2013 took place in February 2006 at the Southern Africa Regional Seminar in Gaborone, Republic of Botswana, with the presence of the Commissioner for Development and Humanitarian Aid, Louis Michel.

At this event, guidelines were presented for the definition of a co-operation strategy between the European Commission and ACP countries, in the context of the European Union's new development policy ("European Consensus", Strategy for Africa). The SADC and PALOP regional programmes were also discussed, with regards to complementarities and synergies.

The Commissioner and the National Authorising Officer for Angola also had the opportunity to meet and discuss the overall state of co-operation, and more specifically, to examine the progress of EDF 9 before its conclusion.

2. EC/NAO Dialogue and Consultation

Starting in early 2006, draft guidelines for the 10 EDF programming and all related correspondence was regularly sent to the NAO's office.

Numerous meetings with the National Authorising Officer's services took place during all the process for the analyse of the social, economic and political situation, assessment of EU-Angola, thematic/sectoral cooperation and brainstorming for the response strategy. For the environmental profile, a study requested by the National Authorising Officer, and financed by the Technical Cooperation Facility, was carried out jointly with the World Bank.

The CSP was prepared jointly with NAO and the first draft was accorded on July 2006. However decision of the Head Quarters relevant services to amend significantly the document led to the preparation of a new version and a delay in its finalisation. It should be noted that the NAO and Commissioner Michel, during the visit of the latter in Angola in December 2006, agreed to revert to the original document version.

3. European Union Member States and joint programming

Starting in the beginning of 2006, draft guidelines for the 10th EDF programming and all related correspondence was regularly sent to the EU Member States.

Numerous meetings with the European Union Member States took place during all the process for the evaluations of the social, economic and political situation, evaluation of EU-Angola, thematic/sectoral cooperation and brainstorming for the response strategy.

In light of the conclusions of the EU Council (11 April 2006) regarding aid efficiency and a common framework for strategy papers (CSP), the EU Member States (MS) locally represented in Luanda were consulted regarding the possibility of a joint country analysis and response strategy.

The response from most EU Member States' represented locally was that, in the national context, it will be important to focus on coordinated approach, including coordinated technical assistance and to define the possibility to guarantee more efficient aid-delivery. In this context, a EU Road Map was adopted in August 2006: The road Map consists in an action plan for closer cooperation and harmonisation among donors in Angola and foresees information sharing and sectoral coordination. In 2007 thematic working groups will be put in place aiming at elaborate common EU approaches on specific areas of intervention. In this respect one of the objectives is to obtain also a better level of response from the line ministries.

4. Internal Consultation with the Government of Angola

Having made a preliminary analysis of the proposal put to them, the NAO Office began an internal consultation process together with central government institutions (Ministries) and other cooperation institutions. The aim was to receive feedback which would contribute to defining Government response regarding possible areas of intervention to be included in the next EC cooperation programme.

The consultation process was dealt under the responsibility of the Ministry of Planning (Minister of Planning is the NAO). After elaborating a first draft in coordination with the Delegation, the NAO services send this first version to the different Ministries and representatives of NSA (Portuguese version). At the same time, the Delegation provide all the necessary elements and information to the NAO services in order to clarify the process of elaboration, content and objectives of the CSP, according to annexe IV of the Cotonu Agreement and the Guidelines elaborated for this purpose. The consultation exercise was not too problematic as far as an agreement was reach finally to support rural development and social and human development which constitute the most important themes of concentration. Concerning the theme governance, human rights and economic reforms, constructive exchanges took place between the Delegation and the NAO services to agree on the importance to reinforce institutional and human capacities at different level of public administration. In particular , it was agreed to reinforce sectors of priority like institutional development, decentralisation, justice, public finances management.

5. Non-State Actors and future involvement in the 10 EDF

At the very end of 2005, a meeting was organized, both by EC and NAO services, with several representatives of Civil Society in order to present the process of preparation of the Country Strategy Paper.

It was decided, to increase the participation and the involvement of non state actors during all the process as partners and within the framework of the dialogue with national authorities, to create a Working Group.

The non state actors have chosen 5 representatives to attend all the meetings with the NAO services and responsible for the networking with others organizations. In this respect, 5

NGOs networks (CONGA – Network of International NGOs operating in Angola, FONGA – Network of national NGOs, Rede Mulher, Jubileu 2000 – Forum of Civil Society Organisations working on Governance and COIEPA – Inter-ecclesiastic committee for Peace in Angola) have followed all the process. Exchange of views were very positive for analysing the situation of the country (political, economic; social and environment). Because of their dissemination in the whole country, the input of the civil society representatives was important and helpful on subjects like national reconciliation, vulnerable group, decentralisation, and social policy.

ANNEX 6. THE HARMONIZATION ROADMAP

In order to develop complementarities and operational coordination among EU donors, the EC Delegation took the initiative in 2006 to launch the process to develop an EU Roadmap with the member states present in the country. This initiative to enhance coordination and harmonisation was greatly appreciated, given the poor formal donor coordination in Angola. The Paris Declaration agenda and the European Consensus were used as the basis to spark the process to address harmonisation issues among EU donors in an operational and strategic way. In addition to that, a brief study on aid coordination on the period 2005-2007 was undertaken by an EC external consultant.

The EU roadmap was approved in mid 2006 (see text attached below) having the sharing of information on projects and missions, the development of an aid database and the creation of thematic groups (when and if necessary and articulated with the existing coordination mechanisms) as the main steps to be undertaken in 2007.

Member states and the EC Delegation consider relevant to engage with Norway and Switzerland at the early stage of the harmonisation process, given the EC Delegation's constructive relationship with them and their active role in the country.

The calendar for the implementation of the EU Roadmap foresees to take further actions once the indicators of the 4 addition protocols of the Paris Declaration are defined at the central level in 2007.

The process identified in order to take this forward in an effective manner was that the Presidency would organise meetings to take forward the EU Roadmap around their normal Presidency meetings. However, because the EC Delegation has more human resources to devote to this exercise, it was decided that we would lead on the process itself.

There is consensus amongst EU donors that the EU Roadmap process should help to steer up a broader coordination, in a more ambitious mechanism that should include USAID, World Bank and the UN family.

European Union

EU Road Map – June 2006

Action Plan for Closer Co-ordination and Harmonisation among EU Donors in Angola

Introductory Note:

The Action Plan is intended to facilitate coordination and harmonisation in the field of EU development work in Angola within existing structures. It is not meant to increase (work) burden on Missions, nor should it lead to more meetings with an only limited number of participants.

The measures foreseen in the Action Plan are aspirational. They are goals and of a non-binding nature. The Action plan, as a living document, will be reviewed in 2007 in the light of the first experiences.

1. Short description and analysis of country situation

After the end of the war in 2002, Angola's infrastructure and social fabric were in ruins. Its political and economic systems were distorted in ways that left much of the population to eke out lives of extreme poverty. Some progress has been made, but the government still lacks human and institutional capacity and is sensitive to perceived infringements on its sovereignty.

Although the Angolan people still remain among the neediest in the world, significant reforms are occurring. The economy has been stabilised, elections preparations are underway, noteworthy progress has been made in increasing oil revenue transparency, and budgets set aside for health, education and other social issues are rising. These reforms should be viewed in the context of having begun, for most part, only since 2003. Angola has the potential, together with South Africa, to anchor the Southern Africa region in stability and prosperity. The country is also increasingly important to satisfying the global demand for energy.

The donor community provided emergency assistance during the immediate post-conflict period of Angola's history. Those resources, however, are quickly drying up and development resources have not risen commensurate with their decline. In a world of limited funds and competing priorities, Angola has been expected to finance most of its own non-emergency related recovery. The relatively low level of priority that most donors attach to Angola is largely due to its natural resources wealth as well as to concerns that deeper reforms are lagging.

2. Level of coordination and harmonisation

The humanitarian phase of aid in Angola demanded strong coordination among the actors involved, but did not pave the way for a sustained donor coordination process. As a result, donor coordination in Angola as a whole is weak. Since then several attempts to enhance coordination have been undertaken. Apart from the initiative taken by the EU member states to make this EU roadmap, other initiatives can open perspectives for donors at large. In the absence of a formal Poverty Reduction Strategy Paper (PRSP) process in Angola it has not been possible to align donor development cooperation with a Government led process.

Within the international community in Angola there is a will to better coordinate and harmonise development efforts. The EU is aware of the importance of coordination and harmonisation not only within the EU MS, but also with other donors outside the EU family. In the absence of anything concrete, EU MS, EC, Norway and Switzerland ("EU Plus") have come together to make firm steps in that direction.

The aim is to improve transparency and predictability of aid flows. Therefore, the EU Plus have agreed to establish an EU Roadmap. This process should help improve dialogue with the GoA on aid effectiveness, until such time as Angola becomes more involved in the harmonisation process. This EU Roadmap forms an ambitious statement of the European donors in Angola.

3. Objectives

The objectives set out below to improve coordination and harmonisation, are achievable. Consequently, the focus will be on a limited number of actions with a concrete operational content and with a step-by-step approach. The experience of the different donors to make this EU Roadmap to a success is of the highest importance. This EU Roadmap is information sharing and represents a commitment on active coordination in development cooperation.

A) Information sharing

Angola Aid Database (AAD)

The Angola Aid Database (AAD) will provide information about projects and programmes financed by European donors (objectives, activities, sectors, contribution to MDGs and partners). In other countries such a database has proved to be an added value. All donors will be invited to put their projects into the AAD. The AAD will be provided by the EC Delegation in an online environment. It will be updatable for every donor from any internet connection. Each donor will have a focal point that will be trained to use the database. In order to ensure the effective use of the database it will be available in both Portuguese and English. It is expected that when the database is online and operational it will be handed over to the GoA.

Presentations on new projects

New projects should be presented to relevant donors/actors whenever possible.

Calendar of events

An online public calendar of events will be established. In this calendar European donors will be able to insert their missions, missions from HQ as well as important national and international meetings that are relevant to Angola. This will prevent duplication of (field) missions and will ensure that all donors are informed of important meetings abroad.

Website with key documents

The EC will construct a website where donors can put links to key documents and relevant research or articles in relation to Angola. This will avoid having to send round documents by email and loss of relevant information when people are replaced.

Actions

- Construct the Angola Aid Database and ensure it is operational.
- Train donor Focal Points who are responsible for inputting data into AAD.
- Share new projects with other donors/actors in presentations.
- Develop public online calendar with missions and other relevant information.
- Construct website with key documents.

Indicators

- Every quarter donor projects should be updated in the online database.
- One focal point for AAD per donor is designated.
- Each donor updates their input for the online calendar regularly.
- Website with key documents is in use.

B) Sectoral coordination

Thematic focus

Existing HOM and EU development meetings will include thematic discussions of particular sectors. They will also discuss of how to focus more on the Common Thematic Framework in the “European Consensus”, agreed by the EC and all EU MS in October 2005 (see Annex). Sectors could be identified from the following areas:

1. Human Development (Education, Health, Vulnerability Issues)
2. Governance & Human Rights
3. Growth, Trade & Investment

A first proposal how to organise such sector-focused work is added. Member States will discuss that and other possible proposals during the forthcoming phase of implementing this Road Map.

C) Joint Working

Harmonised reporting

Assess the present reporting systems as practiced by NGO’s and UN-agencies. EU MS will use this assessment to try to reach consensus on a common reporting system. This will avoid duplication of reports and improve efficiency, which will lead to sharing monitoring and evaluation of projects funded by multiple donors.

Common evaluations and studies

Common evaluations and studies will be conducted. These evaluations and studies can be on different areas, and will be coordinated by the EC or by the EU Presidency.

Review of EU Roadmap

There will be a review of the EU Roadmap to monitor progress on harmonisation and to ensure the level of ambition is adequate. These reviews will be discussed within the EU Presidency meetings. During the reviews the indicators will be measured and adapted if necessary.

Actions

- Use common model for reporting to donors.
- Common evaluations and studies.
- Review of EU Roadmap.

Indicators

- Common reporting system in use by mid 2007 wherever relevant.
- A review of the Roadmap is carried out in the 1st quarter of 2007.
- There should be at least 2 common evaluations or studies per year.

4. Steps, timeframe and approach

This EU Roadmap will be valid for one year after which all the actions must be implemented. Progress on implementation of the EU Roadmap will be discussed at the EU Presidency meetings.

| PROPOSED MAIN STEPS, ACTORS AND TIME FRAME | | | | | |
|--|-------------------------------|------------------------------------|-----------|---|---------------------------|
| No. | Step Definition | Leading EU donor | EU donors | Main tasks | Timing |
| 1 | Agreement on a draft roadmap | EC, EU Presidency | All | - preparation of draft document - discuss. At 12/4 meeting - modifications/agreement - send draft roadmap to EC HQ | 12 April-06 |
| 2 | Refinement of agreed RM | EC, EU Presidency | All | - incorporate HQ/MS feedback - discussion of priority actions | May-06 |
| 3 | Adoption of final Roadmap | EC, EU Presidency | All | - final adoption of EU RM - communicate to GoA | August-06 |
| 4 | Review | EC, EU Presidency, other agreed MS | All | - review of progress - make refinements/changes - discuss new actions - review of indicators | 1 st Half 2007 |
| 5 | Final review + New EU Roadmap | EC, EU Presidency, other agreed MS | All | - enlarge RM - agree on new actions | Mid 2007 |

5. Level of support required from headquarters

Support from HQ will be required throughout the implementation of the Roadmap. EC and Member States HQ will ensure as far as possible that missions are planned in advance and that information (e.g. Terms of Reference) on these missions is shared with MS before the mission takes place. The aim is to prevent duplication of missions heavy on Government time and ensure coordination with other similar missions.

6. EU lead donor for the road map process and activities

The EC Delegation will be leading on the Roadmap process and activities, in cooperation with the EU Presidency. There should be a balanced division of labour that would both enhance the exercise value-added and avoid a heavy EC-led approach.

The GoA will be regularly invited to form an integral part of the EU Roadmap process. Ministries will be invited to relevant field missions in order to ensure that they are part of the project cycle from the beginning. Much of this is already ongoing and the hope is that it will be become established with the implementation of the EU Roadmap.

7. Outline of further work on division of labour between the EU Member States involved

EU Presidency and Member States are responsible for the EU development meetings including thematic discussions. The process of implementing the EU Roadmap will be led by the EC Delegation.

EU Road Map. Annex 1 (proposal): *Thematic Working Groups*

Thematic Working Groups (TWG) will be created to improve coordination within particular sectors. Each one will be led by one MS and will hold at least two meetings a year. Such meetings should include presentations of new projects, information on existing projects and an attempt to ensure joint programming in specific sectors. The areas are based on the

Common Thematic Framework in the “European Consensus”, agreed by the EC and all EU MS in October 2005 (see Annex):

1. Human Development (Education, Health, Vulnerability Issues)
2. Governance & Human Rights
3. Growth, Trade & Investment

Actions

- Create Thematic Working Groups (TWG) and decide which MS takes the lead.
- TWGs should aim to elaborate common EU approaches on specific areas of intervention.

