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1. Executive Summary

Internal developments and implementation of the Commission's programmes and projects in Angola in 2007 can be considered as positive. In general terms, the Commission has given preference to actions supporting institutional capacity building and human resources, given that its substantial oil revenue and external loans leave the country sufficient room for manoeuvre to finance reconstruction, especially in view of its absorption capacity.

Angola's internal situation in 2007 was characterised by continuing normalisation of the political, economic and social conditions. Voter registration was concluded without major difficulties and the political decision taken by the "Conselho da Republica" (December 2007) about the organization of legislative elections in September 2008 opens the way to the full democratic process.

Angola's macroeconomic situation continued its positive trend owing to its oil revenue and operational management by authorities such as the Ministry of Planning, the Ministry of Finance and the Central Bank. In 2007 inflation remained under control (11.87%), growth was close to 19%, and the balance of payments maintained its positive trend. The government is committed to rapid reconstruction of the country which will require the greater part of available resources. However, the effects of reducing real poverty are not felt immediately, and efforts to redistribute wealth through improvement of service delivery should continue.

The situation regarding Commission projects and programmes also improved. The food security programme in place had a positive impact in various areas. The contribution to de-mining (where the Commission is the most important donor) serves to reinforce the activities of the authorities in an area which is considered to be a prerequisite for Angola's development. In the social sectors, the interventions in health and education continued to show progress and are coordinated with other donors and key ministries. Training and capacity building are priorities. Interventions in rural areas are effective for supporting the provinces. The Ministry of Agriculture and Rural Development has made efforts to create a framework that will help increase and diversify production to facilitate commercialisation and support local communities.

Finally, in 2007 the Commission provided greater assistance to non-state actors specialising in social services, human rights, governance and democracy. The assistance provided by the EC to promote the implementation of civic education and conflict resolution is important in view of the forthcoming elections.

1. Current political, economic, social and environmental situation

1.1. Current political situation

Institutions

Angola has continued to take positive steps towards democratisation since the end of the war. There are now greater opportunities for debate and civil society enjoys better recognition and is starting to play a role in Luanda and other provinces. In November 2007, the first forum of non-state actors was held in Luanda and donors and government representatives were invited. This event was considered a success and gave a boost to the incipient credibility of civil society.

Progress in the democratisation process is discernible. Preparations for the future elections are going ahead without any major difficulties with the consensus of the political parties. After the adoption by the National Assembly of the new electoral legislation (2005), including an electoral law and the development of the National Electoral Commission (CNE), the voters' official registration process was concluded in November 2007 with over 8 million voters being registered. According to the international community present in Angola and non-state actors, the electoral register was properly drawn up by authorities to avoid any serious dispute in this preliminary step. The only questionable point remains the non-registration of Angolan citizens living abroad (allegedly for practical reasons) but, given their small number, this does not seem to be a crucial issue in the organisation of voting.

The Council of the Republic announced, at the end of 2007, that legislative elections would take place on 5 and 6 September 2008. Presidential elections will be held in 2009.

In May 2007 Angola was elected by the UN General Assembly as a member of the UN Human Rights Council for the period 2007-2010. Its election reflects Angola's desire to engage increasingly in the protection of human rights as clearly demonstrated by the commitments given by the Angolan authorities in their letter to the President of the General Assembly (to defend the promotion of human rights at international, regional and national level).

Peace and stability

Angola is going through a period of political stabilisation. The institutions are focusing on rebuilding infrastructure, reviving economic activities, expanding social services and administrative reforms. Since the end of the war, the political and economic situation has improved considerably, helping Angola to make very rapid advances in many sectors. Consequently social indicators should improve and positive results are expected over the next few years helping to bring about a significant reduction in poverty in Angola. Some improvements have been noted regarding human rights in Angola. The crucial process of demobilisation and reintegration has been effectively addressed by the government in the past few years and was officially concluded in 2007. A new disarmament programme

was, however, launched by the government in early 2008. As regards the oil-rich province of Cabinda, a Memorandum of Understanding was signed in 2006 and the peace process is still on course. The authorities have confirmed that the situation in the enclave is gradually stabilising and the objective is the normalisation of the situation and the implementation of the MoU.

As regards political dialogue (Article 8 of the Cotonou Agreement, with the last meeting in Angola being held on 13 December 2007 with an open troika format) and the essential elements of cooperation with the authorities (Article 9), it is considered that improvements could be made by addressing some areas, especially the rule of law, protection of fundamental human rights, the role of civil society and civil and political rights. In this respect, a better understanding of mutual positions through strengthened dialogue would increase the level of cooperation between Angola and the European Union to their mutual benefit.

Regional integration

After Angola acceded to the SADC Trade Protocol in March 2003, it expressed its readiness to progressively dismantle trade barriers and work towards regional integration in the medium term. A transition period, however, will be necessary for Angola's adaptation. Deepening regional integration to take advantage of Angola's comparative advantages within SADC is crucial to the country's development. The government sees SADC as the market that Angola does not have, and aims to position itself advantageously within the region in order to exploit its potential. The authorities aspire to create a larger market to introduce products and benefit from economies of scale. In this respect they expressed an interest in participating in the process to create a "SADC common market" among the 14 members of SADC encompassing a free trade agreement by 2008, a customs union by 2010, a full common market by 2015 and monetary union by 2016, although Angola will apply for a derogation and transition period owing to its post-conflict situation.

On the EPA dossier, a WTO-compatible interim economic partnership agreement was initialled in November 2007 between the EU and Botswana, Lesotho, Swaziland and Mozambique on the SADC side. Namibia initialled the agreement in December and Angola indicated its wish to join as soon as possible. It has not done so to date as the authorities have not yet adopted the regulatory document on market access. Consequently Angola continues to enjoy preferential access to the European market through the GSP system.

Angola also belongs to ECCAS and is involved in its activities, focusing on its political role given the need to maintain peace and stability with other Central African countries, in particular the DRC.

