

2. Country profile: Angola



1. Development profile

Following its successful 14 year struggle for independence from Portugal, Angola fell into a bitter 27 year civil war. This war claimed the lives of over 1 million people, displaced an additional 4 million.¹ The civil war devastated the social fabric of the country and paralyzed economic development as well as sending the country backwards in development indicators. This can be seen in the country's literacy rate of 43 percent and low life expectancy at 45 years.² Basic infrastructure is also in extreme disrepair. The government has been acquiring billions of dollars in loans from China, Brazil, Portugal, Germany, Spain, and the EU to rebuild public infrastructure since 2005 in the aim of helping to rebuild the countries devastated infrastructure and allow for economic growth.³

Angola boasts the third largest GDP in Central Africa, has vast natural resources and endless potential for economic growth. While revenue from oil and diamonds has led to considerable growth and revenues, in 2009, about 68 percent of the population lived below the poverty line. Extreme poverty is also very common with 28 percent living in extreme poverty.⁴ This poverty disproportionately affects women and children. In fact, Angola is deemed the worst country in the world for children, and this is compounded by the fact that 60 percent of the population is younger than the age of 18.⁵

The government is taking steps to help improve the lives of the young within the country. Enrolment in primary school education has improved almost 75 percent since the end of the war and stands at 5.8 million children.⁶ The Government has also begun to use revenues that it receives from oil production to begin social programmes that will help provide shelter and other bare necessities to the poor. However, more will need to be done and not solely in regards to the young.

¹ *Angola*. (2010). Retrieved from US Government, Central Intelligence Agency: <https://www.cia.gov/library/publications/the-world-factbook/geos/ao.html>

² *Indicators*. (2010). Retrieved from World Bank: <http://data.worldbank.org/indicator>

³ *Angola*. US Government, Central Intelligence Agency.

⁴ *Angola: Human Rights in the Republic of Angola*. (2009). Retrieved from Amnesty International: <http://www.amnesty.org/en/region/angola/report-2009>

⁵ *Revised Country Programme Document*. (2009, February 5). Retrieved from United Nations Children's Fund: www.unicef.org/about/execboard/files/Angola_CPD-5_Feb_revised.pdf

⁶ *Country Programme Action Plan*. (n.d.). Retrieved from United Nations Development Programme: <http://mirror.undp.org/angola/Official-Documents.htm>

The health sector in Angola lacks adequate infrastructure; only 30 percent of people have adequate access to healthcare; there is little equipment and too few trained personnel- there are only 1,659 doctors in Angola (1 doctor for 10,000 people). Endemic malaria accounts for 77.6 percent of deaths.⁷ If the country wishes to continue to develop, the government will have to increase access to healthcare so that the population will be productive.

In recent years, the oil sector has driven Angola's high average annual economic growth rate of more than 15 percent, "oil production and its supporting activities contribute about 85% of GDP."⁸ In 2006, Angola became a member of the Organisation of Petroleum Exporting Countries (OPEC), and, in April 2009, it became the largest oil-producing country in Sub-Saharan Africa. The Government and urban-based oil companies control all of the oil revenue which has led to a concentration of social and economic investments in cities. This means that rural areas are largely ignored by officials. Many private companies and the Government are rife with corruption, especially in the extractive sectors, which results in a loss of a large portion of annual revenues. The economy needs to diversify, as the dependence on oil renders Angola extremely vulnerable to fluctuations in the global markets.

Following the end of the civil war in 2002, a construction boom and the re-settlement of displaced persons have led to growth in the agricultural and industrial sectors.⁹ While subsistence agriculture occupies most of the population, half of the country's food supply still has to be imported. Inflation reached a high of 325 percent in 2000. Inflation stabilised at 13 percent in 2008, but inflation policies proved unsustainable and the Government, "abandoned its currency peg in 2009."¹⁰ In 2008, the global economic crisis led to a reduction in oil prices and the contraction of GDP growth.

The Government has emphasised privatisation as an economic goal but corruption has hampered the beneficial aspects of such actions.¹¹ Because of this, Angola has seen an increase in unemployment and other negative social consequences. This coupled with the fact that social service spending in Angola has been traditionally low when compared with regional averages has meant that the people of Angola have not been adequately cared for by their government.