Indicators

- Number of TWG meetings (min. 2 per year)

EU Road Map. Annex 2: COMMON THEMATIC FRAMEWORK “EUROPEAN CONSENSUS”

Action themes for the EU

- Development of human rights and capacities, access to essential services (human rights, children’s rights, equality between men and women, reproductive and sexual rights, right to food, health, combating poverty-related diseases, population, migration, education, training, culture, consumer rights).
- Governance for development and security (governance and democratisation processes, state reform, decentralisation, fight against corruption and tax evasion, strengthening of civil society, prevention of conflict, the fragility of states and natural disasters, and management of the transition between emergency and development).
- Environment and sustainable management of natural resources (management and protection of forests, water, marine resources and biodiversity, access to sustainable energies, climatic change, desertification and soil degradation, sustainable management of chemical products and waste, sustainable production and consumption methods).
- Economic growth and trade development, factors in sustainable development (support for reforms, regional integration, agriculture, fisheries, the private sector, redistribution of the income from growth, economic cooperation, development research, energy, information and communication technology, networks, infrastructure and access to transport).
- Food security (availability and accessibility of food, nutritional quality, prevention of food crises) and regional planning (rural and urban development, decentralised local development, management of the balance between human activities and ecosystems).
- Combating inequalities and promoting social cohesion, including decent work for all (social welfare and inclusion, productive employment, development of human resources, fundamental social rights including combating child labour, social dialogue)

Source: “The European Consensus” COM (2005) 311 final, page. 11. Internet: http://www.delago.ccc.eu.int/ao/novidades/cspaper_pe.htm

**ANNEX 7. TABLE INCLUDING ANGOLA POSITIONS
IN RELATION TO INTERNATIONAL CONVENTIONS**
(indicative list)

a) UN Human Rights Conventions

International Covenant on Civil and Political Rights (signed)
Optional Protocol to the International Covenant on Civil and Political Rights
(signed)
Convention on the Elimination of All Forms of Discrimination against Women
(signed)
International Covenant on Economic, Social and Cultural Rights
(signed)
Convention on the Rights of the Child (ratified)
Optional Protocol to the Convention on the Rights of the Child on the sale of children child
prostitution and child pornography (signed)
Protocol for the Prohibition of the Use of Asphyxiating, Poisonous or Other Gases, and of
Bacteriological Methods of Warfare. Geneva, 17 June 1925 (ratified)
Geneva Conventions of 12 August 1949 (ratified)
Protocol Additional to the Geneva Conventions of 12 August 1949, and relating to the
Protection of Victims of International Armed Conflicts (Protocol I), 8 June 1977 (ratified)
Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-
Personnel Mines and on their Destruction, 18 September 1997 (ratified)
International Convention against the Recruitment, Use, Financing and Training of
Mercenaries, 4 December 1989. (signed)
Rome Statute of the International Criminal Court, 17 July 1998 (signed)

b) International Labour Conventions

Convention on Freedom of Association and Protection of the Right to Organise (ratified)
Convention concerning Forced Labour (ratified)
Equal Remuneration Convention (ratified)

c) AU/OAU Conventions

African Charter on Human and Peoples' Rights (ratified)
OAU Convention on the Prevention and Combating of Terrorism (ratified)
The African Nuclear-Weapon-Free Zone Treaty (Pelindaba Treaty) (signed)
African Charter on the Rights and Welfare of the Child (ratified)
Cultural Charter for Africa (ratified)
Convention for the Elimination of Mercenaries in Africa (signed)
AU Convention Governing the Specific Aspects of Refugee Problems in Africa (ratified)

d) SADC Protocols

Protocol on combating illicit drugs (signed)
Protocol on wildlife of conservation and law enforcement (signed)
Protocol on health (signed)
PROTOCOL ON SHARED WATERCOURSE SYSTEMS (signed)

PROTOCOL ON ENERGY (ratified)
PROTOCOL ON TRANSPORT, COMMUNICATIONS AND METEOROLOGY (ratified)
PROTOCOL ON TRADE (ratified)
PROTOCOL ON MINING (signed)
PROTOCOL OF EDUCATION AND TRAINING (signed)
PROTOCOL ON LEGAL AFFAIRS (signed)
PROTOCOL ON FISHERIES (ratified)
PROTOCOL ON CULTURE, INFORMATION AND SPORTS (signed)
PROTOCOL AGAINST CORRUPTION (signed)
PROTOCOL ON EXTRADITION (signed)
PROTOCOL ON FORESTRY (signed)
PROTOCOL ON MUTUAL LEGAL ASSISTANCE IN CRIMINAL MATTERS (signed)
MEMORANDUM OF UNDERSTANDING ON COOPERATION IN TAXATION AND
RELATED MATTERS (signed)
MEMORANDUM OF UNDERSTANDING ON MACROECONOMIC CONVERGENCE
(signed)

ANNEX 8. ANALYSE DE LA SOUTENABILITE DE LA DETTE

Les éléments d'information publiés permettent de constater dans les dernières années à la fois une lente progression du stock de la dette extérieure autour de 10/12 milliards USD (10,6 milliards en 2004, 12,6 milliards en 2005 et 14,8 milliards projetés en 2006) (1) mais une réduction régulière en pourcentage par rapport au PIB du pays. En 2002, le ratio dette extérieure/PIB était de 80,8 et devrait atteindre 33,6 en 2006. Cette tendance contrastée résulte de l'augmentation croissante du PIB en raison de la croissance soutenue du pays alors que l'accroissement de la dette extérieure est beaucoup plus réduit.

La répartition de la dette extérieure (2) pour l'année 2004 est la suivante : dette bilatérale : 50 % (Club de Paris + non club de Paris) ; dette commerciale : 40 % ; dette auprès des institutions internationales : 0,5%. Toutefois une évaluation plus récente devrait être faite : en effet le Ministre des Finances a indiqué en décembre 2006 que l'Angola a repris contact avec tous les créditeurs Club de Paris en vue du règlement de l'ensemble des arriérés et des intérêts de retard (qui représentent 90 % du total club de Paris). Selon le Ministre, un accord a été conclu et le paiement de ces arriérés est en cours .

Par ailleurs, la dépendance de l'Angola par rapport aux emprunts commerciaux à court terme garantis sur les ressources de pétrole devrait en principe se réduire grâce aux lignes de crédits accordés notamment par des banques ou entreprises financières de Chine, Brésil, Inde, Corée, Espagne, Allemagne. Depuis 2003 ; le total des lignes de crédit accordées représente une valeur de 15 milliards USD. Avec l'apparition de ces nouvelles sources de financement, l'Angola réduit sa dépendance par rapport aux partenaires traditionnels (OCDE ou institutions internationales). Bien que les taux d'intérêt soit plus élevés que les taux concessionnels des IBW, les autorités ont manifesté ainsi leur volonté de ne pas dépendre de programme d'organisations financières internationales qui limiteraient leur autonomie de décision et d'opérations. Cette indépendance est plus particulièrement sensible en ce qui concerne la politique de change et de vente de devises pour notamment maintenir sous contrôle le taux d'inflation. Force est de constater que la politique du gouvernement en matière de réduction de l'inflation est un succès puisque le taux d'inflation prévu à la fin 2006 est de l'ordre de 12 % contre 98 % en 2003.

Comme indiqué ci-dessus, une évaluation plus approfondie serait nécessaire car la croissance accélérée de l'Angola modifie très rapidement les données économiques. Selon le budget 2007, le produit intérieur brut prévu pour 2007- en valeur nominal- est de 4 483 milliards de Kwanzas soit environ 56 milliards USD. Si le stock de la dette réelle était maintenu à 12 milliards de USD (tenant compte de la réduction de la dette extérieure bilatérale mais de l'accroissement de la dette commerciale) le ratio par rapport au PIB serait réduit à 20 %. Dans ce contexte, le service de la dette ne devrait pas représenter une charge insurmontable pour les finances publiques angolaises.

SOURCES:

(1) WB Country Economic Memorandum Angola , octobre 2006; Report 35362/AO

(2) FMI Angola Article IV consultation ; Report 05/228 juillet 2005

ANNEX 9. PROPOSTA PARA UM PROGRAMA DE GOVERNAÇÃO

1. Introdução

No quadro da preparação da Estratégia de Apoio ao País e Programa Indicativo Nacional do 10º FED está explícito o princípio da tranche incentivadora adicional "governança" relativo ao programa de Governança a apresentar por cada país ACP.

Neste contexto, a presente proposta de programa de Governança, é um anexo da Estratégia de Apoio ao País, e o seu conteúdo, que compreende acções de curto e médio prazo, é parte do Programa Geral do Governo para o biénio 2007/2008 e da Estratégia de Combate à Pobreza.

2. Conteúdo do programa

| | <u>Áreas de governação</u> | <u>Compromissos do Governo</u> |
|-----------|--|---|
| 1. | Governança política democrática | |
| | <i>Direitos humanos</i> | <ul style="list-style-type: none">- Extensão dos Comités dos direitos humanos municipais e provinciais para todo o país e assegurar o seu funcionamento.- Elaborar e implementar reformas para melhorar as condições nos estabelecimentos prisionais (reduzir número de mortos nas prisões por doenças e má nutrição, assegurar processos justos e rápidos), reduzir o número de dias passados em detenção antes de um processo ou julgamento.- Elaborar e adoptar a Lei contra a violência doméstica e familiar(1) |
| | <i>Liberdades democráticas</i> | <ul style="list-style-type: none">- Adopção do Regulamento da aplicação da Lei de Imprensa.- Estabelecimento de processos transparentes para a concessão de licenças para radiodifusão privada (1)- Elaboração e aprovação do Estatuto de Jornalista, estabelecimento e funcionamento da Comissão de Carteira e Ética- Revisão da Lei das Associações (14/91) e do Regulamento sobre ONGs . |
| | <i>Processo eleitoral</i> | <ul style="list-style-type: none">- Realização de eleições legislativas em 2008 e presidenciais em 2009.- Criação das autarquias locais (1)- Concluir em 2007 o processo de registo eleitoral para as eleições (1)-Assegurar acesso igual aos meios de comunicação para todos os partidos políticos (SADC). |

(1) Previsto no programa geral do Governo 2007/2008

| | | |
|------------------|---|---|
| <p>2.</p> | <p><u>Governação Política/Estado de Direito</u> <i>Sistema Judiciário</i></p> | <ul style="list-style-type: none"> - Rever a Lei do Sistema Unificado de Justiça e demais legislação (1). - Assegurar a revisão da legislação fundamental (tal como Códigos Penal e Civil, Processo Civil e Processo Penal, e Códigos de Registo Civil e Notariado e elaborar o Código de Processo de Trabalho) (1) - Melhorar o nível de informatização dos serviços da justiça adquirindo os meios informáticos (1) - Melhorar as condições materiais e técnicas dos serviços de justiça (1). - Capacitar o sector através da formação e superação dos técnicos de justiça (1). - Criar as condições necessárias para garantir o Estado de Direito, moralizando a administração da Justiça e melhorando o acesso à Justiça ao maior número de cidadãos (1). - Provedor de Justiça. Assegurar fundos suficientes para seu bom funcionamento e promover a publicação de relatórios . - Adopção do Regulamento da aplicação da Lei da Terra. |
| <p>3.</p> | <p><u>Controle de Corrupção</u></p> | <ul style="list-style-type: none"> - Ratificação da Convenção da União Africana contra a Corrupção. - Publicação de nova legislação sobre crimes económicos, incluindo de branqueamento de capitais. - Publicação de legislação sobre conflitos de interesses. - Publicação de nova legislação sobre processo de aquisição pelo Estado de bens e serviços. |
| <p>4.</p> | <p><u>Efectividade do Governo</u> <i>Capacidade institucional</i> <i>Gestão das finanças públicas</i></p> | <ul style="list-style-type: none"> - Promover a melhoria das competências e qualificação profissional dos trabalhadores da Administração Pública, assegurando nomeadamente, a criação da Escola Nacional da Administração Pública (1) - Reforçar a capacidade do Tribunal de Contas de forma a intensificar a sua intervenção na apreciação das contas públicas e promover a apresentação de relatórios. - Consolidação do Sistema Integrado de Gestão de Finanças do Estado (SIGFE) – contribuindo assim a uma gestão mais racional, eficiente e transparente das contas públicas. |

(1) Previsto no programa geral do Governo 2007/2008

| | | |
|-----------|---|--|
| 5. | <u>Governação Económica</u> | |
| | <i>- Sector privado/políticas favoráveis para uma economia de mercado</i> | - Promover a privatização de empresas públicas não estratégicas e reestruturar as estratégicas, em conformidade com os estudos, legislação e demais orientações elaboradas para o efeito.(1) |
| 6. | <u>Governação Social</u> | <ul style="list-style-type: none"> - Adopção do Plano de Desenvolvimento Sanitário a Médio Prazo e assegurar a sua implementação. - Adopção da Política Nacional Farmacêutica e assegurar a sua implementação. - Reduzir a taxa de mortalidade das crianças menores de 5 anos (a 180/1000 em 2007 e 150/1000 em 2008). - Implementar o processo da reforma educativa e assegurar a sua aplicação ao nível nacional até 2011 (1) - Diminuir o ratio de crianças fora do sistema educacional e melhorar o ratio alunos por professor. |
| 7. | <u>Qualidade da parceria</u> | |
| | <i>- Diálogo político</i> | Reforçar o diálogo político (baseado nos respectivos artigos de Cotonou revisado) com base de uma agenda comum, com sessões regulares e com seguimento e resultados concretos. |
| 8 | <u>PALOP</u> | Construindo sobre a identidade comum baseada numa história, cultura, língua, herança partilhada, participar nos projectos comuns relacionados a governação democrática entre países PALOP (+ Timor Leste), dentro do quadro de cooperação da CE/PALOP (+ Timor Leste) |

(1) Previsto no programa geral do Governo 2007/2008

ANNEX 10. EC PALOP COOPERATION

The group of the PALOP countries (Angola, Cape Verde, Guinea-Bissau, Mozambique and São Tomé and Príncipe) is characterised by a strong identity based on history, culture, language and especially a comparable economic, social and institutional development, during the colonial period and the last thirty years. A discontinuous region at the geographical level, it shows however common socio-economic characteristics, in particular related to their fairly low standards of living, to the weakness of the administrative institutions and to the still insufficient effort of qualification of human resources.

The general objective of EC PALOP cooperation has been *to help to reduce the development lag of the five countries concerned), where specifically attributable to common characteristics, while encouraging also their integration within the geographical regions of which they form part.* This should be accomplished while taking into account the common identity of the five countries and by giving them the means and resources to achieve this end, specifically through measures designed to achieve economies of scale. Special emphasis was hence placed on development of human resources and strengthening institutional support to contribute to the necessary reform.

The first Regional Indicative Programme (RIP) PALOP (African Countries with Portuguese as official Language) was signed on 29th June 1992, defining the framework for cooperation between the European Commission and the five Portuguese-speaking countries in Africa under the Lomé Convention. It was followed by a second RIP signed on 5th March 1997. The financial allocations were 25m€ and 30m€ respectively.

Implementation of both programmes was very slow and by 2005 25m€ out of the overall amount of 55m€ were still uncommitted. This was not least also due to the low priority attached to this dossier from the Commission side, which resulted in no clear internal attribution of responsibilities for a long period (up until the Maputo meeting in 2005 (see further down). In 2005 the Commission took the initiative to review EC/PALOP cooperation in order to identify and address the implementation difficulties. A working document "Review of EC/PALOP cooperation" was prepared and discussed with the PALOP at a PALOP NAO/EC meeting in June 2005 in Maputo during the visit of President Barroso. The document emphasised the urgency to address identified shortcomings highlighting the high risk of losing considerable (uncommitted) funds when reaching the sunset date of 31 December 2007 and suggested a number of actions. Consensus was reached as to the problem analysis and specific measures to be taken and at the suggestion of the Commission a follow-up meeting was held in Brussels on 13th January 2006.