1.2 Current economic situation

Macroeconomic situation

The Angolan economy continued to experience strong growth in 2007, fuelled by oil exports, public investment and strong internal demand. Despite the deteriorating global environment, oil prices remained high and the government continued to enjoy healthy fiscal revenues but unfortunately also faced internal absorption problems. The government announced an estimated current-account surplus (exports minus imports) of 29.8% of GDP in 2007 while price stability was preserved. The Central Bank kept intervening in the foreign-exchange markets to maintain the stability of the kwanza. OPEC announced, at the end of the fourth quarter, an almost constant oil production quota for Angola. At the end of December, the National Assembly approved the almost 75% oil-financed 2008 budget, increasing expenditure by 30%, with social sectors placed to receive most of spending. Angola agreed to pay its remaining debt and interest arrears to the Paris Club of bilateral creditors, reopening the possibility of new export credit lines. According to the Central Bank, inflation averaged 12% in 2007, the lowest rate for decades. However, this is above the Central Bank's target of 10%, demonstrating how difficult it was to keep inflation under control. There are also concerns about the long-term sustainability of the inflation rate given the rapid growth in money supply—M1 grew by 34.9% during the first ten months of 2007—and massive increases in budget spending over the last three years. Accelerating domestic consumption and rising public spending will probably keep the inflation rate from falling any further.

The increase in oil revenue linked to the growth of the agricultural, processing and construction sectors laid the foundations for a real increase of 20% in GDP in 2007. However, growth was reflected mainly in increased capital spending which was heavily dependent on imports and linked to sectors in which the government plays an important role (construction and financial sectors). This type of growth has a patent impact on domestic trade and promotes investment in the non-oil sector. Nevertheless the economy suffers from a lack of qualified human resources, a nascent legal system and a regulatory and administrative system which is still too bureaucratic. These factors may put a brake on the rapid development of the dynamic private sector. There has been sustained direct foreign investment at a level of USD 2 billion a year.

Public finances

Angola's fiscal management has progressed steadily in the past five years. The reform agenda included better access to data and institutional capacity building. The Finance Ministry started publishing detailed budget data in early October¹. On the institutional front, while the Ministry would like to start using a medium-term expenditure framework, progress in that area has been slow and many problems remain, including the quasi-fiscal operations of the oil and diamond state-owned companies (Sonangol and Endiama). On the expenditure side, the revised 2007 budget, which was put before the National

¹ Even though Angola has not yet signed up to the Extractive Industries Transparency Initiative (EITI).

Assembly, proposed increasing spending by 28%, following a doubling of expenditure in 2006. However, the government's weak implementation capacity—it only managed to execute 40% of the 2005 investment programme and around 50% of the 2006 programme—meant, as a result, that it continued to run a de facto fiscal surplus (around 6.1% of GDP). This is also the third year in a row of low execution of capital expenditure, which, according to the Ministry of Finance, is estimated to reach around 16% of GDP in 2007. High export earnings also meant that a large current-account surplus was maintained in 2007.

In October 2007 the World Bank presented a Public Expenditure Review which was carried out in direct cooperation with the government and other international organizations (EC, FAO, UNICEF, UNDP and WHO). The review analysed the situation in education, health, agriculture and decentralisation. It reiterated the importance of improving the efficiency of public spending and the quality of data on social indicators and on the budget. The review also underlined the need for greater progress in the decentralisation process initiated by the government.

Statistics

The statistical system in Angola is still weak. Although Law No 15/96 of 1996 laid down the broad principles governing the statistical system of Angola, the National Statistical Council (CNE) and the National Statistical Institute (INE), the institutional framework is barely perceptible as the relevant complementary laws have not yet been adopted and are still being drafted (in particular the regulation governing the legal basis of the national statistical system, the CNE regulation and the INE's statute). However, under the National Statistical Plan introduced in 2007, the INE already produces statistics (national accounts using 2002 as the reference year and some reviews on industrial production, business and employment) with the support of partners including the EC. Economic indicators and the CPI are usually published regularly.

Because of the INE's lack of qualified staff (only 23% of its staff has completed higher education) and geographical and functional cover it is impossible to compile the integrated, harmonised and continuous statistics required to inform and provide more qualitative direction for Angola's economic and social development. The INE has the support of development partners, in particular Norwegian cooperation and the World Bank (which will be assisting with the census foreseen for 2010) and the European Commission (RIP PALOP 9th EDF and before that 8 ACP-ANG 13). In the future the Commission will continue to fund institutional capacity building under the 10th EDF. Coordination between development partners and the INE is being developed to ensure a coherent and constructive approach is adopted to support the statistical sector.

1.3 Current social situation

In 2007 Angola continued to be in a weak situation in terms of the UNDP human development index (162nd position out of 177 countries, 161st position in 2006). The lack of knowledge of the population's geographical distribution is a serious obstacle to drawing up needs-based plans and to determine accurate social indicators. The population is growing at a fast pace (3% annually) driven by a very high fertility rate (seven births/woman). As a result, more than half of the total population is under 18 and this will generate strong demand for basic health and education services in the coming years. In spite of the rapid population expansion and the moderate improvements in health indicators since the end of the conflict, mortality rates are still high.

The social sector formed part of the process of socio-economic and institutional normalisation. However, although the process of resettlement of some four million displaced persons in their areas of origin is virtually completed, and although agricultural activities have been revived, de-mining has progressed, schools and sanitation systems have gradually developed, and road infrastructure, water and energy rehabilitation is under way, high levels of poverty and vulnerability still persist among the population. The result is visible in high mortality rates, especially among children and pregnant women, and in the outbreak of recent epidemics (Marburg fever, cholera, and the reappearance of the wild polio virus).

In the health sector the conditions described above are still difficult owing to environmental conditions, especially in urban areas, caused by poor sanitation, inadequate supplies of drinking water, the low educational level of the population and the lack of capacity of the health system (to detect and react adequately to the dimension and severity of the problems).

However, there was continuing and increasing mobilisation of resources allocated to the health sector in Angola. Per capita annual expenditure increased from USD 15 (2002) to USD 28.8 (2005) and is expected to reach USD 74 in 2007 (corresponding to 3.7% of the State budget). This amount already exceeds the USD 30-40 per capita/year estimated by the WHO as an acceptable level of resources to cover essential sanitation operations, even if the amount granted to the health sector (3.7 % of the 2007 budget) is below the SADC average of 7.5%. Owing to the still outstanding definition of a health strategy, a health system which is extremely "hospital-centred" and weak institutional capacity, the health system cannot deliver satisfactory health care in quantity or quality terms. The high maternal mortality rate also demonstrates the serious level of vulnerability; the continuing cholera epidemic and the resurgence of the polio virus are indicators of the limits to progress.