Socioeconomic indicators ¹²	
Population (millions)	18.02
GNI per capita, PPP (current USD)	5,020
GDP (current USD) (billions)	45.163
GDP composition by sector (%)	Agriculture – 10 Industry- 86 Services- 4
GDP growth rate (%)	14.8

⁷ *United Nations Development Assistance Framework in Angola 2009-2013*. (2009, April). Retrieved from United Nations Development Programme: <http://mirror.undp.org/angola/Official-Documents.htm>

⁸ *Angola*. US Government, Central Intelligence Agency.

⁹ *Ibid.*

¹⁰ *Ibid.*

¹¹ *Ibid.*

¹² *Indicators*. World Bank.

Percent below poverty line (%)	70 ¹³
Inflation (%)	19.9
GINI index	59
Adult literacy rate (%)	56.5
Life expectancy (years)	47
Child dependency ratio	84.5
Elderly dependency ratio	4.7
HIV prevalence (%)	2.1
Overseas development aid per capita (current USD)	13.74
Net official development assistance (USD millions)	241.190
Remittances as % of GDP	N/A
2009 Human Development Index (HDI) ranking	143

2. Vulnerability analysis

2.1 External shocks

The 2008 global economic crisis had a significant effect on the Angolan economy. The IMF ranked Angola as critically with a high overall vulnerability to the financial crisis.¹⁴ The decline in oil prices means a decrease in Government revenue and national income, which leads to lower Government expenditures on social programmes.

In September 2009, the price of oil was 34 percent below the level registered one year before and 45 percent below its peak in July 2008, but 80 percent above the bottom price in December 2008. Oil production has picked up again, resulting in the increase of tax income from oil revenues, which has eased the fiscal position of the Government.¹⁵ Angola needs to work on the diversification of its economy as this dependence on oil leaves them extremely vulnerable to fluctuations in the international markets.

2.2 HIV/AIDS

While the official AIDS rate of 5.5 percent is low for the region, it disproportionately affects women aged 20 to 39. This has a sizable impact on the eligible working population.¹⁶

2.3 Foreign aid and remittances

¹³ Angola. (n.d.). Retrieved from Save the Children: <http://www.savethechildren.org/countries/africa/angola.html>

¹⁴ Bakrania, Shiv and Lucas, Brian. *The Impact of the Financial Crisis on Conflict and State Fragility in Sub-Saharan Africa*. (2009, July). Retrieved from Governance and Social Development Resource Center: <http://www.gsdr.org/docs/open/EIRS6.pdf>

¹⁵ Angola: *Country Brief*. (2009, September). Retrieved from World Bank: <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/ANGOLAEXTN/0,,contentMDK:20199168~pagePK:141137~piPK:141127~theSitePK:322490,00.html>

¹⁶ *Country Programme Action Plan*. United Nations Development Programme.

Thousands of Angolans have emigrated to South Africa and Portugal in the past 2 decades. Because of this, remittances constitute an important source of income for many in Angola, and for some it is the only source of income.¹⁷ In 2007, it was estimated that remittances to Angola totalled \$969 million USD, constituting 2 percent of GDP. These figures make Angola the top remittance receiver in Central Africa.¹⁸

2.4 Political unrest

The years of conflict prompted many people to flee the country, including a large portion of the university trained and professionally experienced labour force. The war for independence and the subsequent civil war have left landmines all over the country. Corruption in the Government and oil sectors has led to unequal income distribution. All of these help to complicate the lives of the people in Angola and have led to the international community declaring that human rights abuses occur in the country.

2.5 Climate concerns

Heavy rains and the subsequent floods in February 2009 forced more than 10,000 people residing in the provinces of Cunene, Namibe, and Huila from their homes. Other environmental concerns include: deforestation due to the high demand for fuel wood, increasing water scarcity, soil erosion, desertification and pollution due to oil extraction activities.

3. Monitoring and evaluation

The Government has recognised the need to improve data collection and the National Statistical System of Angola is viewed as the vehicle with which this is to be accomplished. Monitoring systems on social and economic indicators and demographic trends also need improvement.