As to the **future of EC /PALOP cooperation:** Continuation under the 10th EDF has been prepared. Activities will focus on governance in its political, economic and social dimension. Furthermore the cooperation will be established with **Timor-Leste**, which shares the common features of the five countries.

The signing of a **Memorandum of Understanding (MoU) between the PALOP countries (+ Timor East) and the Commission** intervened in Lisbon the 6/11/2007 and confirms that PALOP cooperation will continue under the 10th EDF for the period 2008-2013. This MoU

provides the framework for the cooperation which will be funded from the non focal area "PALOP/Timor Leste governance based initiatives" in the NIP of these six countries. For this purpose an envelope of 33,1 M€ is shared between those six PALOP countries according to a "clé de repartition" already defined (4% of their initial allocation 10th EDF).

ANNEX 11. SITUATION OF THE EMPLOYMENT

The situation of the employment in the country is rather discouraging. The labour market in Angola is characterised by serious structural distortions. From the demand side, the essentially capital-intensive growth of the extractive industries generates limited demand for labour, virtually none for low and unskilled workers

From the supply side, a largely unsatisfied offer unskilled labour coexists with an equally unmet demand of skilled labour. This situation is determined by the unrelenting rural-urban migration, the insufficient level of investments in productive labour intensive formal sectors, the low level of investments in human capital through vocational training and skills development.

According to the “Estrategia de Combated a Pobreza”, 40 % of the heads of households and 69 % of the economically active population have no vocational qualification or any other skills. This distortions result in high unemployment rate which is estimated to reach up 46 % in urban areas.

Working poor therefore mainly seek refuge in private, often self-employed activities in the informal sector. 72% of the Angolan families are estimated to have at least one member engaged in the informal sector, with women twice as present as men. The informal sector is the first and often only entry point to the labour market for the vast majority of youth. In similar situations, child labour is also worryingly widespread. Children account for 60 % of the population in Angola and half of them are out of the school. The minimum age for work is 14 and light work is permitted as of 12 years of age, but 30% of girls and boys aged between 5 and 14 are estimated to be engaged in child labour.

As to the worst forms of child labour, national legislation sets at 18 the minimum age for hazardous work which is estimated to be widespread phenomenon below this age. The national legislation does not seem to prohibit explicitly the sale and trafficking of young persons under 18 years of age for the unconditional worst forms of child labour (sexual or economic exploitation and bound labour)

ANNEX 12. ANALYSIS OF PAST AND PRESENT COOPERATION OF THE EUROPEAN COMMISSION IN THE FIELD OF RURAL DEVELOPMENT AND FOOD SECURITY IN ANGOLA

In the framework of Rural Development and Food Security the European Commission (EC) implements an approach that links Emergency to Rehabilitation and Development (LRRD). For this purpose, many different instruments have been used. The European Development Fund (EDF) is characterized by multi-annual planning and joint formalized management between the Commission and the Government, represented by the National Authorizing Officer (NAO). Budget lines and more specifically Food Security Budget Line (FSBL) are directly managed by the EC through an annual planning exercise. During past years main implementers of projects with funds from FSBL have been the WFP and NGOs. ECHO has been used to fund emergency projects with a centralized management as a quick and effective response to humanitarian needs. Main implementers of these ECHO-funded projects have been NGOs.

This document presents an analysis of past and present cooperation, and highlights the main framework of intervention as well as the adaptation of the Commission's strategy to the context and the encountered challenges.

I. ANALYSIS OF PAST COOPERATION

I.1. 1996-2002- HUMANITARIAN AID: EMERGENCY AND PHYSICAL REHABILITATION

I.1.1 The war context: a difficult time for cooperation

The Lusaka Peace Agreements were signed in November 1994. Since then started a peace process that resulted in the nomination of the first Government of National Reconciliation (GURN) and the inclusion in the National Parliament of UNITA representatives elected in 1992 elections. At the same time State administration started to be restored. The peace process was halted at the end of 1998, when fighting between FAA and FMU started again, with a great impact on communities living in rural areas.

A new peace agreement, complementary to the Lusaka protocol, signed in April 2002 between FAA and ex-FMU determined the end of the civil war. With support from international community (including the European Union) in spring 1996 a round table on Angola reconstruction was organized in Brussels. The European Commission committed an amount of around 55 M€ to finance the “Programa de Apoio à Reconstrução – PAR”, with an intervention focus on rural areas within Huambo, Bié, Benguela and Huíla provinces.

The restarting of fighting in 1998 determined an increase of the humanitarian crisis existing in the country whose main consequences were: i) a limited access to vast areas of countryside; ii) massive destruction of infrastructures; and iii) an increased number of Internally Displaced People (IDP). This period was characterized by an increasing vulnerability to food insecurity

(more than 50% lived with a dietary intake below 2100 kcal/day) and an increasing need for food aid.

The need to coordinate humanitarian aid in response to the crisis increased cooperation between the Commission and specialised agencies such as OCHA, the World Food Programme and with the Ministério da Assistência e Reinserção Social (MINARS), the Government of Angola (GOA) institution responsible for the coordination of humanitarian aid.

1.1.2 The interventions of the European Commission (EC): humanitarian aid and physical rehabilitation

As a response to the humanitarian crisis all financial instruments were used, namely:

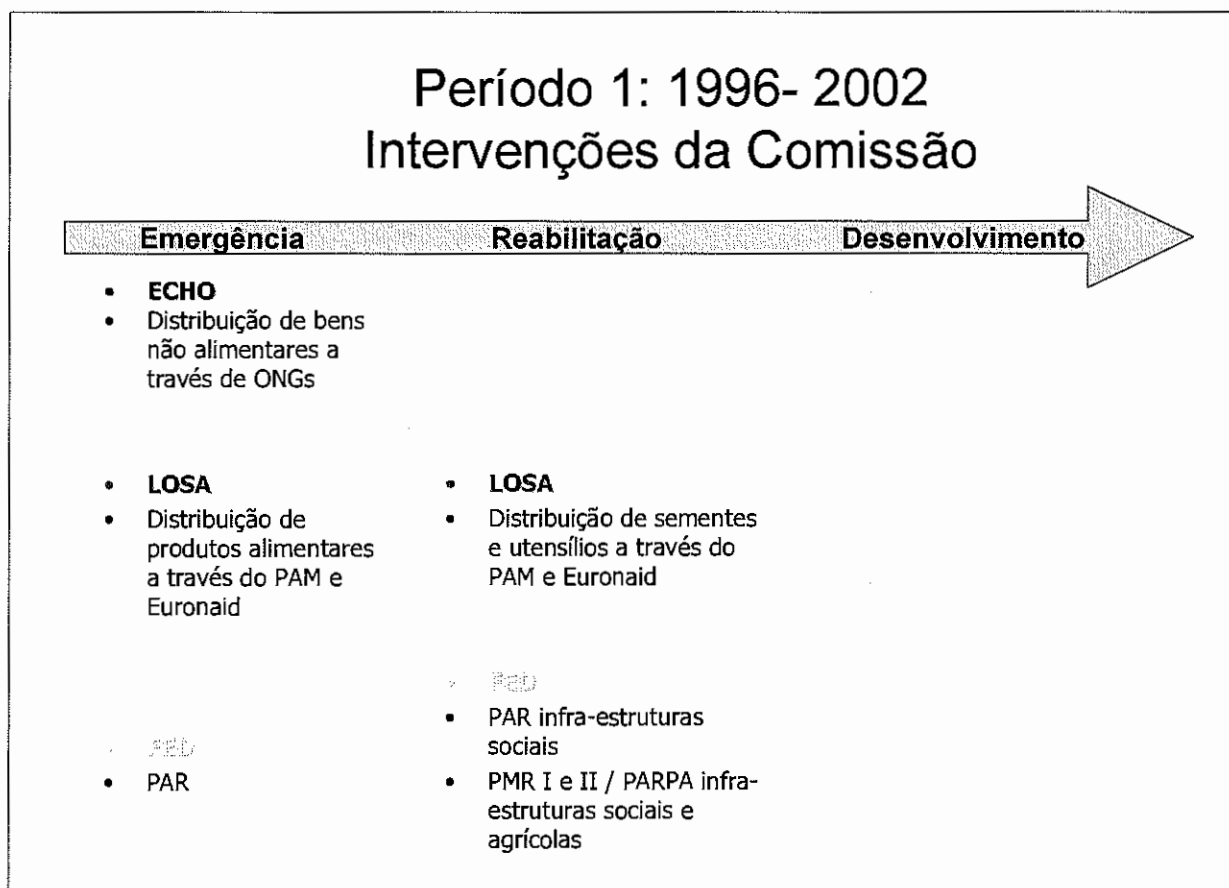
1. The National Indicative Programme (NIP) was implemented in the framework of the 8th FED without the existence of a Country Strategy Paper (CSP). Due to the war situation, expenditures under NIP stayed low and progressed slowly, determining readjustments of the planned activities and of geographical intervention areas. As a result of the war situation during this period interventions remained focused on humanitarian aid to displaced populations.
2. Emergency and rehabilitation interventions funded by Budget Lines were dominant among other activities funded by the Commission in Angola. From 1996 on, funds from Budget Lines (mainly Food Security) and ECHO represented 70% of the total Commission aid, that amounted to an average of 40 M € during the period. Due to limited access, activities remained focus on peri-urban Luanda, coastal areas and Huila province.

Although infrastructures (bridges and roads) destruction and presence of mines was widespread, demining remained limited to a few NGOs involved in humanitarian operations. In this framework identification and limitation of mined areas was crucial since it allowed displaced populations to establish themselves in safe areas.

NGOs and UN specialised agencies became main implementing partners over the period with a growing implication of national NGOs in projects' implementation. In this framework projects such as the "Programa de Micro-Realizações" (PMR) and the "Programa de Reactivação da Produção Alimentar" (PARPA) played a crucial role.

The "Programa de Apoio à Reconstrução" (PAR) was particularly successful in improving coordination between NGOs and GoA at local level. PAR was active in infrastructure rehabilitation and provision of services in rural areas, but its results remained limited due to the war situation.

I.1.3 EC INTERVENTIONS



An important element to be considered during this period was the demand from GoA to the Commission in 2002 for a technical support in the elaboration of the food security component of the “Estratégia de Combate à Pobreza” (ECP).

I.2. 2002-2004. THE TRANSITION FROM EMERGENCY TO DEVELOPMENT

I.2.1 The peace process and the humanitarian crisis

The period between 2002 and 2004 was characterized by the need to support the consolidation of the peace process as well as the resettlement of IDPs in their areas of origin.

At the end of the war, the limited access to displaced populations determined by the destruction of rural infrastructures (bridges and roads) clearly indicated the need for an external intervention of the aid community to alleviate the humanitarian crisis. The demobilization in rural areas was carried out very quickly, in particular in Planalto areas.

The peace process raised many expectations and allowed for a quick and effective intervention. In this context specialised UN agencies (OCHA and WFP) played a crucial role in the coordination of humanitarian aid.

I.2.2 A more structured cooperation EC- GOA

An important step towards a more structured cooperation between EC and GoA is the signature in 2002 of the first Country Strategy Paper (CSP). This document agreed with the

Government of Angola identifies three focal sectors (Health, Education, Rural Development and Food Security) for the EC cooperation and a geographical concentration area (Benguela, Huila, Huambo and Bié provinces).

With the aim of achieving the agreed objectives, the Commission committed himself to use all available financial instruments, i.e. the EDF, the Food Security Budget Line (FSBL) and ECHO. These financial instruments were used to adapt interventions to a context progressively moving from emergency (food aid) to rehabilitation (seeds and tools distributions, infrastructure rehabilitations) to development (institutional support, policy development).

ECHO focused its interventions on short-term emergency operations, mainly in health and provision of non food items.

Interventions financed through FSBL were:

1. food aid via the WFP, main implementing partner for food aid operations in Angola. During this period the EC contribution amounted to around 25-35% of total WFP budget;
2. distributions of agricultural inputs (seeds and tools) via EuronAid and NGOs. This included a late emergency operation in 2004 in support to displaced communities affected by floods during 2003-2004 agricultural campaign (4, 4 M€ to five NGOs).
3. institutional support to the Gabinete de Segurança Alimentar (GSA) through FAO in order to establish an agricultural information system (1.7M€, May 2002- Dec. 2005) and a first institutional support programme (Transitional Food Security Programme) to the Ministry of Agriculture (MINADER) (2M€ between June 2002- Dec. 2004).

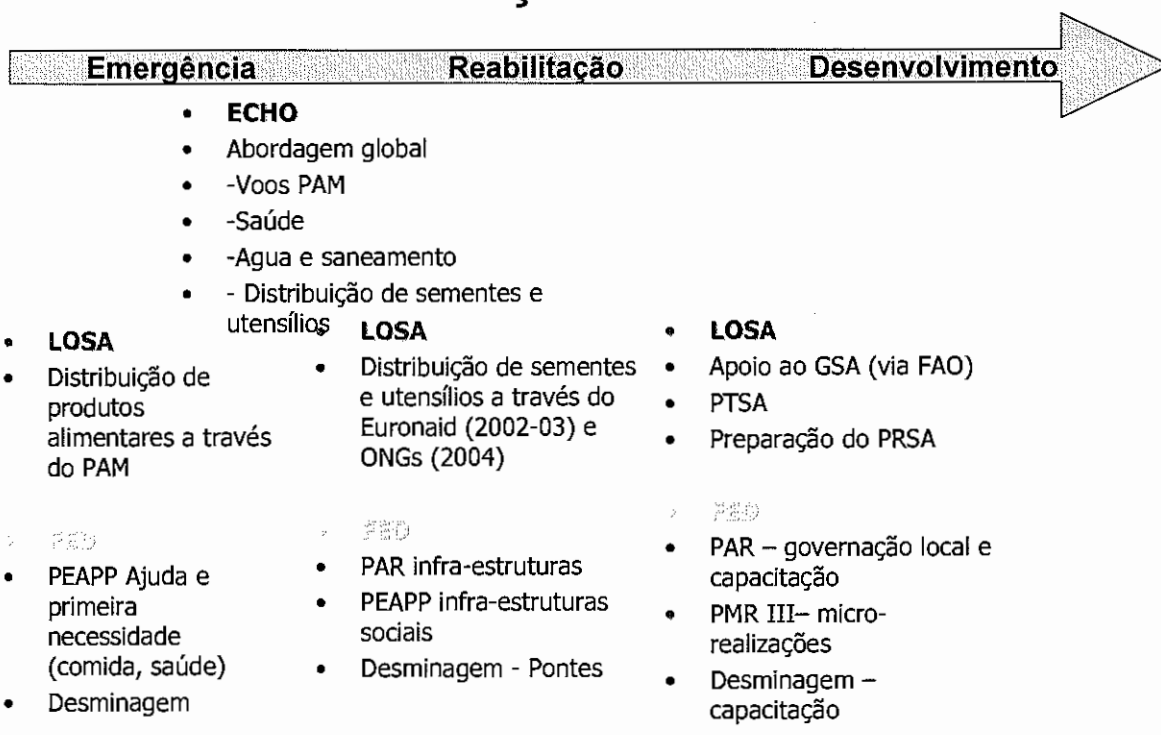
EDF disbursements increased and became more effective with the implementation of the Programme in Support of the Peace Process (PEAPP) that started in 2002 with the objective to support a smooth demobilization process and the stabilization of the humanitarian situation.