The situation in the education sector shows some encouraging headway. According to internationally available data, the gross enrolment rates in primary education in Angola were 104.4% in 2003, 122.8% in 2005 and 164.5% in 2006. Enrolment rates increased substantially since the government recruited an additional 71 000 teachers between 2003 and 2007 and efforts were made in primary school construction. 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 disproportionately distributed and there are not sufficient numbers of textbooks and other teaching materials in the schools. As a result, repetition rates continue to be very high (only a third of children complete primary education and only 8% do so without repeating) and the real learning process of children is doubtful, including in terms of language capabilities.

Access to water: since 2002 access to water and sanitation has improved significantly as a result of priority rehabilitation projects. However, water access cover is estimated to be 36% in urban and semi-urban areas and 22% in rural areas. The principal constraints are: (a) reform of the institutional framework in the water sector (currently provided by two separate ministries: the Ministry of Energy and Water and the Ministry of Urbanism and Environment) and lack of a regulatory framework for basic sanitation, (b) the need to modernise the water supply system and (c) the need to review the human resources framework in the sector, in particular at decentralised level.

HIV/AIDS: the HIV/AIDS epidemic has affected Angola less than its SADC neighbours. The Ministry of Health estimates the prevalence of this disease to be 2.5% (2007) but this rate could be as high as 10% in some provinces (e.g. Cunene). The government is aware of this situation and has introduced a National Strategic Plan (2007-2010) to combat the disease; Law No 8/2004 also guarantees the rights of Aids carriers.

Environment: there are no specific Commission environmental projects financed by the EDF. However an Environmental Impact Assessment has been carried out of two infrastructure projects (the Humbe-Cahama highway and water supply in the semi-urban areas of Luanda. The Água/Tombwa project is expected to have a positive environmental impact in terms of water access and sanitation.

The medium-term development plan - 2009-2013 for the education sector lays down guidelines for policy reform in education in Angola. It summarises the on-going process of curricular reform introduced by the new Basic Law on the education system and also identifies the problems involved in implementing education reform. The Plan attempts to cover the entire system and is based on a balanced vision of educational development which includes issues of quality and management, while acknowledging the constraints imposed by the deficiencies in data available. Despite these constraints, concrete targets have been defined and budgets have been proposed for their attainment.

There is a real bottleneck between primary and secondary education owing to a lack of schools and teachers, which has caused the government to pay special attention to ensuring greater access to this level, primarily through the construction of infrastructure. Higher education is increasing rapidly both in terms of the number of new institutions created and in terms of the number of enrolled students (55 249 students in 2006 compared to 20 366 in 2003). The increase was 47.1% in the period 2004-2006. In 2006,

the post of Deputy Minister for Higher Education was turned into that of Secretary of State, giving access to the Council of Ministers and in practice greater autonomy.

2. Overview of past and ongoing cooperation

In 2007 Angola/EU cooperation had some positive results. As regards the EDF, the level of secondary commitments and payments was reasonably satisfactory (about 75 % of the 2007 target) but the level of new global commitments failed to reach the objective (30% of the 2007 target): the programme of support for the electoral process was not prepared as the government failed to submit a request. Cooperation with NSAs showed a positive trend both in terms of the development of activities financed by the budget lines and greater recognition of their role as important partners in civil society. The de-mining programme (the EU made up some 40% of donors in this area) which is crucial in the Angolan context continued to be implemented in a positive way both on the ground (support to de-mining operations) and at institutional (central and provincial) level. The Commission is recognised by the authorities and the international community in Luanda as an important partner for this purpose.

2.1 Governance and institutional support

- *TrainforTrade project*: the Contribution Agreement with UNCTAD for the TrainforTrade project (EUR 3 million) was signed by both parties in June 2007. The first pre-financing was provided in August. The project was launched in November with a public ceremony and is proceeding slowly. The coordinator of the project has been recruited and he will take up his post in Luanda by June 2008.

- *Budget and planning capacity building (9 ACP ANG 018)*: The process of selecting the consultant for this project (with a total amount of EUR 13.5 million) was finalised in October 2007 but the contract was not awarded (in 2008 the NAO decided to cancel the tender after the Commission gave only conditional approval to the proposal). It should be noted that the World Bank is working in this sector through its “Economic Management and Technical Assistance” (EMTA) project providing institutional capacity building for the Ministries of Planning and Finance.

- *Support for the NAO (9 ACP ANG 13)*: this programme is being carried out with TA. A new Programme estimate (PO3) was signed on 1 October 2007 and will run until the end of 2008. This project, which is crucial to cooperation with the NAO, produced positive results. The main difficulty is to put in place permanent long-term technical assistance.

- *RIP PALOP Justice*: Angola is chef de file for this programme of capacity building in the justice sector. A new programme estimate was signed in October 2007 to continue the planned activities. This programme estimate is the last one, and will end in June 2008. In spite of delays in the implementation of some operations (training and capacity building), it is hoped that the main results will be achieved before the end of the period of activity. Portuguese cooperation will also be involved in this programme.

2.2 Food security and rural development

Food security activities linked to agricultural development financed by the EC in Angola are funded under the food security budget line. However, operational de-mining activities and technical assistance given to public institutions for de-mining coordination, rehabilitation of social and productive infrastructure in rural areas and support for the social and economic reintegration of former soldiers and vulnerable groups are financed by the EDF, the latter two under the framework agreement with the World Bank. All these programmes are implemented in a coordinated manner as components of the focal sector, and these sectors receive a large amount of funding from the government.

Results

The process of reintegration of vulnerable groups, most of them demobilised FAA soldiers (up to 33 000) experienced some delays in the second phase of the demobilisation process. After the demobilisation of former FMU soldiers, their economic and social reintegration was largely undertaken in the agricultural sector, but for these vulnerable groups the reintegration process is more complex.

Another obstacle to improving food security is linked to access problems owing to land mines and poor road conditions. The EC provides funds to support technical assistance for the CNIDAH, the public institution that promotes coordination and control of humanitarian de-mining operations. Emergency de-mining operations have improved access and movement and reduced mine-related risks through de-mining and education in the related risks and the demarcation of some suspect areas (especially alongside roads). However, explosives and mines continue to hamper access to rural areas and as such present an obstacle to reconstruction and the electoral process, and also to agricultural development and food security. The rehabilitation of social and productive infrastructure in the framework of the FAS (Fundo de Apoio Social) programme has helped to improve the general humanitarian situation in Angola.