4. Social assistance programmes overview

*All currency conversions are based on 17th February 2010 Rates:

- 1 AOA = 0.01105 USD;
- 1 EUR = 1.369 USD;
- 1 GBP = 1.57161 USD.¹⁹

¹⁷ Tinajero, Sandra Paola Alvarez. *Setting the Stage for Enhanced Development Impacts of Remittances in Angola*. (2009, June). Retrieved from International Organization for Migration: www.iom.int/jahia/webdav/.../angola_final_report_remittance_study.pdf

¹⁸ Ibid.

¹⁹ *Currency Converter*. (2010). Retrieved from Oanda: <http://www.oanda.com/currency/converter/>

Programme #1: social services and welfare	Programme name	Angola Child Recovery Programme²⁰
	Programme objective	<ul style="list-style-type: none"> Enhance child protection, reduce abuse and increase access to basic services and opportunities for children.
	Programme duration	<ul style="list-style-type: none"> Programme ran from October 2002 to September 2005.
	Finance	<ul style="list-style-type: none"> The total cost of the programme was USD 2,877,190.
	Socioeconomic impacts	<ul style="list-style-type: none"> Developed three rural Child Protection (CP) Municipal Plans and one Community Child Protection Plan. Enabled local government authorities to take ownership of the situation analysis and child protection plans. Trained 35 trainers, promoting child participation in development/protection activities. Supported municipal and community Theatre for Development. Established Provincial CP Networks in Uige and Huambo; Municipal CP Networks in Tchicala Tcholohanga, Quibala, and Sanza Pombo; and 12 community-level CP Networks and interested groups. Registered more than 13,000 children in targeted municipalities through network campaigns for birth registration. Reunited more than 1,800 families and placed more than 700 children in substitute families in target provinces in 2003/2004.¹ Provided up to 15,000 particularly vulnerable children or households with domestic kits (e.g., clothes, blankets, soap, kitchen utensils). Provided 11,400 people with emergency food aid via the World Food Program through network advocacy in Quibala. Provided more than 30,000 people (over 6,000 families) 2 in Quibala and Sanza Pombo with seeds and tools. <p>Supported the participation of more than 100 young people in collecting data and developing rural Municipal Protection Plans.</p>

²⁰ Table drawn from *Angola*. (n.d.). Retrieved from US AID:
http://www.usaid.gov/our_work/humanitarian_assistance/the_funds/dcof/angola.html

Programme# 2: social services and welfare	Programme name	Angola Demobilisation and Reintegration Programme ²¹
	Programme objective	<ul style="list-style-type: none"> ▪ To help consolidate economic stability in the greater Great Lakes Region
	Programme components	<ul style="list-style-type: none"> ▪ Facilitating the reallocation of Government expenditure from military to social and economic structures. ▪ An initial 27 stationing camps, plus eight additional camps spread throughout the country in 18 provinces, were provided for demobilisation. -As compensation, payment equivalent to five months of salary in the armed forces, between USD 300 and USD 900, is offered. An additional USD 100 worth of support materials, including resettlement packages and money for transportation, is provided by IRSEM. ▪ The demobilisation process has consisted of the following sub-phases: <ul style="list-style-type: none"> -Identification; -Verification of combatant status; -Transportation; Provision of identity cards; -Assembling of combatants in 35 established areas -Collection of socioeconomic statistics; -Counselling in HIV/AIDS; -Salary distribution for Angolan armed forces; ▪ The main goals of reintegration are: <ul style="list-style-type: none"> -Help with various kinds of activities for ex-combatants, whilst providing necessary information and counselling on economic opportunities. -Assistance for ex-combatants in securing employment in their return areas, whether in the formal or informal sectors. -Improvements in combatants' educational levels and skills. Selecting ex-combatants in relation to their level of reintegration and independent of their origins. -Help in deciding personal preferences. -Searching for links to community for economic recovery. -Avoiding positive discrimination relative to other persons affected by war. -Participating in civil society and the private sector in order to improve reintegration services. ▪ A total of 24 distinct reintegration projects are divided amongst <ul style="list-style-type: none"> -Economic projects, mainly agricultural in nature, but also community work, training, and the promotion and generation of new activities. -Social projects, including sensitisation to communication, raising awareness around rights and responsibilities, programmes of alert around landmines, information and counselling on health matters such as HIV, information campaigns, analysis of the conflict and reconciliation, and community activities related to sports and culture.
	Programme duration	<ul style="list-style-type: none"> ▪ Closed December 2008.