This programme used EDF funds (30 M€) to finance activities related to improve access (demining and bridges rehabilitation), resettlement of IDPs (agricultural inputs distributions through FAO, EURON AID and NGOs), provision of basic services (health, education, water and sanitation). Emergency operations were integrated by some activities of institutional building in specific fields (i.e. demining). An external evaluation stressed the programme positive impact on health and food security and its substantial contribution to peace consolidation in targeted areas.

In specific rehabilitation programmes such as PAR and PMR, the Commission gave more attention to the approach in view of strengthening local administrations (PAR) and community initiatives (PMR).

The Commission also financed a specific component (Assistance to the Reintegration of Vulnerable Groups) of the Programa Geral de Desmobilização e Reintegração (PGDR) a regional pool fund managed by the World Bank. Activities in support of vulnerable groups started in mid-2005.

Período 2: 2002-2004 Intervenções da Comissão



In a sector perspective in this period started the preparation of the Food Security Recovery Programme (FSRP) through an intensive dialogue with MINADER at central and provincial levels. This crucial step represents the start of a real strategic and operational dialogue with the Ministry of Agriculture. In the context of the consolidation of the peace process a crucial issue is land tenure. After many months of intensive and open discussions, the Council of Ministries approved in November 2004 the new Land Law, which for the first time establishes the right for rural communities to entitlement for land rights. The Land Law is however still not operational given that the regulation has not yet been approved. In the framework of FSRP the Commission intends to finance a specific component on land administration and land tenure.

These interventions, funded with EDF and FSBL funds, contributed to an increase up to 50 M€ of annual disbursements of the Commission in relation with rural development.

II. 2005-2007 THE CURRENT FRAMEWORK FOR COOPERATION

II.1 THE COUNTRY CONTEXT

II.1.1 A context for new opportunities

Although the transition to sustainable development and the peace process can not be considered concluded, many factors indicate a likely “relatively new” move towards a phase

of intense socio economic development. Along with huge reserves of oil and diamonds, Angola has important natural resources (water, fisheries, and forests) still unexploited. Since rural areas were the more affected by the war, recovery of rural economies will take time and oil will remain for some time the main source of revenues.

In this context it has to be noticed the appearance of new financial partners (China, Brazil) ready to finance reconstruction by the provision of credit with less conditionalities than the ones normally provided by Bretton Woods institutions. This relatively new factor should induce the donor community to review its classical patterns of cooperation, based on political negotiations bound by provision of loans and/or grants.

A quick consolidation of peace process will create an environment open to innovation since for the first time since independence Angola can now have a vision on a future beyond the limits imposed by a war economy. This represents a new challenge for cooperation that implies redefinition of roles for main stakeholders, implying changes in staff and working methods.

II.1.2 Rural development in Angola

The Government started implementing a decentralization process that is still in its pilot phase, and produced some strategic documents, such as the *Estratégia de Combate à Pobreza (ECP)* approved by the Counsel of Ministers in February 2004, the *Medium-term Development Plan (PDMP)* and the *Long-Term Development Strategy*, where rural development is a priority area.

Following a first study implemented in 1996, a review of the agricultural sector has been carried out in 2004 with support from FAO. It is important to stress that agricultural policies in Angola are all focused on family sector with the aim of increasing agricultural production and ensuring sustainable food security.

The *Rural Extension and Rural Development Programme (PEDR)* was approved by the Counsel of Ministers on 12 June 2005. With a budget of 205 MUS \$ over a five years period it has a geographical focus on seven provinces (Benguela, Huambo, Huíla, Bié, Kwanza Sul, Malange e Uíge) and represents the most important programme in the Ministry of Agriculture portfolio. PEDR will be implemented in different subsequent phases and includes components such as seeds distributions, staff training, rehabilitation and equipment for the 111 *Estações de Desenvolvimento Agrícola (EDAs)* existent in the country. PEDR intends to become the framework programme for all agricultural interventions in rural areas through intense and formal cooperation with all potential partners in the field.

II.2 THE CURRENT EC STRATEGY

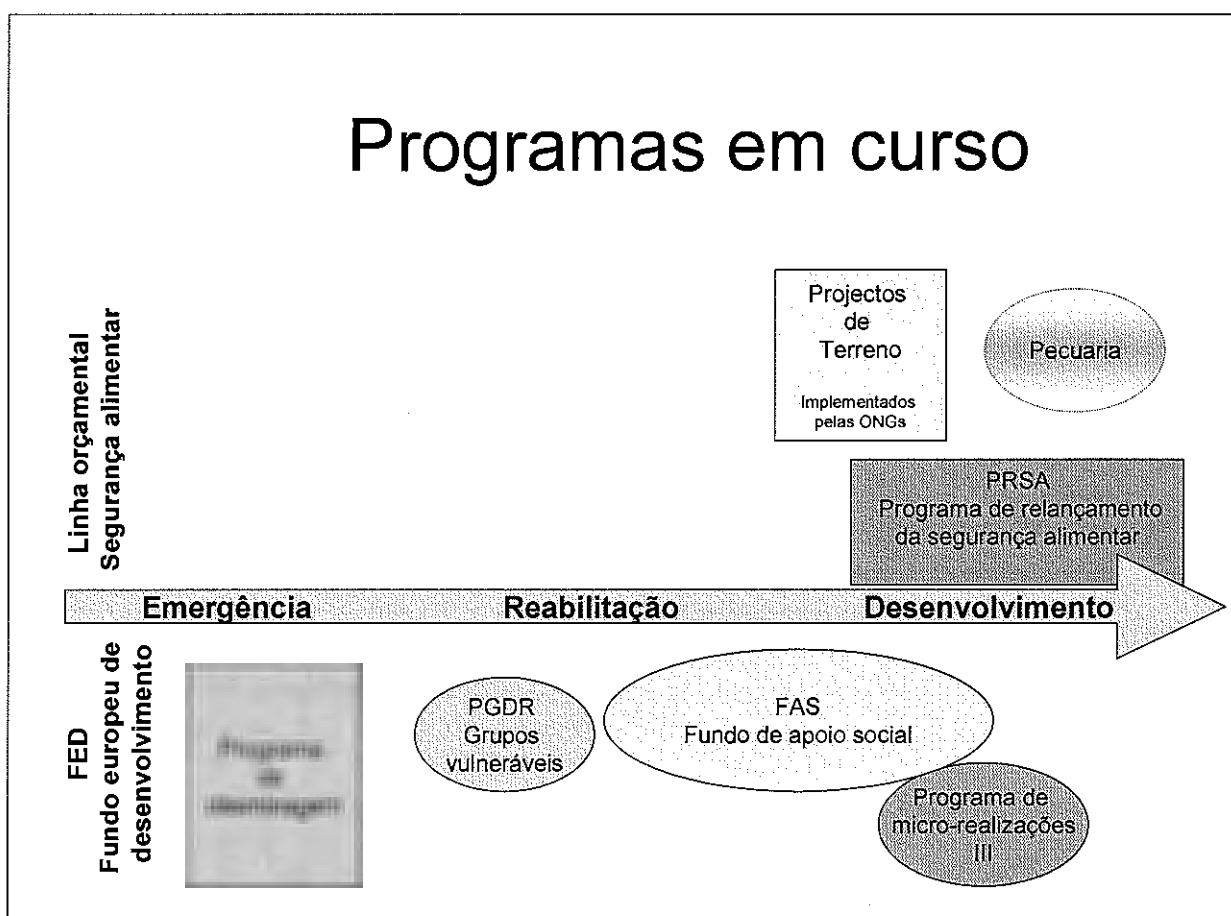
The current strategy has been conceived as a contribution to the improvement of post-war rehabilitation and the consolidation of the peace process. The direct pursued objectives are to reduce rural poverty and improve household food security in rural areas, in conformity with the first Millennium objective, i.e. “to fight hunger”.

It is important to stress that more than 50% of country's population is rural, with high incidence of poverty. For these people, the agricultural sector still is the major source of revenue, while urban areas still are not able to provide sustainable economic alternatives. In this context, an investment on rural development appears to be a focus area for our cooperation.

II.2.1 The Commission interventions

The EC is the main donor in Angola in rural development, with a contribution of more than 30% of donor community totals. When associated to the cooperation of other European Member States, this percentage raises up to 40%.

Other important facts to mention are the closure of the Angola ECHO office in June 2005 and (in 2004) the official deconcentration of functions that determined a more direct involvement of the EC Delegation in Luanda in programme management.



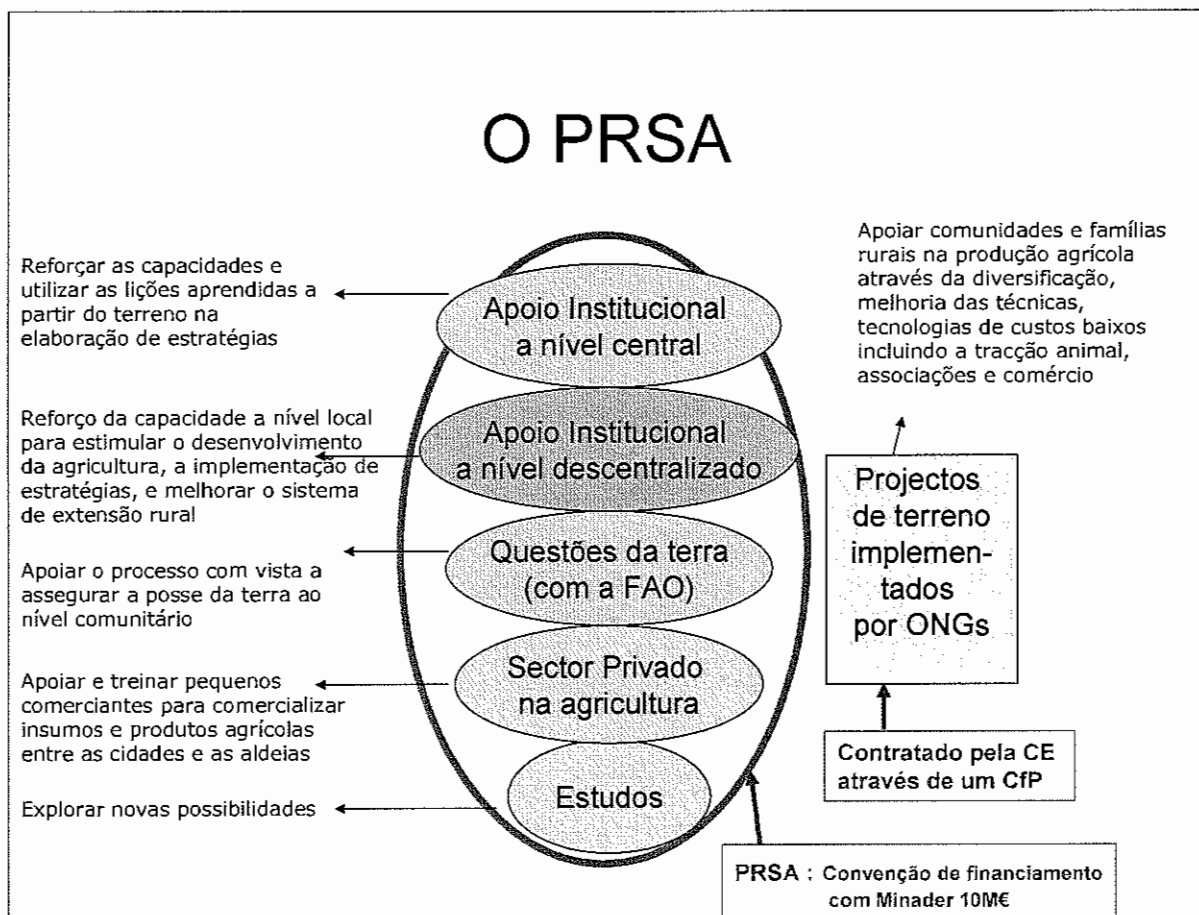
Major thematic areas covered by the EC programmes are:

- i) **Access** with interventions of demining, roads and bridges rehabilitation – The Emergency Demining Programme (2004-2007) in support of IDPs and returnees resettlement, funded through EDF with a total of 26M€ includes components of demining (NGOs), bridges rehabilitation in Moxico province, rehabilitation of secondary roads and institutional support to CNIDAH;

- ii) **Rehabilitation of social and productive infrastructures in rural areas** - The Fundo de Apoio Social III (FAS), (2004-2007) financed through 9th EDF for a total 45 M€ is managed by the World Bank. It includes components of community development (infrastructures) and institutional development at municipal level (9 municípios during a first pilot phase). The micro projects (PMR) programme III (2002-2006) financed by 8th FED with a total budget of 7.4M€ supports community development through rehabilitation of social and productive infrastructures.
- iii) Support to **social reinsertion and economic integration** of former soldiers and vulnerable groups – The Assistance Programme for socio-economic reintegration of vulnerable groups (complementary to the General Demobilization – PGDR) is financed through 9th EDF between 2005 and 2007 and implemented in partnership with IRSEM through a *Trust Fund* co-financed by the World Bank, (13,4 M Euro). It includes a component in support to vulnerable groups (ex-soldiers and community of resettlement) and a component in support of family reunification and social reinsertion of children affected by the war (1,5 M€ with UNICEF). The Programa de Geração de Emprego (PGE) financed through 9th EDF between 2006 and 2009 for a total of 3.5 M€, is going to implement labour intensive micro-projects in support of community water and sanitation rehabilitation. In a first pilot phase it will be implemented in urban and peri-urban Benguela;
- iv) **Agricultural development** - The FSBL 2004 e 2005 NGOs' Programme financed 5.8M€ to 5 NGOs (2005-2007) and 3.8M€ to 3 NGOs (2006-2008) in Huíla and Benguela provinces with the aim of increasing smallholders' income in targeted areas through improved rural extension, increased and diversified crop production, increased agricultural commercialization, cattle restocking, animal traction and support to community organization. The Food Security Recovery Programme (PRSA), financed by FSBL for a total of 10M€ between 2006 and 2009 will strengthen institutional and legal frameworks for food security at central and decentralized (Benguela and Huíla provinces).

The Food Security Recovery Programme (FSRP) is mainly focused on agriculture, since this sector appears to be a potential source of income for rural people. This programme has been conceived as a pilot project with the aim to build the necessary know-how for the definition of appropriate policies in support of agricultural development and food security. In this sense it can be viewed as a pilot component of PEDR, the on going framework programme implemented by MINADER.

An additional pilot programme in line with FSRP's approach is now in preparation. It will focus on veterinary services with a total of 10M€ from FSBL budgeted for the period 2007-2010. Similarly to FSRP this programme will focus on institutional and legal framework for veterinary services, with a geographical focus on Benguela, Huíla, Huambo, Cunene and Namibe provinces.



II.3 MEMBER STATES INTERVENTIONS

Up to 2004, European Member States (MS) along with Norway, United States and Switzerland contributed substantially to the global efforts of the donor's community to alleviate the humanitarian crisis in Angola. Generally speaking funding was slowly reducing during the stabilisation process. Some MSs are moving directly from emergency to an economic cooperation, while others continues to support the transition to development with funds from typical cooperation instruments. This points to a more coherent approach for coordination between the Commission and member States.

With respect to rural development and food security, in 2005 funds from bilateral donors account for 7.6% of the total cooperation funding.