The EC also provides funds to support technical assistance to the CED (Comissão Executiva de Desminagem), the new public institution that promotes the coordination of operators working in infrastructure rehabilitation programmes, namely INAD, FAA (engineering brigades from the Angolan armed forces) and the Cabinet for National Reconstruction - GNR. The UNDP, in conjunction with the Japanese Government, is implementing an institution building project for INAD.

(b) Progress in activities

Food security budget line

Three NGO projects selected under calls for proposals launched in 2004 were completed on 31 December 2007 while the remaining two were granted an extension so that they could be completed. Projects selected in 2005 (three projects) and 2006 (four) are being

implemented. The focus of these projects is to improve agricultural production, animal husbandry and conservation of natural resources and create the conditions for rural development. The project to combat Newcastle Disease has, for example, led to innovations concerning the import of vaccines.

A new call for proposals was launched in 2007 and led to the signing of four contracts for four projects: a project to combat desertification will be implemented in the Namibe province by the Italian NGO COSPE, a project to establish best practices in community organisation (groups and associations) will be implemented in the Planalto provinces by World Vision – UK. The same NGO will carry out a project in support of rural micro-financing in the same areas while ADPP (Danish NGO) will be responsible for a forestry education project in Zaire province. As one of the selection criteria was the innovatory aspects of such projects for the rural area, they will serve as pilot projects.

The PRSA programme, which received EUR 10 million (EUR 5 million in 2004 and EUR 5 million in 2005) under the food security budget line, is also in its full operational phase. This programme was designed together with the Ministry of Agriculture and focuses on the provinces of Benguela and Huíla, and includes four sub-programmes. The PRSA is a direct result of the Ministry of Agriculture's willingness to contribute to a more structured approach to the development of agriculture in Angola. The difficult working environment (cost of living, visas for experts, etc) and the resulting frequent change of staff repeatedly hampered the implementation of activities. One component of the programme ('studies') faced problems in implementation caused by the shortage of suitable proposals.

The support programme for the cattle breeding sector in the south of Angola (PAPEFSA), receiving EUR 10 million under the food security budget line, was prepared by the European Commission and the veterinary services of the Ministry of Agriculture. In 2007 the preparatory phase (studies and project formulation) was completed for each of the three components and they are expected to begin their implementation in the course of 2008.

EDF

FAS III, financed by projects 9.ACP.ANG.1 and 9.ACP.ANG.3, now covers 18 provinces (the geographical strategy being to gradually expand it to the country's 18 provinces). The financing agreement signed with the World Bank ended in December 2007. Only some of the funds committed have been disbursed. Nevertheless a possible FAS IV is in preparation by the Angolan government.

The programme for the socio-economic reintegration of vulnerable groups (9ACP ANG 14) started in early 2005 with the signing of an administration agreement with the World Bank and a contract with UNICEF. EUR 13.4 million will be disbursed under the administrative agreement with the World Bank. Based on the estimates of numbers and type of disabled combatants that the FAA intends to discharge, an addendum to the administration agreement between the EC and the World Bank was signed in December

2007 to extend the agreement until 31 December 2008. The delays in implementing this component for vulnerable groups, in particular those of the 'support to disabled ex-soldiers' sub-component are worrying. The delays are due to (i) delay in FAA demobilisation, (ii) delay in deployment and staffing of the IRSEM (national public institution that is implementing the project) to deal with this component and (iii) the lack of experienced operators (both national and international) to manage this kind of reintegration programme. The target group consists of 28 255 disabled ex-soldiers, 20 650 from the FAA and 7 605 from UNITA. The mid-term review of the EC 'vulnerable groups' complementary component, carried out in the first quarter of 2007, called for a one-year extension of EC funding. One of the results of the project linked with demobilisation was not attained owing to implementing constraints.

UNICEF managed the project (9.ACP.ANG.14) which started in January 2006 with funding of EUR 1.4 million to ensure the long-term integration of children and adolescents affected by the war in Angola, and this was successfully completed in November 2007. One of its main components was the strengthening of municipal networks (national NGOs, churches, police), with the objective of preventing criminality, child trafficking and improving the rights of children in communities. Some EU Member States (UK, Sweden and Italy) are also financing UNICEF operations in the same areas, namely family reunion and reintegration of children without family ties. The project provided training and financed microprojects for the networks. The activities have been greatly appreciated by the beneficiary institutions (Ministry of Assistance for Social Reinsertion, NGOs, etc.).

The emergency de-mining programme (9 ACP ANG 2 and 9 ACP ANG 21, EUR 31 million from the B envelope of the 9th EDF) is ongoing: two contracts have been awarded under the humanitarian de-mining component following a call for proposals launched in 2006. The technical service contract for CNIDAH, managed by UNDP, started in July 2007 and a new service contract will complement it to support the Comissão Executiva de Desminagem (started in March 2007). The main activities were carried out on schedule. These include several training programmes in Luanda and the provinces.

Integration of cross-cutting issues

Institutional capacity building at national, provincial and municipal levels formed part of all food security and rural development projects. Some projects such as the goat breeding project also focused on groups of vulnerable women.

2.3 Social sectors

Health

Programme of support for the health sector (8 ACP ANG 8): the financing agreement was extended and a budget adjustment was granted at the end of the year. The third

programme estimate is expected to be signed and a call for supply tenders worth EUR 6 million is expected to be launched in early 2008. Regarding programme implementation during 2007, improvements were made concerning the development of policies for sector financing and for planning exercises at provincial level. Significant progress was made regarding the Human Resources Development Plan (2008-2015), for national blood and drugs policies, and in the finalisation of health maps for five provinces. A EUR 2.3 million supply contract for essential drugs was signed in early 2007.

Support for the national programme for disabled people (8 ACP ANG 6): the programme was evaluated in July 2007 with a view to exploring the possibility of extending it. Although the evaluation report recommended an extension, this option was not taken up because the timetable and the possible implementation mechanisms that would have had to be adopted during the extended phase were not deemed realistic in the light of the budget resources still available. The programme ended in December 2007.

Programme to support displaced people (8 ACP ANG 11 and 9 ACP ANG 20): the programme was completed in July 2007. During its implementation (2004-2007) 44 grant contracts, totalling about EUR 22 million, were signed in the health, water supply and sanitation sectors.