²¹Table text from *Angola (Demobilisation and Reintegration Programme, 2002-2007)*. (n.d.). Retrieved from Agencia Cataiana de Cooperecio al Desenvolupament: <http://escolapau.uab.cat/img/programas/desarme/mapa/angola08i.pdf>

	Programme coverage	<ul style="list-style-type: none"> ▪ Demobilisation: 97,117. ▪ Reinsertion: 51,763. ▪ Reintegration: 72,014. ▪ 138,000 in need of demobilisation. ▪ 71% of target population.
	Beneficiary determination process	<ul style="list-style-type: none"> ▪ Possession of Angolan nationality Status as a combatant with verification of military affiliation to UNITA.
	Finance	<ul style="list-style-type: none"> ▪ USD 261 million total: ▪ MDPR: USD 48.4 million; ▪ World Bank: USD38.2 million; ▪ European Commission: USD 15.7 million; ▪ Government of Angola: USD 157 million.
	Administrative framework	<ul style="list-style-type: none"> ▪ Institute for Socio-Reintegration of Ex-combatants administers. ▪ Two structures were created: the Joint Military Commission, responsible for seeing to the fulfilment of agreements, and the Technical Group, which gives assistance to the JMC. IRSEM (Institute of Socio-Professional Reintegration for Ex-combatants) was also created. IRSEM is responsible for giving assistance for the reintegration of ex-combatants. ▪ While UNICEF assists with child soldiers, the UNDP and FAO give assistance to the process of ex-combatant reintegration. Other more specialised spheres of activity, such as landmine removal, humanitarian assistance, and human rights are managed by various other agencies of the United Nations in Angola.
	Programme barriers	<ul style="list-style-type: none"> ▪ A disarmament programme for both combatants and civil society was not included in the programme in Angola. ▪ Lack of provisions for demobilisation as reflected in the prolongation of the programme's anticipated duration. This resulted in an interruption to the programme which lasted for more than a year. ▪ Poor humanitarian and health conditions in stationing camps, leading to instances of serious malnutrition. ▪ Lack of reintegration planning with little participation from local government.

Programme# 3: welfare and social services and conditional cash transfer	Programme name	Health Service Delivery Project²²
	Programme overview	<ul style="list-style-type: none"> Conditional cash transfer component based on the Oportunidades experience in Mexico and the Bolsa Escola programme in Brazil
	Programme objective	<ul style="list-style-type: none"> To control Malaria and to improve the population's access to health services. To bring Angola closer to the MGDs by reducing child mortality rates and maternal mortality rates. Increase the effectiveness of health spending.
	Programme components	<ul style="list-style-type: none"> Scaling up out-reach services. Health service delivery: <ul style="list-style-type: none"> -health facilities providing a complete package of basic healthcare services; -outreach teams that will start from health facilities and visit districts according to a regular schedule, bringing preventive and simple curative services to the population; -community health workers, supervised by outreach teams, who will promote healthy behaviour in the population, help recognise early signs of illness, and provide some basic drugs. Improvement of service delivery. Pilot testing of conditional cash transfer to increase institutional deliveries (USD 2 million). Improving and expanding facility-based services. Improving national malaria control (USD 4 million). Strengthening the capacity of the Ministry of Health (USD 1 million).
	Programme duration	<ul style="list-style-type: none"> The programme began in 2009 and will continue for 5 years.
	Programme coverage	<ul style="list-style-type: none"> 4 selected provinces: Benguela, Cabinda, Namibe, and Luanda.
	Beneficiary determination process	<ul style="list-style-type: none"> Selection criteria for the provinces: epidemiological profile; priorities of the central government; political commitment of the provinces; presence of UNICEF and other donors; ease of access.
	Finance	<ul style="list-style-type: none"> World Bank USD 91.9 million.
	Administrative framework	<ul style="list-style-type: none"> Managed by a project coordinating unit within the Ministry of Health (MOH), working in close collaboration with the central MOH programmes and the provinces. The responsibility for each of the project's four components will be attributed to a component coordinator. At the provincial level, the main person responsible will be the Provincial Health Director.

²² Table drawn from *Angola: Health Service Delivery Project*. (2008, February 7). Retrieved from Ministerie van Economische Zaken: <http://www.evd.nl/zoeken/showbouwsteen.asp?bstnum=216936&location=&highlight=angola>