Main interventions are the following:

1. **Access** (demining, roads and bridges rehabilitation). **Italy** funded a demining Project (including institutional support) to UNDP (2, 1 m€ 2003-2005) as well as an education and mines awareness Project to UNICEF (2,4m€, 2003-2004). **France** is also contributing to demining activities.
2. **Rehabilitation of social and productive infrastructures and support to integration of ex-soldiers and vulnerable groups.**

Italy financed an emergency initiative in favour of victims of the conflict in Angola (2003-2005) for a total amount of 10 M € and activities of physical rehabilitation, water and sanitation, distributions of agricultural inputs.

Germany (GTZ) financed a local development programme for a total of 7 M USD (2003-2006) e activities linked to reintegration of former soldiers, returnees and IDPs in rural areas (community organization, roads and small infrastructures rehabilitation, distributions of agricultural inputs).

Portugal financed a programme of maize production for IDPs resettlement to the provincial Government of Benguela (2002-2004) for a total of 2 M USD.

3. Agricultural development

Italy funded Projects to NGOs in fields such as community infrastructures (850 000 €) e fight against desertification (1,1M €), and a Project to FAO on land issues (1, 3 M€, 2004-2005).

Portugal funded projects to NGOs in support to agricultural diversification, smallholders' organization etc... (3 projects for a total of 400 000 USD), a cooperation project with Lubango university (2004-2005) for a total amount of 440 000 USD.

France financed a Project to a local NGO in Huambo in support of returnees' reintegration.

Spain funds a three years Project (2006-2009) to FAO for smallholders' capacity building following the farmers field school methodology.

It is important to notice the complementarity between the Commission and Member States interventions:

1. A first phase of the FAO Project on land issues was funded by the Italian cooperation. A second phase will be financed by the Commission in the framework of FSRP.
2. With regards to cooperation with the Faculty of Agronomy of Chianga (Huambo), a seminar was co-financed by the Commission and the France Embassy last December in Huambo.
3. In demining activities, the Commission cooperate with Norway in field activities through NGOs. This complements activities funded by the Commission in its demining programme.

It is also important to notice the common interest shared by the Commission and MS on capacity building, strengthening of specialised training institutions, agricultural development and community organization.

II.4 THE REDEFINITION OF THE ROLE OF THE DIFFERENT ACTORS

Angola has shown in a rather short period of time a drastic change of the role of the main actors working in development.

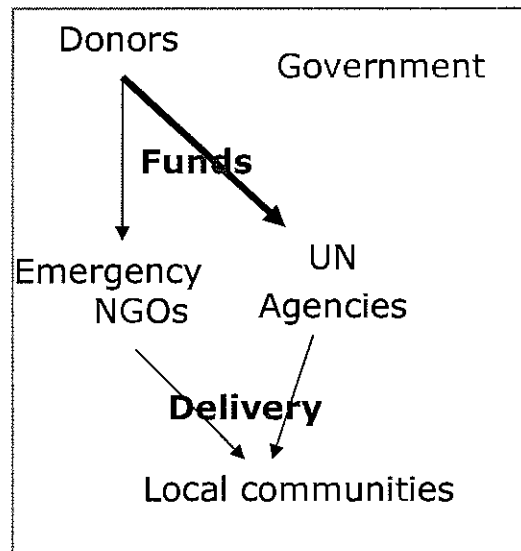
II.4.1 Emergency: Time of substitution

Indeed, with the war and emergency times, Governmental institutions were not in a position to deliver aid to local communities nationwide. The United Nations system, through OCHA

and the consolidated appeal, was receiving most of the emergency funds, and, together with specialised emergency NGOs, was delivering the goods, either food or non –food items, to the communities which were accessible.

WFP, with its air service and its food aid programmes was playing a crucial role in this respect.

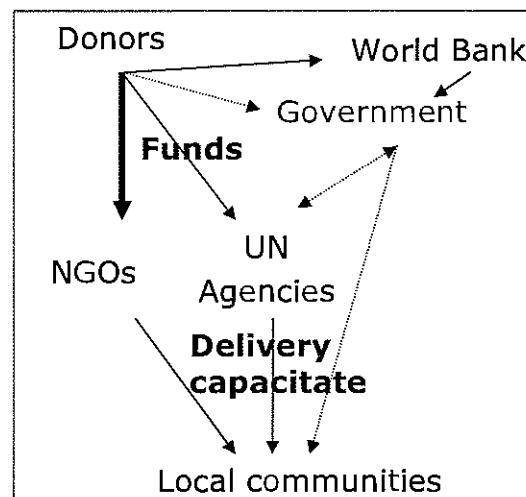
In that emergency period, as it happens in many places in the world, NGOs, Donors and UN Agencies were acting in **substitution** of the State.



The European Commission, in that period, finances WFP, FAO and EuronAid NGOs to deliver goods to the Communities, using all instruments available, EDF, budget line and ECHO, as securing delivery to the communities, wherever they may be, in the most rapid way is the priority. Most of the Member States also contributed to the UN emergency programme and supported directly emergency NGOs.

II.4.2 Post-war reconstruction: a new definition of roles

With the end of the war, and the newly accessible zones, the Government gets back to a position where it progressively wants to take the coordinating role/leadership on food aid and food distribution. There is a phasing out of the emergency specialised NGOs and United nations agencies, whose activities are progressively handed over by the administration.



On one hand, UN Agencies have to work closer with the Governmental authorities, and need to transfer their skills. On the other hand, , some NGOs and UN agencies keep playing a key role in food and non-food items distribution, benefiting from their field experience and presence near the local communities. The transfer

is progressive, as a result of a compromise between securing efficiency in items delivery and building local capacity to hand it over.

In several provinces, committees dealing with food aid and food security issues are set up, where local administration starts to supervise the activities of the NGOs and UN Agencies, while, in some cases, EDAs (*Estações de desenvolvimento agrario*) also contribute directly to the distribution of seeds and tools, purchased at provincial or central level by administration.

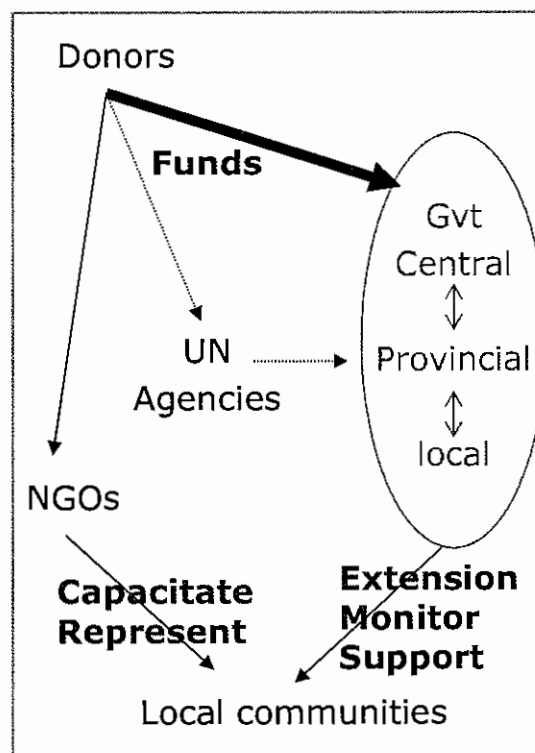
Besides their role of delivery goods, some NGOs start working on building capacity among the communities, particularly farmers association. The European Commission, through its call for proposals encourages this important move and change of nature of activities of NGOs.

Funds are also directed towards the government (1) directly, (2) through UN Agencies such as FAO or (3) through World Bank. The objective is to strengthen the Government at central and local level to monitor the situation and prepare the future strategies, mainly through institutional support projects, such as the *Programa de transição de segurança alimentar*, with the presence of three technical assistants within Minader and Ministry of planning (2002-2004), or the *Projecto de apoio ao gabinete de segurança alimentar (2002-2005)*, implemented by FAO. FAS, demining programme and PMR are also examples of Government-managed programmes which cover physical rehabilitation of social or productive infrastructures or demining and communities and/or local administration capacity building components.

II.4.3 Paving the way for development

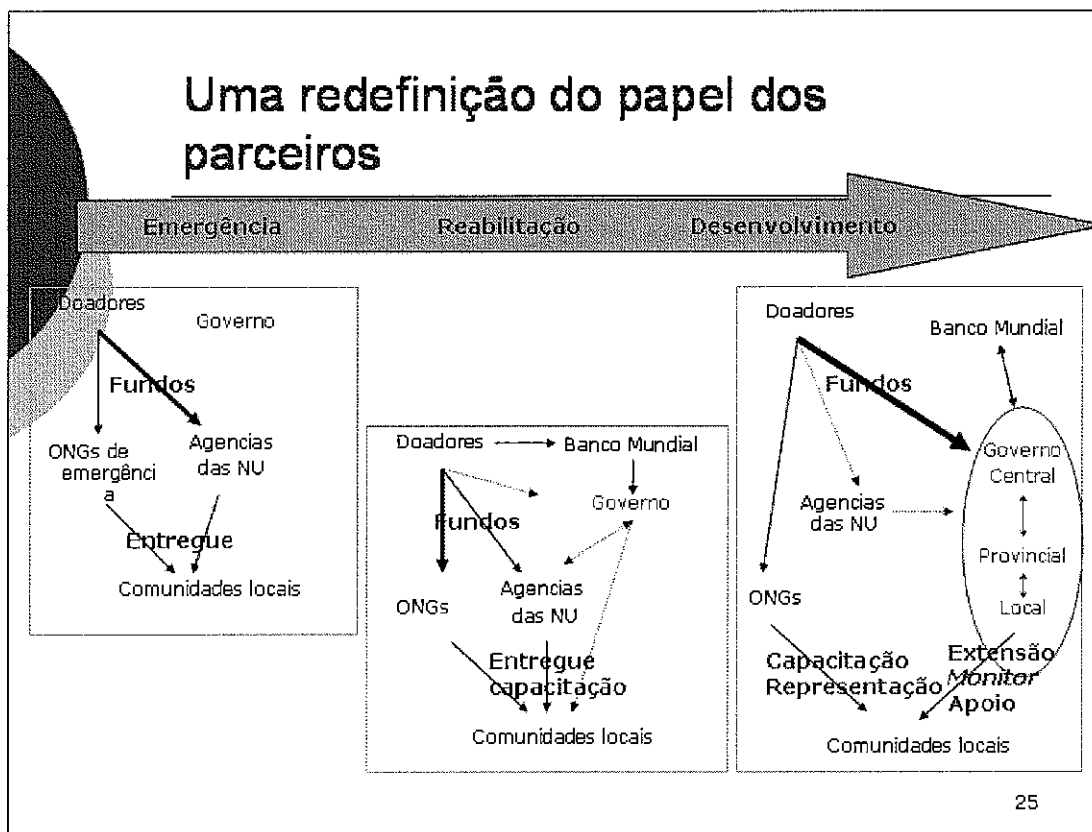
Paving the way to development has direct consequences for several key players :

- UN Agencies should move away from emergency times (phasing out for specialised agencies : OCHA – already done in 2005, WFP, FAO emergency programme – planned for 2008), and focus their support to Government on issues for which they have a comparative advantage (such as land issues, sustainable agriculture development, livestock and animal diseases control, environment global issues, to mention some of them).



- NGOs should focus on their advocacy role and on programmes which support local communities' capacities as well as projects which promote innovation and north-south or south-south exchanges.
- Progressively, support should be more given to the administration at all levels, with a

view to capacitate them in designing strategies, and implementing them at all levels, including monitoring what happens in the field and provide rural extension and support to local communities.



II.5 LESSONS LEARNED

Some useful lessons for rural development and food security can be drawn from MS and Commission cooperation during last years.

- In terms of general principles:
 - Cooperation should not replace Government's role
 - It is important to avoid dispersion of interventions and to ensure coherence and continuity in order to allow an increased ownership of main beneficiaries
 - Policy building needs a clear view of main stakeholders' interventions
- In terms of approach:
 - Institutional support should focus all levels, (central, provincial and local)
 - A proper natural resources management should be promoted at communities' level.
 -
- In terms of thematic areas:
 - There is a need for technical innovations in agriculture.
 - Technical capacities are limited and there is a need for an increased cooperation with universities and technical training centres.

- Agricultural production is limited by a still poor commercialization network
 - Lack of water and poor nutrition are key elements of rural poverty.
 - Land issues are crucial to rural development and support in this area will have to be maintained.
- In terms of stakeholders
- A good institutional framework is crucial. However institution building will take time.
 - NGOs can be crucial actors as facilitators between institutions and communities.
 - It is difficult to get interested in Angola specialised NGOs working abroad.
 - There is a need for increasing the participation of private sector in rural development.

II.5.1 Principles

Several key elements guide our cooperation strategy :

- Integrate our interventions in a **structured political dialogue** with the key Ministries. Considering the financial resources available, and considering that the conditions do not allow for a budget support or sector programme support type of intervention, our strategy is to use the project approach in a coordinated and comprehensive way, focusing on those specific areas where our support may have an important leverage effect.
- Always question our **added value**. Working on complex issues, such as the land issues, developing capacity building projects at local level, working on supporting processes to draw lessons from field experience and feed them back into the design and implementation of Ministerial strategies, supporting pilot projects for helping the private sector, particularly agro-processing and trade, to come back to rural areas, are some examples of the different approaches the EC tends to promote, in partnership with all stakeholders.
- Focus on **several complementary themes**, which all contribute to rural development¹:
 - Access, through demining, rehabilitation of bridges and feeder roads
 - Rehabilitation of social, through FAS, and productive, through PMR or NGO projects, infrastructures in rural areas
 - Supporting the social reinsertion and reintegration of ex-soldiers, through support to PGDR
 - Rural development, through PRSA (see image) and PMR
- **Complementary use of existing instruments**, namely EDF and Food security budget line. While EDF projects include in the same projects components of physical rehabilitation, institutional support and development of pilot approaches, the food security budget line, with its annual programming cycle, has been used to move gradually but rapidly from seeds and tools distribution projects (2002-2004) to agricultural development projects (2005-2006).
- Supporting the most adapted partners. It can be specialised Ministries and its local offices, innovative or specialised international NGOs, local NGOs, or specific

Departments of UN Agencies, or the World Bank. Again, the **added value** of each partner is always assessed in relation to the foreseen activity.

II.6 THE PRESENT CHALLENGES

In such a fast-moving environment as Angola, adapting the strategy and the activities to the real needs is a true challenge. Several issues should be properly taken into consideration:

- **Information availability.** In a post-war situation, information is generally scarce and unreliable. Decisions have to be taken with few information, which naturally leads to the adoption of empiric rather uniform approaches. With time, information becomes available (better access, studies). A mechanism should be set up to draw the lessons, take into account the newly accessible information, and adapt or refine the strategies accordingly. This means that a **capitalisation** process is structured, with a participation of all stakeholders.
- **Prospective vision.** The situation is evolving fast and requires rapid reaction mechanisms from the donor community or the Government. In the development phase (see below), our procedures do not allow for it, given the time needed for mobilisation of funds and selection of project contractors. Therefore, there is a need to anticipate and have a prospective vision : “How is the situation going to be in two-five years ? What will be the main constraints ? How to plan activities which provide results and impact in a timely manner” are the key questions. This medium to long-term vision is often difficult in post-war countries where quick-win results are expected.
- **Diversity.** In Angola, the situation evolves at different paces, depending on the regions. There is a need to think geographically and timely differentiated approaches. Indeed, while some provinces are still in an emergency situation, with all areas not yet accessible, recent fluxes of refugees, other provinces have already moved towards a better situation, following two to three good agricultural campaigns. Taking into account the diversity while thinking all programme in a comprehensive manner is a real challenge.
- **Risk management.** A consequence of the above-mentioned issues is a medium to high level of risks. Bringing in innovations in a moving environment where information is limited, developing methodologies, experimenting pilot approaches is crucial, as it is the way to potentially long-term high impact successful, but it is risky. Those risks should be clearly identified and accepted, with, of course, associated risk mitigating strategies.