Education

Programme of support for primary education (PAEP, 9 ACP ANG 15): The TA service contract was signed in November 2006. The start-up programme estimate was signed in March 2007. A contribution agreement with UNESCO to provide statistical support for the education management information system was also signed in June 2007.

Despite these positive achievements, 2007 was a difficult year for the programme. The first programme estimate was not signed until February 2008. A negotiated procedure was initiated with one of the tenderers following the cancellation of the local public contract for the construction of a teacher training college. This is expected to reach a successful conclusion by the end of the third quarter of 2008. A larger constraint was perhaps linked to the difficulties faced by the consultants in adapting to the living and working environment. This culminated with the team leader leaving the project in early 2008 after just one year of implementation. The PAEP programme was designed in such a way that the core activities were to be implemented by a technical assistance team through annual programme estimates. However, taking into account the constraints mentioned above, this implementation approach no longer seems feasible since the expiry of the D+3 deadline (December 2008) and it was impossible to sign all the programme estimates necessary to carry out the planned activities.

Consequently, in the second half of 2007, we started to explore the possibility of using other partners in implementing some of the activities currently assigned to the technical assistance team. For this purpose we discussed with UNICEF the possibility of using the

in-service teacher training component and with UNESCO's International Institute for Planning in Education the development of planning and school management activities.

2.4 Non-focal sector projects and programmes

Water and basic sanitation

Major water and sanitation events were held in 2007. In October 2007 UNICEF and the Ministry of Environment organised the first national workshop on sanitation, which was co-financed by the European Commission. On water, the government completed the preparation of the master plans for eight provincial capitals and launched an initiative for rural water supply – Agua para Todos - which aims at improving water supply in 140 municipalities and covering a population of 2.7 million. In early 2008 the government also organised a water conference, in which the leading sector stakeholders participated, which provided substantial information on the current water sector and its possible evolution in the near future. Concomitant with these main events, the EC Delegation and DFID worked together to launch a water and sanitation sector study with the purpose of identifying, on the basis of an analysis of the sector, measures to be financed by the 10th EDF. The results of the study are expected by the end of the first half of 2008.

As regards ongoing activities:

Programme Water supply and improvement of sanitation conditions in semi-urban areas of Luanda (9 ACP ANG 4 and 9 ACP ANG 22): the programme operates in a complex institutional environment; besides the need to liaise primarily with the Luanda water utility (EPAL-EP - Empresa Pública de Águas de Luanda), the three tiers of government (the Ministry for Energy and Water, the Luanda provincial government and the municipal authorities) are also major stakeholders in the decision-making process. In 2007, the community mobilisation component of the programme started. Partner NGOs have always made important contributions to the location of standpipes and in promoting hygiene practices. However, there were delays in the implementation of the works component. The final route of the network (some 145 km of pipelines) was not approved until March 2007 by the EPAL-EP. The contractor had built some secondary sections with an accumulated delay of 12 months in 2007. Currently works are proceeding with fewer constraints and are expected to be completed by the end of October 2008. However, the concomitant works on the rehabilitation of roads in the project area seriously affected the installation of the main pipelines and this might again result in a further extension of the time schedule.

Tombwa water supply programme (8 ACP ANG 5 and 9 ACP ANG 12): although the works were completed generally on schedule (works are expected to be completed during the first half of 2008), the software programme component which concerns the strengthening of the Tombwa water utility was limited in scope owing mainly to the fact that the government has not yet taken the necessary steps to create an administratively and financially independent water service provider. Despite this constraint, in 2007 two

supply contracts and one programme estimate were signed to underpin the activities of the management body that has been appointed by the Provincial Governor on a temporary basis to run the water system.

Water facility (first call for proposals): *Reducing child mortality and increasing school attendance by improving access to water and sanitation in rural areas of Angola (9 ACP RPR39/54)*: this contract was signed with UNICEF in August 2006. The programme encountered some delays in the elaboration of the management information system and the implementation of a rapid assessment, while it has provided consistent support for the provision of basic services in rural areas.

Water facility (second call for proposals): *Installation/Rehabilitation of water supply schemes and hygiene and basic sanitation promotion in ten villages in rural areas of the Province of Uíge, Angola (9 ACP RPR 5/6)*. This project, which was signed with CAM, started in June 2007, with the objective of improving access to drinking water for 20 000 people, providing basic sanitation infrastructure in health centres and promoting hygiene and good community water use practice.

Water facility (second call for proposals): *Reinforcement of the water supply and sanitation systems in the municipality of Caimbambo, province of Benguela – Angola (9ACP.RPR.101/6)*. As this project was on the reserve list the Delegation could not start negotiations with the beneficiary and preparation of the contract documents until 26 October onwards, the date on which AIDCO notified the beneficiary of the contract award. Despite the tight deadline (the contract has to be signed by the end of year at the latest) the contract was successfully signed on 19 December. Unfortunately the negotiations on the project on *water capture and construction of water supply infrastructure for the inhabitants of the Kwanza Sul region* did not have a positive outcome since the government of Kwanza Sul was only able to meet some of the financial commitments in the original proposal. Since the new total amount of funds actually available would not reach the minimum threshold of eligibility for projects under the component of the second call for proposal, the Delegation notified the beneficiary that the project was no longer acceptable and informed AIDCO accordingly.

Transport

The project identification fiche for the *rehabilitation of the Humbe-Cahama road* project was approved early in 2006; however the Government decided to defer financing in May 2006 and to request a re-activation of the funds in July, with a subsequent delay in the completion of the financing procedures. The financing proposal was submitted at the end of April 2007 and presented to the EDF Committee in early July of that year. The financing agreement (9.ACP.SAD.18 & 9.ACP.SAD.19) was signed by the Angolan NAO on 19 October 2007 at an official ceremony which received good coverage by the media. The tenders for works are currently being evaluated, while the tender for supervision had to be relaunched owing to failure to shortlist four prospective companies.

2.5 Regional cooperation

Support for the development of human resources in the health sector in PALOP (9.ACP.MTR.4): as the ETR deadline for the presentation of financing proposals under the NIP does not apply to the PALOP RIP, Brussels headquarters decided to postpone the presentation of the financing proposal to the EDF Committee until September/October 2007 to reduce the EDF Committees' June/July workload. The financing agreement was finally signed by the Angolan NAO on 7 January 2008. The Delegation, the Angolan Ministry of Health and the NAO's services are currently working out the terms of reference for TA and the content of the contribution agreement with the WHO.

2.6 Use of resources for non-state actors (NSAs)

A large proportion of the financial resources made available by the EC in response to the emergency situation was targeted at programmes and projects implemented by NSAs such as national and international NGOs and churches. As has already been indicated, the EC continued to finance NGOs in 2007 in order to support the government in providing water supply and basic health and water and sanitation services in the areas of resettlement. Those programmes continue to be important instruments in the institutional capacity building of non-state actors, including local NGOs, small associations and entities involved in the production and revitalisation of services, which implement these projects. NGOs are also important partners in the implementation of cooperation activities. Their support was also crucial in the promotion of the development of civil society and in the definition of local needs.

Furthermore, international and national NGOs play an important role as partners in the implementation of the EIDHR, and are seen as making a crucial contribution in four main areas: (a) freedom of expression and communication, (b) conflict prevention and resolution, in particular in the settlement of land disputes, (c) civic and electoral education and (d) the justice system and institutional capacity building, particularly in the support of professional law networks. In the last four years, the role that NSAs play has changed significantly. Some NGOs are concentrating their efforts on institutional capacity building of civil society itself, stimulating debate on issues of Angola's socio-economic development and raising citizens' awareness. NSAs are becoming not only elements of the system but also major actors in development as well as in social and political dialogue. The process of permanent and effective consultation with NSAs has taken various forms of expression, information sessions, training and working groups.

A mapping study of NSAs in Angola was carried out, and its results were presented and discussed in a participative manner with the NSAs. A classification of NSAs was drawn up (level, location, internal organisation, thematic, difficulties, and expectations) through interviews, seminars and surveys. The main problems encountered were: a lack of capacity (internal organization, representation, planning and management etc.), difficulties in accessing information, dialogue and coordination between NSAs and the (local and central) authorities. In this context, in September 2007, the EDF programme to

provide support for NSAs (PAANE, 9 ACP ANG 19) got under way. A technical assistant was recruited to prepare the first programme estimate which will be implemented in 2008. The objective is to identify and execute measures to reinforce the main NSA networks and improve their skills, role and effectiveness.

In November 2007 Angolan NSAs took the lead in organising (with the financial support of donors - including the Commission) the first Civil Society Forum in Luanda. The government and donors participated as guests in this workshop. One of the main results was that NSAs were able to demonstrate their existence in an official way and to reinforce their position and coherence vis-à-vis the authorities.

3. Policy coherence for Development

Within the 12 EU policy areas (trade, environment, climate change, security, agriculture, fisheries, social dimension of globalisation, employment, migration, research, information society, transport and energy), the following synergies can be identified to promote coherence in development policy:

Transport-agriculture: the *rehabilitation of the Humbe-Cahama road* project funded by the Commission is intended to facilitate the development of internal trade, in particular for agricultural products, and to help increase the rural population's income;

Security and employment: the large-scale de-mining programme financed by the Commission under the 9th and 10th EDF will help the authorities to reduce the physical risks for some of the population living in the countryside. This will contribute to the development of agricultural economic opportunities and generate employment in remote areas.

There are no specific Commission projects in the energy policy sector. Angola is a large oil producer but most of its electricity is of hydraulic origin. Oil accounts for virtually 95% of its national exports in value terms, 80% of tax revenue and 60% of GDP. The state company ENE (Empresa Nacional de Energia) is responsible for Angola's electricity production; generation capacity is still low (around 1 200 MW) of which 77% is of hydraulic origin and 33% oil-based (mainly diesel). However, production capacity is not wholly available (only 50% in 2005) mainly because of the state of electricity supply lines. One of ENE's priorities is to increase electricity production and distribution capacity throughout Angola. At this stage electricity is supplied to some 20% of the population and there are frequent power cuts in urban areas as infrastructure is being renovated. Construction and rehabilitation projects in the electricity sector require investment of the order of USD 8.4 billion for the period 2009-2016.

As regards trade, Angola is gradually opening up to international trade. It had a surplus on its balance of payments of around 30% of GDP in 2007 as a result of its oil production and the price of oil per barrel. The United States and China are its main oil customers and the EU is its main trading partner for consumer goods and services. In the last five years the EU has supplied over 20% of all its imported goods; sales of European goods in 2007

exceeded €4 billion with Portugal being its main trading partner. However, the main obstacles to further expansion in international trade are the lack of administrative capacity and the serious delays in unloading goods and in customs clearance. A project financed by the Commission called TrainForTrade is being carried out to provide institutional capacity building for the Ministry of Trade. This project includes a training and technical assistance programme for the Angolan authorities managed by UNCTAD.

At regional level, Angola has expressed a desire to participate in the SADC free trade area to be implemented in 2015.

4. Joint EU-Africa Strategy

The EU-Africa Strategy adopted by the European Council in December 2005 sets out a joint common framework for relations between Africa and the European Union and EU support for Africa's efforts to attain the Millennium Development Goals (MDGs).

Some of the issues tackled in the EU strategy such as State capacity building, institutional support, human rights, growth, agriculture and food security and access to water are of crucial importance to Angola. It is clear from the description of EU cooperation in the Joint Annual Report for 2007 that the Commission largely focused its efforts on sectors considered to be crucial to attainment of the MDGs, in particular the social, de-mining, food security and agricultural sectors.

The most important aspects for EU-Africa relations in the coming years are set out in the EU-Africa Strategy and the first Action Plan, two documents adopted at the second EU-Africa summit held in Lisbon in December 2007. In addition to being a document which was jointly negotiated and adopted, the Strategy's main innovation is that it puts EU-Africa relations on a more political footing, strengthening and extending cooperation to issues such as peace and security, democratic governance and human rights, migration, energy and climate change, underpinning the EU's and Africa's commitments to attain the Millennium Goals. The Strategy's new political framework in the Annex is given practical application in the Action Plan and its eight areas of the EU-Africa partnership: (1) peace and security, (2) democratic governance and human rights, (3) trade and regional integration, (4) the Millennium Development Goals, (5) energy, (6) climate change, (7) migration, mobility and employment, (8) science, information, society and space.

In this context, the EU's assistance policy and programmes for Angola focus mainly on the attainment of the MDGs through relevant efforts in the sectors of education, health and food security, in line with the priority actions of the EU-Africa partnership on the MDGs. Consequently practical measures include programmes for the social and economic reintegration of ex-soldiers and vulnerable groups (action 1), support for the attainment of food security objectives (action 2), support for health objectives (action 3) and support for education objectives (action 4).