CONCLUSIONS

The LRRD approach implemented by the EC for rural development and food security interventions in Angola integrates different elements:

- All interventions during a specific period (emergency and rehabilitation) should be designed by keeping in mind implications for the following phases. For instance institutional support and capacity building should be introduced in all operations at a very early stage.

- All different **financial instruments** (EDF, FSBL, ECHO) were used appropriately and in accordance with the changing context.
- **Thematic areas** evolved progressively from food aid up to inputs distributions, infrastructures rehabilitation and agricultural development.
- Our **partners** also changed over the time in accordance with their areas of competence.

Up to 2005, main objective of our cooperation was to support the consolidation of the peace process. In this sense, we consider that our contribution was crucial to the achievement of this important objective. Emergency operations contributed to alleviate the humanitarian crisis. Socio economic integration of ex soldiers is on going. Our geographic concentration in the areas more affected by the conflict and our LRRD approach were key elements within the global effort of donors' community.

The EC cumulated experience in rural development and food security allows establishing a political dialogue with our main Government partners (MINADER, MINARS, and CNIDAH). This dialogue is based on concrete issues based on our field experience in targeted areas. Our experience is characterised by a "bottom up approach" based on support at different levels. In this sense, the Commission has been playing a crucial role in support of the definition and implementation of the Government strategy to fight poverty.

Given the situation in Angola, where the state has financial resources, the support to the Government is preferentially for introducing **pilot approaches**, working on complex issues and building the capacities to gain experience from local level pilot projects through a bottom-up lessons learning approach which, in fine, feeds back strategies and help designing and implementing programmes which meet the expectations at local and central level.

The PRSA (2005-2008) and the Livestock programme (in preparation for 2007-2010) financed by the European Commission are good illustrations of these principles.

The new Call for proposals managed by the EC Delegation on the food security budget line are now much more focused on bringing innovation and new development methodologies, although the possibility to attract new international innovative NGOs in Angola is rather limited.

ANNEX 13. ANGOLA DEMOBILIZATION AND REINTEGRATION PROGRAM (ADRP)

The Luena Memorandum of Understanding (MOU) between the military forces of the Government of Angola and UNITA signed in 2002 has, as expected, held and the resulting improved security throughout most of the territory has enabled the vast majority of more than 4 million IDPs, refugees, and demobilized soldiers and their families to return home and restart their lives. The improvements in security, and the slow but steady progress in repairing essential infrastructure and demining has greatly enhanced movement of goods and services, and enabled economic recovery in general. The country has passed through the post-conflict emergency phase and is now investing heavily in a recovery process that should, in theory, bolster the already dramatic economic growth (21% in 2006) driven principally by the oil sector.

ADRP Implementation IRSEM continues to record reasonably good progress in implementing basic reintegration assistance for the 97,138 UNITA ex-combatants originally demobilized under the Luena MOU. To date, 81,115 reintegration opportunities have been approved and/or contracted through 108 sub-projects in 17 of the 18 provinces throughout Angola. However, as of the end of August, only 40,190 beneficiaries were registered in reintegration activities.¹ Reasonable progress is also being made on increasing the number of women, children and the less severely disabled (3,811, 11,651, and 3,502 respectively) in regular reintegration opportunities. However, delays in building IRSEM's capacity to plan and managed the vulnerable group component, particularly in regards to the disabled, remain a significant concern given the large number of projected disabled in the proposed FAA demobilization. The demobilization of 33,000 FAA has been committed to by the FAA and Government,¹ however, to date (September 2006), the process has not begun. Given the number and nature of disabled among this group, and their likely higher level of expectations regarding support, more urgent detailed planning and preparation on the part of IRSEM is required.

Program eligibility criteria and principles. The Government has met all eligibility criteria for participation in the MDRP and the program has applied all relevant principles highlighted in the regional strategy. Angola continues to participated in and support regional peace efforts, for instance with the Government of the DRC through support to the brassage process, on security issues in Cabinda, and in assisting in the repatriation of the former Tigre soldiers of the former Zaire army. Furthermore, Angola is participating in regional peace-keeping efforts for Africa, is hosting the Gulf of Guinea Commission which among other issues looks at regional security, and as is serving as the first chair of the UN Peace Building Commission. At the national level, bilateral mechanisms and the national policy body, the Comissão Nacional de Reintegração Social e Profissional dos Desmobilizados e Deslocados (CNRSPDD), remain active in promoting the terms of the Luena MOU, in providing guidance to the MDRP in Angola, and in supporting complementary initiatives undertaken by Government. It is also noteworthy in Angola that the program has, over time, improved its coordination with relevant partners working on parallel reintegration efforts. This increased coordination is reflected in the cooperation and financing agreements with, in particular, FAO, GTZ, IOM, Development Workshop, the National Rehabilitation Program (for disabled), the Ministry of Agriculture (IDA), and the national social fund (FAS). These closer partnerships with these developmental organizations may serve to help more closely

integrate the shorter-term benefits strategies of the ADRP with broader community-based recovery efforts.

Program performance indicators. At the project level, to date 97,138 ex-UNITA combatants have been demobilized and 81,115 reintegration opportunities have been contracted for. This represents 70% of the target for demobilization and 59% for reintegration support originally planned for under the Angola project. Moreover, follow-up surveys of ex-combatants who have received reintegration support indicate reasonably high levels of reintegration as measured by: (i) 52% are self-employed, (ii) 5.3% are formally employed, (iii) 95% have access to land, and (iv) 90% considered themselves socially reintegrated. UNITA representatives continue to indicate general satisfaction with the overall progress under the ADRP.

At the level of program objectives, Angola is also projecting to reduce public expenditures for defense and security sectors from 17% in 2005 to 12.5% in 2006, while increasing spending on health and education from an estimated 11% in 2005 to a projected 24.7% in 2006. Analysis of public expenditures trends prior to 2005 are hindered by the high level of unclassified and off-budget expenses.

Complementary activities. Continued strong partner involvement in and donor support for the demining sector¹ are considered key for security and recovery of those areas most affected by the war. The Government of Angola has also just committed \$110 million for demining efforts focusing on major infrastructure (railways, bridges, power stations and pylons, etc.). While most priority areas are reported to be reasonably well covered, Kuando Kubango and Moxico provinces appear to require further support to improve priority access. Unfortunately, efforts aimed at weapons collection and civilian disarmament do not appear to be equally well supported by interested stakeholders, nor are Government program plans clearly articulated. Given estimates as high as 2.5 million light weapons in circulation, and the legacy of post-election violence, this is an area that deserves greater attention. The Government is also modernizing its armed forces and seeking to downsize its military in response to the Luena peace as well as reductions in external threats. While no one partner is providing overall guidance or support in this matter, several countries including Brazil, Portugal, Russia, South Africa, the UK and the US are supporting specific initiatives.

Risks and other issues. It appears certain that the Luena peace process will not be reversed, and it is unlikely that the infrequent localized resource-based or political tensions will lead to serious conflicts.¹ Despite the targeted nature of the program's assistance, there have been no consistent or significant concerns expressed that the program is undermining broader social reintegration. The expansion of the vulnerable group work to include unregistered family members associated with the fighting forces and the agreement to use unfilled reintegration opportunities for other vulnerable community members has also served to reduce potential tensions at local level. There is also no evidence that the program has reduced the cost of war for the Government. Rather it seems that the program has provided, through demonstration effect, a case for the Government to invest its own resources in support of reintegration effort for combatants demobilized in earlier peace processes (Bicesse and Lusaka). Almost all parallel reintegration efforts of partner organizations are now more **closely harmonized with the ADRP through memoranda of cooperation.**

ANNEX 14. MAIN TRADING PARTNERS

Data is hard to obtain due to the important challenges and problems that Angola faces regarding statistics. The latest available data (2005) from WTO and the National Institute for Statistics shows:

1) Angolan Exports :

- Total exports (world) in *USD million* :

| 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|------|------|------|------|-------|-------|
| 8176 | 6755 | 7831 | 9341 | 13411 | 24248 |

- Main destinations of exports in 2005 (approx.)

USA: 28.63% China: 30.42% France: 8.2% Chile: 4.74%

- Main exports in 2005 (approx.)

Agriculture: 0.24 % Oil: 95.76 % Other products: 4%

2) Angolan Imports :

- Total imports (world) in *USD million* :

| 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|------|------|------|------|------|------|
| 1984 | 3173 | 2937 | 4372 | 4939 | 6287 |

- Main origin of imports in 2005 (approx.)

Portugal: 17.36 % South Africa: 9.15% Brazil: 8.36%

China: 7.36% USA: 6.18% Belgium: 6.18%

- Main imports in 2005 (approx.)

Equipment: 25.58% Agriculture: 15.61% Vehicles: 12.71%

Metal: 11.13% Food: 9.45%

At the same time, with more recent Eurostat data regarding the European Union, we can confirm the important rise in trade during the past five years. Total exchanges have more than double and the EU was, in 2007, the most important partner regarding imports and the third one, after the US and China, regarding Angolan exports.

Angola, Trade with the European Union (EU27, Eurostat)

| Year | Imports | Yearly % change | EU Share of total imports | Exports | Yearly % change | EU Share of total exports | Balance | Imports + Exports |
|-----------------------|---------|-----------------|---------------------------|---------|-----------------|---------------------------|---------|-------------------|
| 2003 | 2,095 | | 53.22 | 1,020 | | 14.75 | -1,076 | 3,115 |
| 2004 | 1,788 | -14.6 | 31.64 | 890 | -12.7 | 10.29 | -899 | 2,678 |
| 2005 | 2,208 | 23.5 | 33.45 | 2,384 | 167.9 | 15.35 | 176 | 4,592 |
| 2006 | 3,338 | 51.2 | 37.31 | 1,947 | -18.3 | 8.97 | -1,391 | 5,285 |
| 2007 | 4,423 | 32.5 | 43.34 | 3,750 | 92.6 | 16.23 | -674 | 8,173 |
| Average annual growth | | 20.5 | | | 38.5 | | | 27.3 |

ANNEX 15. CHILDREN AND DEVELOPMENT

One of main problem that Angola has to cope with is linked to lack of equity in society: in accordance with studies undertaken, a comparison between 1995 and 2000 shows an increase in the number of people who live below the extreme poverty line (11% in 1995 and 25% in 2000).

In this context of poverty and lack of equity, children are an especially vulnerable group. They deserve specific attention they are entitled as a cross cutting issue in the development consensus and EC cooperation strategy. While they may be considered as part of most of the poverty reduction strategies and the European Commission's overall intention of the strategy, they deserve a more detailed situation analysis and specific attention in the focal sectors and in specific pertinent actions, as indicated in the European Development Consensus and its EC Cooperation Strategy regarding mainstreaming of children rights.

Angola signed the CRC and its optional protocols, and ratified in 2001 the ILO conventions on child labour, as well as the African Charter on the Rights and Welfare of the Child in July 2003. But implementation of these international agreements has been poor. In fact, the CRC implementation report has been done with a ten years delay and shows many weaknesses (1).

Children (0-18 years) make up more than 50% of the population of Angola. There are 3,7 million children under 5, bearing the greatest burden of ill health in the country. The reasons are related to poverty. 50% of the population has no access to safe water, 70% lacks adequate sanitation and 31% of children suffer some degree of malnutrition (31 % severe malnutrition). In fact, although the war has ended, the problem of malnutrition and under-nourishment is growing as poverty deepens. Many children have no access to quality health care: 54% of children are not fully immunized, 68% of children with diarrhoea do not have access to adequate treatment and 98% of children have no access to treated nets to prevent inalaria (distributed at a price most poor families cannot afford). As a result, some 195,000 children die every year before the age of 5. This is why attention to health is also essential to children in their development needs.

Some 240,000 people live with HIV/AIDS in Angola, 15% of them are children under 14 years. This is the result of coverage of prevention of mother-to-child HIV transmission of < 1%. There are some 160,000 children orphaned by HIV/AIDS, 97% of them not receiving treatment will surely die before the age of five, many of them living in very hard conditions and with low access to health, education and basic rights (such as inheritance, and they're often subject to violence, trafficking...) and needs. Adolescents are exposed to HIV infection as only a small proportion of them use condoms in their sexual relations. Girls are especially at risk, with three times higher zero-prevalence.

22% of children from 5 to 14 years are engaged in work, often in hazardous conditions undermining their possibilities for education and development.

The access to basic health and education services is low for the poor, and there is no solid social protection scheme which can support the needs of the most vulnerable children and their families. In fact, only 29% of children are registered, hampering even further their access to basic social services for the many unregistered children.

Children are neither well organised and lack representation and true involvement in the policy making at local, regional or national levels (e.g. PRSP, etc). They are neither consulted by donors in the programming process. This is contrary to commitments on the pillar of child participation in the CRC. The institution of the first Youth Parliament in Angola was in 2000, and assemblies were held in all the provinces of the country but the participation of rural children was limited because of the ongoing conflict at that time. Subsequent meetings are only sporadic. The potential functioning of the Youth Parliament would be improved by introducing criteria for selection and participation of children, and the discussion on issues directly affecting children. The EC could champion the support to this essential pillar on children rights through its attention to governance linked to children participation.

Some traditional practices and beliefs are particularly harmful to children: the phenomenon of children being accused of witchcraft, particularly in the provinces of Zaire, Uige and in parts of Luanda means that they are often beaten and or expelled from their homes, ending up on the streets or in shelters. Many religious sects legitimise the practice by offering to “remove the evil spirits” through physical abuse, spiritual services or by taking the children into the church and using them as low cost labour.

The situation of child soldiers is also very worrying. While there have been actions undertaken for the disarmament, demobilization and reintegration of combatants, the attention given to the plight of former child soldiers, in particular girls is inadequate.

The former areas of concern on children in Angola must be kept in mind in order to provide a situation analysis on the state of children rights and needs. It should also, in accordance to the EU development Consensus and the mention to mainstreaming of children rights, identify opportunities to maximise the positive impact on children through the CSP's choice of focal sectors, and through specific actions related to children's major priorities.

(1) see the UN comments to that progress report.

[http://www.unhchr.ch/tbs/doc.nsf/\(Symbol\)/CRC.C.15.Add.246.En?Opendocument](http://www.unhchr.ch/tbs/doc.nsf/(Symbol)/CRC.C.15.Add.246.En?Opendocument) and the alternative NGO comments : http://www.crin.org/resources/find_altrep.asp

ANNEX 16 : LE SECTEUR PRIVE

Le secteur privé en Angola souffre de handicaps qui nuisent à son développement. Plusieurs éléments contribuent à marginaliser le secteur privé formel; des réformes substantielles seront nécessaires pour inverser la tendance.