5. Coordination and harmonisation of donors

In 2007, in order to ensure continuing complementarity and operational coordination between EU donors, the EC Delegation pressed on with the process of developing the EU Road Map with the Member States which have a presence in Angola.

This initiative to improve coordination and harmonization was well supported given the lack of formal coordination between donors in Angola in the past. The Paris Agenda Declaration and the European Consensus were used as an operational starting point for the harmonization process between EU donors. The most important stages to be implemented in 2007 are the sharing of information on projects and missions, agreement of an aid data base to be proposed to the government (including other donors), and the creation of thematic working groups (as and when necessary, in conjunction with existing coordination mechanisms). This framework will continue to be used in 2008 in order to ensure synergy with Member States and to keep other donors informed about the identification and preparation of the 10th EDF programme.

The donor database is crucial in Angola as a precondition for harmonization. The Delegation, in agreement with the Member States, proposed in 2006 and 2007 to the NAO financing under the Technical Cooperation Facility for an external expert to establish this database and suggested that the NAO organize a technical donors' meeting to prepare the Terms of Reference. Preparatory meetings were held with the Ministry of Planning and the NAO.

The Delegation transmitted the Code of Conduct on complementarity and division of labour in development policy to the MS and to the NAO. The NAO has not so far responded. The Member States represented in Angola welcomed this document and agreed on the need to work more closely to streamline aid and for focal sectors to be defined by donors. The Delegation has systematically associated the Member States in the preparation of the 10th EDF programme (the Commission is the main EU donor) in order to avoid duplication of work and projects. As to other donors, the Delegation will continue to work closely with the World Bank in Luanda, not only on the implementation of complementary programmes (in particular FAS) but also in the economic and budgetary sector. Relations with other donors locally represented (USAID, UNICEF, UNDP, UNHR, FAO, ILO) were excellent in 2007 and produced significant exchanges of information useful for coordination.

Other partners were involved in the trade sector at bilateral level. The leading partner is China which granted credit lines in 2002 totalling USD 12 billion. Little information is available on the implementation modalities of these credit lines, but it would appear that they were mainly used to finance major infrastructure projects (roads and railways) which are vital to Angola's reconstruction. Brazil is also an important trading partner and gave an additional credit line of USD 1 billion to Angola. Several Brazilian companies are present in Angola (in the construction and infrastructure sector). Japan also has close cooperation with Angola and provides aid for the rehabilitation of port infrastructure.

The Delegation, in coordination with the World Bank, provided resources in mid- 2007 to reinforce coordination between donors and to organise regular six-monthly meetings to exchange information on ongoing programmes. These meetings are useful but deal essentially with partners' development programmes rather than trading partners' projects.

6. Dialogue with the National Authorizing Officer, Non-State Actors, local authorities and Parliament

6.1 Dialogue with the NAO:

The NAO and the Delegation continued to work closely in 2007 to implement important projects and programmes. However, current EDF rules and rather difficult procedural constraints (e.g. difficulties in obtaining pertinent tenders for supply and services contracts, difficulties in installing TA in Angola) did not facilitate daily cooperation. As a consequence, despite systematic planning, some projects were delayed and were not implemented within the financing agreement schedule. The development of a more effective partnership was raised during the dialogue with the NAO and each side will attempt in the future to apply as much flexibility as possible in resolving problems identified.

6.2 Dialogue with the Parliament and local authorities

In 2007, the Delegation did not develop a specific dialogue with the National Assembly. The legislative elections planned for September 2008 will change the Assembly's composition. Following this event, the possibility of dialogue in 2009 will be pursued, especially if the institutional capacity building project mentioned in the CSP is put forward. Relations with local authorities depend on the existence and implementation of projects at local level (provinces or municipalities). The links established are positive and take account of ownership by local stakeholders.

6.3 Dialogue with Non-State Actors

There was continuing dialogue with NSAs during the implementation of projects in 2007. Various organisations in many different areas (but perhaps specifically in the area of decentralisation and cooperation with local authorities), both international and national, were regularly invited to the Delegation to be informed about EC interventions such as budget lines and upcoming calls for proposals as well as progress in the elaboration of documents such as the JAR and the 10th EDF CSP. These consultations provided the Delegation with an opportunity to sound out NSAs about their basic concerns. At this stage they are more concerned with developing their activities in priority sectors (democracy and human rights, governance, land rights, social sector, de-mining) and obtaining funding rather than implementing Commission cooperation projects under the EDF. Consequently, they expressed the following worries as regards budget line support:

- the importance of giving preference to national actors (here the idea of quotas was suggested);
- the difficulties national organisations face when seeking co-financing as they do not have the financial capacity to rise the requested amount;
- the importance of capacity building and learning activities as well as ensuring mechanisms of follow-up and sustainability;
- the importance of giving actors enough freedom so they can exert their right of initiative.

Support was also given for the work of the national working group in charge of planning and monitoring the first Angolan national civil society conference, especially via the 9th EDF *PAANE* programme. There are also opportunities under the *PAANE* programme to organise capacity building workshops for NSAs (Annex 5 to the CSP 2008-2013 gives more detailed information about the dialogue and discussions with the NAO and NSAs).

Conclusions

2007 not only marked continuing internal stability in Angola but also highlighted the political will to develop more democratic institutions. The establishment of the electoral register for the 2008 legislative elections was perceived as one of the last steps before full democracy was restored.

Angola advanced very rapidly in various sectors, with the reconstruction of infrastructure progressing well. The social situation improved, albeit slowly, and should show positive results in the future. However, the authorities intend to continue following the same path in order to obtain effective results in reducing poverty throughout Angola. The weakness of certain social indicators is still a matter of concern.

Economic growth was significant in Angola which had the highest GNP growth in Africa in 2007 (close to 20%) and gained control of inflation (12%). Oil revenue is a driving force for the economy and for increased public spending, contributing to the fast pace of Angola's reconstruction, but also having a positive impact on the development of non-oil sectors. Public debt was considerably reduced and currency reserves are significant. The government is, however, conscious of the need to promote the diversification of the economy, particularly in the agricultural sector, in which Angola possess enormous potential, and in other employment-generating sectors. In the social sector, much progress needs to be made given the large number of vulnerable groups (displaced people and refugees in the process of social reintegration, people still living in dire conditions and children).