- C'est le secteur informel qui concentre la part la plus importante de l'emploi, notamment dans les zones urbaines. Selon une étude de 2004 (Cain) environ 65 % des emplois en milieu urbain relèvent du secteur informel, les 25% restant étant partagés entre le secteur privé formel, les entreprises publiques et les administrations. De cette façon, le secteur privé en Angola se distribue entre deux pôles contrastés : d'une part un pôle contrôlé, sophistiqué et dynamique lié à l'économie pétrolière et contrôlé complètement par l'Etat et d'autre part un pôle éclaté formé d'une multitude d'opérateurs sans grande qualification, moins entreprenant et qui opère directement à travers le secteur informel. Entre ces deux extrêmes, il y a en Angola un manque notoire de petites et moyennes entreprises qui pourraient dynamiser la croissance non pétrolière et créer le véritable tissu de base du secteur privé formel.
- Le manque d'infrastructures appropriées constitue également un frein au développement du secteur privé. Au stade actuel, l'établissement des infrastructures dans les secteurs clefs (énergie, eau, transports, télécommunications,) relève du secteur public. Une gestion peu efficace de ces différents secteurs jusqu'à présent n'a pas encore permis de développer un réseau d'infrastructures performantes et compétitives. Parmi les pays SADC, l'Angola se situe parmi les pays les moins avancés. Les réseaux routier, électrique et ferré doivent être complètement réhabilités et des investissements notables ont été consentis. De même les infrastructures en milieu urbain sont détériorées au niveau des équipements et notamment en terme de drainage des eaux de pluie et de l'évacuation des eaux ménagères. Cette situation a pour effet de renchérir les coûts fixes des opérateurs économiques et n'est pas favorable à l'essor du secteur privé.
- L'environnement des affaires n'est pas favorable également à un développement rapide du secteur privé. Selon le rapport *Doing business* de la Banque Mondiale, l'établissement d'une entreprise en Angola prend en moyenne 146 jours, soit le double de la moyenne régionale. L'enregistrement d'un bien immobilier prend onze mois en moyenne. Une importation nécessite en moyenne 10 documents, 28 signatures et 64 jours. La longueur des délais, la lourdeur des procédures et le coût des transactions constituent autant de contraintes qui nuisent à la concurrence et qui encourage le secteur informel.
- Au delà d'un environnement des affaires très contraignant, la corruption constitue également un frein important au développement du secteur privé. L'Angola figure en effet parmi les pays ayant un niveau de perception de corruption parmi les plus élevés (151^{ème} place dans l'indice CPI). Le fait qu'une partie importante des revenus de l'Etat provienne du secteur pétrolier et soit indépendante des contributions des citoyens réduit la pression pour mettre en œuvre rapidement des règles de transparence et de bonne gouvernance. En outre cette situation a un impact négatif direct car la corruption est reconnue comme l'un des facteurs les plus pénalisant vis-à-vis des investissements et la croissance du secteur privé.

- En dernier lieu, il apparaît que le coût des transactions financières en Angola constitue un obstacle au développement de l'initiative privée. Le secteur bancaire est composé de 9 banques commerciales mais les banques d'Etat possèdent 45 % des avoirs disponibles dans le pays. La récente réduction de l'inflation (18 % en 2006, prévision de 12 % en 2007) a eu un effet direct sur les taux d'intérêts qui sont passés, pour le court terme en Kwanza, de près de 96 % en 2003 à 20 % à la fin de 2006. Toutefois la lourdeur des formalités d'emprunts, les taux d'intérêt pratiqués et les garanties demandées constituent un obstacle important pour les opérateurs économiques formels (ou informels) de petites tailles. La Banque Centrale a créé une unité en vue du développement du micro crédit et en attente d'un cadre légal approprié dans ce secteur et afin de répondre aux sollicitations des banques commerciales qui souhaiteraient proposer ce type de prêt.
- De même la création de la Banque (publique) de Développement d'Angola (BDA), en décembre 2006 devrait favoriser le développement des crédits de faible montant. C'est dans ce contexte que la Stratégie de Développement de l'Union européenne a réservé un montant de 3 M€ afin de favoriser l'accès des petits opérateurs économiques aux prêts bancaires de faible montant notamment en mettant en place, en coordination avec des banques privées de la place un système de suivi des remboursement et de déclenchement éventuelle d'une garantie vis-à-vis de la Banque contractante en cas de défaillance de l'emprunteur. Ce système dont les modalités ont été mises en place au Niger a donné des taux de remboursements des emprunts effectués aux banques privées concernées supérieurs à 96 %.

ANNEX 17. SISTEMA DE SAÚDE EM ANGOLA – PROGRESSOS E CONSTRANGIMENTOS

O sistema nacional de saúde, tem-se inserido no processo de normalização da vida socioeconómica e institucional, decorrente da assinatura do Acordo de Entendimento de Paz de Luena (Abril de 2002). Contudo, apesar de quase estabilizado o processo de reinserção de quase 4 milhões de pessoas deslocadas da sua área de origem, da reactivação da actividade agrícola, da evolução positiva do processo de desminagem, da expansão progressiva da rede escolar e sanitária, da reabilitação das infra estruturas rodoviárias, água e energia em curso, persistem ainda elevados níveis de pobreza e uma elevada vulnerabilidade da população traduzida nos elevados níveis de morbilidade e mortalidade, em especial das crianças e das grávidas e na eclosão de surtos epidémicos recentes (Marburg, cólera e reintrodução do poliovírus selvagem).

As condicionantes mais próximas desta situação situam-se na deterioração profunda das condições ambientais, em especial das áreas de concentração urbana, por níveis de saneamento, aprovisionamento de água potável e habitação adequado muito baixos, nível educacional da população muito baixo e fraca capacidade do sistema de saúde de detectar e de reagir oportunamente e com o vigor exigido pela magnitude e gravidade dos problemas. A actual livre circulação de pessoas quer no interior do País quer para o exterior do País, embora ainda condicionadas ao mau estado da maioria das vias rodoviárias e inacessibilidade de algumas áreas mais remotas e o rápido e descontrolado processo de urbanização, colocam desafios particulares a nível da saúde pública, em especial na necessidade aproveitar o oportunidade de manter a níveis controláveis a infecção por HIV (estimada em 2,8%) e de limitar a escalada da violência, reflectida no aumento da sinistralidade rodoviária, violência doméstica e da delinquência infanto-juvenil urbana.

Apesar da baixa densidade populacional média do País, os altos níveis de mortalidade materna, de gravidezes precoces e de fecundidade implicam uma atenção especial à saúde reprodutiva e sexual, no quadro de uma política de população mais global.

SISTEMA NACIONAL DE SAÚDE

A resposta às necessidades em saúde da população é assegurada por um sistema multiforme de complexidade crescente onde se identificam componentes: (i) públicos , o principal – Serviço Nacional de Saúde - tutelado directamente pelo Ministério da Saúde a nível central e pelos Governos Provinciais a nível provincial, embora sejam importantes também os sub-sistemas de saúde das Forças Armadas , Polícia e empresas públicas - Sonangol e Endiama (ii) privado lucrativo, florescente e com baixo controlo, em especial nas áreas urbanas (iii) privado não lucrativo em especial assegurado através de Igrejas e outros actores não estatais (iv) sector tradicional, em especial nas áreas rurais, onde contribuem para melhoria do acesso e equidade. As Parcerias Públicas/privado não lucrativo têm vindo assumir um papel crescente ,em especial a nível dos municípios.

A **Governança** do sistema nacional de saúde, está concentrada no nível executivo, a nível central no Ministério de Saúde e Ministério das Finanças (atribuição de recursos financeiros) e nas províncias e municípios nos Governos Provinciais. Apesar do processo de desconcentração em curso, predominam ainda as orientações de “cima para baixo”. A liderança do Ministério da Saúde é frágil e difusa, sendo a capacidade de regulamentação e os mecanismos de acompanhamento e controlo limitados. O processo de elaboração de política

nacional e definição estratégia de saúde a médio prazo não estão concluídos e não tem feito progressos sensíveis. A capacidade de implementação é fraca e o processo de atribuição de recursos são muitas vezes inconsistentes com os planos e prioridades estabelecidas. As limitadas competências em gestão aos diferentes níveis de serviços e da administração contribuem para situação. Aos diferentes níveis, são ainda incipientes os mecanismos de planificação, orçamentação e de prestação de contas. A monitoria do sistema, está comprometida pela ausência de censo populacional actualizado (último 1970) e pela debilidade ainda persistente do sistema de informação, com fluxos paralelos, cobertura limitada e integrando dados (nem sempre os mais relevantes) e de qualidade desconhecida e por isso de uso limitado pelos diferentes níveis decisórios.

O Financiamento ¹ público (anexo5) embora reflectindo progressos, a nível de execução de despesas, per capita de 15 usd em 2002 para 28,8 usd em 2005, só reflecte uma média de 4,4 % das despesas públicas de 2002-2005 (manifestamente inferior à média-7,5%- da SADC e longe do compromisso de Arusha- 15%). Este nível de financiamento é inadequado principalmente a nível da rede primária, que deveria ser a politicamente priorizada, com uma concentração hospitalar. A tendência decrescente a nível da categoria de bens e serviços, tem contribuído para dificuldades de funcionamento das unidades sanitárias periféricas, em especial no fornecimento regular de medicamentos essenciais. Não há elementos consistentes sobre a contribuição dos doadores no sistema, que poderiam estar entre 7% a 17% (em 2005). Os custos directos das famílias, na comparticipação dos custos nas unidades sanitárias poderão variar entre 19% a 57% (área rural) da receita familiar (PASS 2005-Estudo da Comparticipação), constituindo para além de um fardo social enorme, uma barreira ao acesso de cuidados essenciais, sobretudo em relação grupos sociais mais pobres.

REDE de PRESTAÇÃO DE CUIDADOS DE SAUDE ²

A disponibilidade e cobertura da Rede Sanitária (anexo-1) na Região de intervenção do PASS, (18 % da área do País, mas 70 % da população total de Angola) traduz as dificuldades de acesso e de desigualdade entre as diferentes províncias, traduzindo que importantes assentamentos humanos não terão acesso físico às unidades existentes. Estas assimetrias são reflectidas também no interior de cada uma das províncias.

A disponibilidade e cobertura de serviços (anexo-2/3) em especial os referentes á saúde da mulher, criança e na luta HIV/SIDA, reflectem baixas coberturas no atendimento à mulher grávida – consultas pré-natais e partos, e crianças – cobertura vacinal de rotina e no atendimento curativo – hospitalizações e consultas. Os serviços essenciais previstos no Regulamento Geral das Unidades Sanitárias da atenção não têm ainda uma integração aceitável a nível das unidades sanitárias em funcionamento.

A Disponibilidade e Eficiência de Recursos (anexo-4) os recursos humanos dos serviços dependem significativamente dos enfermeiros (maioritariamente de nível básico), com os médicos concentrados sobretudo em Luanda e nas sedes provinciais. Em termos gerais verifica-se uma baixo volume de serviços, em média cerca de 1600 unidades de atendimento por 1000 habitantes e uma baixa produtividade. Ganhos adicionais substantivos podem ser alcançados, sem mobilização adicional de recursos humanos, desde que melhore a capacidade organizativa dos serviços, apetrechamento com equipamentos essenciais e mecanismos de supervisão e apoio logístico adequados.

¹ Os dados resultam do estudo Angola- Despesas Pública no Sector Saúde (2007) , realizado com apoio do projecto 8.ACP.ANG.8- Programa de Apoio ao Sector Saúde

² Os dados reflectidos nos anexos 1 a 4, resultam dos relatórios dos Mapas Sanitários das províncias de Luanda, Benguela, Huambo, Bié e Huíla (2005/2006) , desenvolvidos através 8.ACP.ANG8 – Programa de Apoio ao Sector Saúde

Anexo 1

| SERVIÇO NACIONAL DE SAÚDE DISPONIBILIDADE DA REDE SANITÁRIA PÚBLICA | | | | | | | | | |
|--|------------|-----------|---------|------------------|---------|---------|---------------|--------------|--|
| 2006 | | | | | | | | | |
| Provincia | População | (km2) | hab/km2 | habitantes por | | | U S(i+ii+iii) | raio (km/us) | |
| | | | | i-Hospital | ii-CS | iii-P S | | | |
| I-Huíla | 1.491.998 | 79.027 | 19 | 248.666 | 55.259 | 9.564 | 8.429 | 12 | |
| II-Luanda | 4.668.708 | 2.418 | 1.931 | 1.167.177 | 145.897 | 119.710 | 62.249 | 3 | |
| III-Bié | 1.165.836 | 72.204 | 16 | 291.459 | 64.769 | 20.101 | 14.573 | 17 | |
| IV-Huambo | 1.299.835 | 33.162 | 39 | 162.479 | 29.542 | 15.852 | 9.628 | 9 | |
| V-Benguela | 2.723.136 | 39.827 | 68 | 247.558 | 113.464 | 23.275 | 17.915 | 9 | |
| Região (I-II-III-IV-V) | 11.349.513 | 226.638 | 50 | 354.672 | 78.273 | 25.110 | 18.043 | 10 | |
| ANGOLA | 16.493.019 | 1.246.700 | 13 | | | | | | |
| % Região/Angola | 69 | 18 | | | | | | | |
| | | | CS | centros de saúde | | | | | |
| | | | PS | postos de saúde | | | | | |
| Fonte: | | | | | | | | | |
| Minsa/PASS-2007 | | | | | | | | | |
| Mapas Sanitários | | | | | | | | | |
| Híla, Lda, Bia, Bié, Hbo | | | | | | | | | |
| versão para discussão | | | | | | | | | |

Anexo 2

| DISPONIBILIDADE DE SERVIÇOS | | | | | | | | | | | | | | | |
|--|--------|-------|-----|------|-------------------------|-----|-----|-----|-----|------|-------|-----------------------------|------|-------------|--|
| apoio à mulher /grávida criança HIV/SIDA | | | | | | | | | | | | | | | |
| % unidades públicas com serviços seleccionados | | | | | | | | | | | | | | TODAS | |
| Provincias | CPN-PP | Parto | LAB | TS | TD | PF | Cir | PFV | TRO | AIDI | NUT | ATV | TARV | US | |
| (situação 2006) | | | | | | | | | | | | | | todos tipos | |
| I-HUILA | 97 | 71 | 20 | 9 | 8 | 36 | 5 | 67 | 47 | 0 | 12 | 6 | 1 | 202 | |
| %Huila | 48 | 35 | 10 | 4 | 4 | 18 | 2 | 33 | 23 | 0 | 6 | 3 | 0,5 | | |
| II-LUANDA | 76 | 25 | 77 | 12 | 33 | 41 | 9 | 79 | 47 | 14 | 14 | 12 | 7 | 108 | |
| % LUANDA | 70 | 23 | 71 | 11 | 31 | 38 | 8 | 73 | 44 | 13 | 13 | 11 | 6 | | |
| III-BIE | 41 | 25 | 11 | 5 | 6 | 9 | 3 | 41 | 19 | 0 | 8 | 3 | 2 | 80 | |
| %Bié | 51 | 31 | 14 | 6 | 8 | 11 | 4 | 51 | 24 | 0 | 10 | 4 | 3 | | |
| IV-HUAMBO | 98 | 57 | 28 | 6 | 14 | 33 | 1 | 65 | 15 | 0 | 13 | 5 | 1 | 137 | |
| %Huambo | 72 | 42 | 20 | 4 | 10 | 24 | 1 | 47 | 11 | 0 | 9 | 4 | 1 | | |
| V-BENGUELA | 86 | 41 | 35 | 6 | 9 | 35 | 4 | 79 | 39 | 0 | 39 | 6 | 1 | 170 | |
| %Benguela | 51 | 24 | 21 | 4 | 5 | 21 | 2 | 46 | 23 | 0 | 23 | 4 | 1 | | |
| Região (I-II-III-IV-V) | 398 | 219 | 171 | 38 | 70 | 154 | 22 | 331 | 167 | 14 | 86 | 32 | 12 | 697 | |
| %REGIAO | 57 | 31 | 25 | 5 | 10 | 22 | 3 | 47 | 24 | 2 | 12 | 5 | 2 | | |
| | | | | TS | transusão sanguínea | | | | | | CPN-P | consulta prenatal/pos-parto | | | |
| | | | | ATV | aconselhamento | | | | | | NUT | consultas nutrição | | | |
| | | | | | testagem voluntária HIV | | | | | | PF | planeamento familiar | | | |
| | | | | LAB | laboratório | | | | | | PFV | posto fixo vacinação | | | |
| | | | | TARV | terapia antiretroviral | | | | | | TRO | terapia rehidratação oral | | | |
| | | | | TD | transporte doentes | | | | | | AIDI | atendimento integrado | | | |
| | | | | Cir | cirurgia | | | | | | | doenças infancia | | | |
| | | | | US | unidades sanitárias | | | | | | | | | | |
| Fonte: | | | | | | | | | | | | | | | |
| Minsa/PASS-2007 | | | | | | | | | | | | | | | |
| Mapas Sanitários | | | | | | | | | | | | | | | |
| Híla, Lda, Bia, Bié, Hbo | | | | | | | | | | | | | | | |
| versão para discussão | | | | | | | | | | | | | | | |

Anexo 3

| csp-angola saúde-anexo3 | | SERVIÇO NACIONAL SAÚDE DISPONIBILIDADE E EFICIÊNCIA DOS RECURSOS | | | | | | | | | | |
|----------------------------|------------|--|--------|--|----------|----------|-------|-----------|-------|--------------------------|---------------------------|--|
| | | 2005 | | | | | | | | | | |
| | | disponibilidade | | | | | | | | | | |
| | | eficiencia | | | | | | | | | | |
| | | (a) | | | | | (b) | | | a/b | | |
| Províncias | UAs | UAs/1000 habts | CAMAS | C/1000 habts | TOC % | Técnicos | Prod | Med(usd) | P/dia | Médicos/ 10.000 habts | Técnicos/ 10.000 habts | |
| I-HUÍLA | 2.530.945 | 1.696 | 1.877 | 1,3 | 34 | 909 | 2.784 | 434.500 | 0,6 | 0,4 | 9,9 | |
| II-LUANDA | 6.667.887 | 1.428 | 3.257 | 0,7 | 53 | 5.129 | 1.300 | 2.375.020 | 7,9 | 1,5 | 18,9 | |
| III-BIE | 1.718.101 | 1.474 | 1.450 | 1,2 | 34 | 1.450 | 1.185 | 364.938 | 1,1 | 0,4 | 16,4 | |
| IV-HUAMBO | 3.340.001 | 2.570 | 1.755 | 1,4 | 64 | 2.317 | 1.442 | 807.427 | 0,8 | 0,5 | 23,5 | |
| V-BENGUELA | 3.546.941 | 1.303 | 2.747 | 1,0 | 40 | 1.939 | 1.829 | 996.553 | 1,4 | 0,2 | 11,6 | |
| Região (I-II-III-IV-V) | 17.803.875 | 1.569 | 11.086 | 1,0 | 45 | 11.744 | 1.516 | 4.978.438 | 2 | 0,6 | 16,1 | |
| | | UAs | | unidades de atendimento | | | | | | | | |
| | | soma ponderada consultas,smi,vacinação,partos, dias internamento+operações cirurgicas | | | | | | | | | | |
| | | TOC | | taxa de ocupação de camas | | | | | | | | |
| | | Med(USD) | | Despesa (em USD) com medicamentos (rede pública primária) | | | | | | | | |
| | | P/dia | | Média partos por dia salas de parto | | | | | | | | |
| | | C/1000 | | camas por 1000 habitantes | | | | | | | | |
| Fonte: | | Técnicos | | profissionais (médicos e básicos) não médicos | | | | | | | | |
| Minsa/PASS-2007 | | Prod | | produtividade (a/b) | | | | | | | | |
| Mapas Sanitários | | | | | | | | | | | | |
| Hla, Lda, Bia, Bie, Fibo | | | | | | | | | | | | |
| versão para discussão | | | | | | | | | | | | |

Anexo 4

| csp-angola saúde-anexo4 | | Sistema Nacional de Saúde COBERTURA DE SERVIÇOS E PROGRAMAS | | | | | | | | | | | |
|----------------------------|---------|--|--|---------|---------|-----------|-----------|------|----------------------------|-------|------------|------------|--|
| | | 2005 | | | | | | | | | | | |
| | | VOLUME ACTIVIDADES | | | | | COBERTURA | | | | | | |
| Províncias | PARTOS | DTP3 | VAS | 1ºCPN | ALTAS | CONSULTAS | PARTOS | DTP3 | VAS | 1ºCPN | ALTAS | CONSULTAS/ | |
| | | | | | | | %(a) | %(b) | %(c) | %(d) | 1000 HABTS | HABT | |
| I-HUÍLA | 15.983 | 35.628 | 52.011 | 40.655 | 27.706 | 1.253.698 | 25 | 60 | 87 | 52 | 18,6 | 0,8 | |
| II-LUANDA | 87.736 | 128.327 | 104.425 | 166.378 | 69.808 | 1.903.720 | 44 | 69 | 56 | 69 | 15,0 | 0,4 | |
| III-BIE | 10.345 | 25.431 | 26.027 | 8.914 | 29.682 | 804.036 | 21 | 55 | 56 | 15 | 25,5 | 0,7 | |
| IV-HUAMBO | 17.383 | 42.968 | 36.839 | 57.089 | 66.418 | 1.780.881 | 31 | 83 | 71 | 84 | 51,1 | 1,4 | |
| V-BENGUELA | 20.626 | 42.219 | 48.703 | 37.538 | 37.633 | 822.335 | 18 | 39 | 45 | 27 | 13,8 | 0,3 | |
| Região (I-II-III-IV-V) | 162.073 | 274.573 | 268.005 | 310.574 | 231.247 | 6.564.670 | 29 | 56 | 55 | 58 | 20,4 | 0,6 | |
| | | DTP3 | 3ª dose DTP em menores 1 ano | | | | | a | por grávidas estimadas | | | | |
| | | VAS | vacina anti-sarampo em menores 1 ano | | | | | b | por crianças menores 1 ano | | | | |
| | | 1ºCPN | 1ª consulta pre-natal | | | | | c | por crianças menores 1 ano | | | | |
| | | ALTAS | altas hospitalares por 1000 habitantes | | | | | d | por grávidas estimadas | | | | |

ANNEX 18. ENERGIA EM ANGOLA

A análise da situação energética em Angola apresenta especificidades que decorrem sobretudo do longo período de guerra que o país sofreu, do seu posicionamento geo-estratégico e da conjuntura internacional. Tanto nos anos de guerra civil como nos últimos 5 anos de paz, a economia do país alicerçou-se nas exportações petrolíferas, das quais continuam a depender mais de 80% das receitas do Estado. O aumento importante dos preços internacionais do petróleo vieram trazer um maior dinamismo económico ao país, num momento em que se faz sentir a necessidade de recursos financeiros adicionais para a recuperação das infraestruturais sociais. Contudo, esta abundância do petróleo bruto disponível contrasta com graves carências internas ao nível dos produtos energéticos de consumo tanto industrial como doméstico. Angola importa grande parte da gasolina que consome e produz somente uma pequena parte da electricidade que necessita.

Apesar dos elevados recursos hídricos de que dispõe e da vasta rede fluvial, com diversos rios de grande caudal aptos para a exploração de energia hidroeléctrica, a deficiente laboração das barragens, bem como a ineficiência da rede de redistribuição conduzem a um aproveitamento muito aquém do seu potencial.

A produção de gás natural só agora prevê o seu início e, à semelhança do petróleo, constitui um sector de capital intensivo, portanto sem efeitos imediatos na criação de emprego. O carvão mineral ainda não está em exploração e os seus efeitos sobre o ambiente são conhecidamente nocivos.

Por outro lado, Angola não dispõe ainda de dados estatísticos qualificados que permitam aferir quanto os sectores da indústria e dos transportes consomem anualmente em termos de energia. Sabe-se, no entanto, que as necessidades são enormes e que a oferta está muito aquém da procura.

Em termos de energias renováveis, o projecto do etanol está concebido para os próximos anos, mas levantam-se dúvidas em relação à protecção ambiental e à distribuição de terras.

Petróleo: Angola possui reservas petrolíferas estimadas em cerca de 20 mil milhões de barris. A costa angolana divide-se em 74 blocos de exploração em águas rasas, profundas e ultra-profundas, dos quais apenas cerca de 30 estão operacionais. Angola é actualmente o 2º maior produtor da África sub-saariana, a seguir à Nigéria. O petróleo foi responsável por cerca de 90% das exportações nacionais e cerca de metade do Produto Interno Bruto do país, representando perto de 80% das receitas fiscais, de acordo com dados oficiais.

O crescimento do sector petrolífero foi de 13,1% em 2006. A produção actual de petróleo é estimada em 1,8 milhões de barris/dia, prevendo-se que venha a alcançar os 2 milhões/dia em 2008.

É previsível a curto prazo, um aumento considerável das receitas petrolíferas, impulsionado pelo constante aumento dos preços internacionais (próximo dos USD 100) e pela entrada em funcionamento das novas jazidas recentemente descobertas.

OPEP - Angola tem vantagens na adesão ao cartel, pois, na qualidade de membro de pleno direito terá um papel a jogar nas políticas de protecção do sector e na definição de preços. Por outro lado, o país passará a pertencer a um grupo mundial importante, podendo partilhar decisões, na defesa dos seus interesses estratégicos, salvaguardando-se do isolamento dentro do sector.

Comissão do Golfo da Guiné - Vocacionada para a cooperação e prevenção de conflitos no domínio dos recursos naturais e energéticos, integra Angola, Nigéria, Camarões, São Tomé e Príncipe, Guiné Equatorial, Gabão, Congo-Brazzaville e a RDC. A Comissão do Golfo da Guiné surgiu da necessidade de se promover a estabilidade numa zona rica em recursos naturais: o petróleo. O golfo da Guiné, deverá tornar-se, a médio prazo, o principal pólo mundial de produção em *offshore* muito profundo.

Gás Natural: Encontra-se em preparação o início da produção de gás natural em Angola, tendo sido firmado o *Memorando de Entendimento*, assinado em Abril passado entre a Sonangol e as multinacionais, Eni Angola Exploration B.V., Chevron Angola e BP Angola. Cotas de participação no consórcio Angolano isto é, a LNG Limited: Sonangol (22,8%), Chevron (36,4%), Eni (13,6%) e BP

(13,6%).. Este consórcio, actualmente está empenhado na construção de uma central de liquefação de gás com uma capacidade de produção de 5 milhões de toneladas/ano no município do Soyo provincia do Zaire a cerca de 300 Kms de Luanda. O investimento está avaliado em cerca de USD 4 bilhão. As instalações vão processar, em 28 anos, cerca de 220 biliões de metros cúbicos de gás, produzindo assim 128 milhões de toneladas de gás natural líquido, 104 milhões de barris de condensados e 257 milhões de barris de gás GPL. O gás natural líquido é destinado ao mercado Norte-americano e será regasificado nas centrais de tratamento de hidrocarbunetos de Pascagoula, no Golfo do Mexico.

Electricidade A energia hidroeléctrica predomina como a principal fonte de electricidade. Integrada no sector da Energia e Águas teve uma participação quase nula no PIB. Em 2005, essa participação era de 0,2 por cento do PIB, enquanto actualmente essa contribuição está avaliada em 2%. Este crescimento deve-se aos investimentos em curso no sector, com realce para a recuperação e edificação de barragens, linhas de transporte de energia, subestações e redes de distribuição. Estudos de viabilidade económica estão em curso para a construção de 3 novas barragens ao longo do rio Kwanza cuja conclusão se prevê para os anos 2013 e 2014. Esse facto vai contribuir para o aumento da produção de energia e a conseqüente melhoria no consumo. Com base nos estudos preliminares, as três barragens terão cada uma capacidade de gerar energia superior à do complexo hidroeléctrico de Capanda que tem uma capacidade instalada de 520 megawatts. A região do Médio Kwanza tem potencial estimado em 6.700 megawatts. No rio estão já implantadas as barragens de Cambambe e Capanda.

De destacar que Luanda consome cerca de 65% da electricidade produzida.

Carvão mineral: O carvão constitui uma das alternativas ao petróleo na produção de energia. Contudo, é necessária a elaboração de um plano nacional de geologia, que permitirá conhecer o potencial existente e as condições das reservas de carvão. As áreas identificadas, quer em Cabo Ledo quer no Moxico, requerem estudos complementares para se determinarem as quantidades existentes. Tendo em conta o carvão como um dos combustíveis fósseis mais abundantes e os actuais métodos de aproveitamento para a produção de energia, esse recurso pode ser concebido como uma reserva estratégica do país. O intercâmbio de experiências com outros países, tendo por base a utilização de tecnologias que reduzem o seu impacto ambiental, deve ser impulsionado.

Exploração Florestal e Ambiente: A exploração ilegal e o abate indiscriminado e desordenado de árvores com vista à venda de carvão vegetal persistem, sobretudo nas zonas rurais. Esta prática revela-se comprometedor para a preservação das florestas e do ecossistema e decorre das deficiências na distribuição doméstica de energia.

Conclusões:

- Angola é um país rico em recursos energéticos e um exportador líquido de energia. Precisa de investir e modernizar este sector, de modo a facilitar a electrificação das zonas rurais e proporcionar maiores benefícios às suas populações.
- Angola deve aumentar a sua produção e o conseqüente acesso das populações a fontes de energia por ser um factor de desenvolvimento e estimulador da actividade económica. Só desta forma se poderá reduzir a pobreza e aumentar a qualidade de vida dos cidadãos.
- Igualmente deverá ser efectuada a reabilitação dos sistemas existentes de energia, bem como estimulada a entrada de novos operadores nas áreas de produção e distribuição, visando fazer chegar o produto ao consumidor final a um preço acessível.
- É importante desenvolver um sistema de produção de dados estatísticos qualificados de modo a aferir quanto os diversos sectores (indústria, transportes, habitações) consomem anualmente em termos de energia. É necessário definir uma política clara de preços nos diferentes vectores energéticos e respectivas infra-estruturas de abastecimento. Uma política de preços livres no sector eléctrico poderá ser utilizada como indicador de utilização de recursos e vector de promoção da participação do sector privado.
- O país deverá investir agora em alternativas energéticas, de preferência energias renováveis, dado o carácter finito do petróleo e do gás.

- Afigura-se necessário desenvolver um plano energético abrangente, assente nas necessidades locais, nas capacidades existentes e na construção de novas infra-estruturas.
- Só uma visão integrada sobre todas essas formas de intervenção e das medidas a implementar pode conduzir a resultados visíveis, a curto prazo, que são uma necessidade imperiosa para o desenvolvimento do país sem comprometer o desenvolvimento a longo prazo.