EU assistance is having positive results for de-mining, social reintegration of vulnerable groups, road and infrastructure rehabilitation and rural development. The EC is the most important donor for de-mining, and its partnership with the authorities was effective and result-based in 2007. In the social sectors, operations were carried out in the medium term, including training, support for institutional reform and rehabilitation of schools and

health centres. The water sector continued to be the most important non-focal sector in 2007, and EC projects in this area were prioritised primarily because of the urgent need to provide global access to drinking water.

In general terms, greater EC support to non-state actors was strengthened in 2007. This plays an important role both in social sectors and governance and in the strengthening of institutions. Investment in this area is of particular value given the weaknesses of the education sector, the lack of human resources for the administrations and the crucial measures for the upcoming elections in 2008 and 2009. There is active donor coordination between the Member States and the Delegation in the areas referred to in the Road Map (social sectors, governance and human rights, economic sectors – including infrastructure and rural development). There were also regular consultations on the operational implementation of projects between bilateral and international donors in Angola, particularly in the health, education, water and sanitation, de-mining and rural development sectors and on institutional capacity building. Closer coordination between donors and the Angolan authorities is essential and possible; this point could be explored with the Ministry of Planning in more detail.

Article 8 political dialogue was resumed in 2007 but improvements are needed.

A. Table of 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.

B. Table of indicators for MDGs

	Indicator	1990	2000	2004	2005	2006	2007	2008	2009	2013	2015	
Impact	1. Proportion of population living on less than USD 1 per day	-	68	-	75	-	-	-	45.7	-	34.0	
	2. Prevalence of underweight children (under-five years of age)	20	45	-	-	-	-	-	14.1	-	11.1	
	3. Under-five mortality rate	280	260	260	250	-	-	-	140	-	97.0	
Outputs	4. Net enrolment ratio in primary education	50	38.2	49.1	-	-	-	-	-	-	100	
	5. Primary Completion Rate	-	-	36	-	-	-	-	-	-	80	
	6. Ratio of girls to boys in:	- primary education	0.92	0.86	0.85	-	-	-	-	-	-	-
		- secondary education	-	0.82	0.78	-	-	-	-	-	-	-
		- tertiary education	-	0.63	0.66	-	-	-	-	-	-	-
	7. Proportion of births attended by skilled medical personnel	-	-	-	45	-	50	-	75	-	90	
	8. Proportion of one year old children immunised against measles	38	41	64	45	-	-	-	80.1	-	100.0	
9. HIV prevalence among 15 to 24 year old pregnant women	-	2.8	-	3.7	-	-	-	-	-	-		
10. Proportion of population with sustainable access to an improved water source	32	-	50	53	-	-	-	80.4	-	85.5		

Notes and Data source(s): Measuring progress on MDGs is difficult, as statistics on Angola are rare and unreliable. The government prepared two MDG data-starved progress reports (2003 and 2005) which

show some progress towards achieving the MDGs, with *baseline data mainly from 1998*. The ratios are shown to the closest year available. Data sources: Government of Angola, PRSP 2005; Government of Angola, Programa Geral do Governo para o Biénio 2007-8; Ministerio da Educacao, Estadísticas 2006; Minsa/CDC-2004; Unesco, Institute for Statistics; Health Sector Best Estimates 2007; World Bank, Statistics and Country Economic Memorandum Angola 2006.

ANGOLASituation des principaux projets 7^{ème}, 8^{ème} et 9^{ème} FED (Fin 2007)
(par projet, montant des engagements individuels et des paiements)A) 7^{ème} FED

1) 7.ACP.ANG.35 -	Projet de santé post urgence	en €
	Engagements individuels	17 555 661
	<hr/>	
	Paiements	17 555 480
2) 7.ACP.ANG.44 -	Retour et réintégration de nationaux africains - Phase III	
	Engagements individuels	502 500
	<hr/>	
	Paiements	272 763
3) 7.ACP. ANG.50 -	Programme de micro-projets	
	Engagements individuels	4 500 000
	<hr/>	
	Paiements	4 491 740
4) 7.ACP.ANG.60 -	Réhabilitation en milieu rural (Huambo)	
	Engagements individuels	2 903 579
	<hr/>	
	Paiements	2 803 671
5) 7.ACP.ANG.61 -	Réhabilitation de l'Institut de Tchivinguiro	
	Engagements individuels	7 840 823
	<hr/>	
	Paiements	7 840 823
6) 7.ACP.ANG.62 -	Programme d'appui à la restructuration	
	Engagements individuels	53 103 005
	<hr/>	
	Paiements	51 807 527
7) 7.ACP.ANG.63 -	Appui au projet « Memórias íntimas marcas »	
	Engagements individuels	186 000
	<hr/>	
	Paiements	180 322

8) 7.ACP.ANG.64 - Training for lawyers and Academics		
	Engagements individuels	728 338
	<hr/>	
	Paiements	715 412
9) 7.ACP.ANG.72 - Coordination des actions dans le secteur agricole		
	Engagements individuels	140 000
	<hr/>	
	Paiements	95 103
10) 7.ACP.ANG.76 - Programme de microréalisations II		
	Engagements individuels	967 640
	<hr/>	
	Paiements	910 837
11) 7.ACP.ANG.83 - Formation des professeurs primaires		
	Engagements individuels	4 925 407
	<hr/>	
	Paiements	4 789 309
12) 7.ACP.ANG.94 - Renforcement des capacités techniques de l'INEJ		
	Engagements individuels	321 000
	<hr/>	
	Paiements	321 000
13) 7.ACP.ANG.98 - Emergency support to the peace process		
	Engagements individuels	1 913 685
	<hr/>	
	Paiements	1 913 685

Total 7^{ème} FED

Engagements individuels	95 587 638 €
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Paiements	93 697 672 €
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B) 8^{ème} FED

1) 8.ACP.ANG.1 - Monitoring, control of fishing		
	Engagements individuels	2 175 256
	<hr/>	
	Paiements	1 922 279
2) 8.ACP.ANG.5 - Eau potable Tombwa		
	Engagements individuels	7 600 000
	<hr/>	
	Paiements	6 461 606
3) 8.ACP.ANG.6 - Réhabilitation des handicapés		
	Engagements individuels	11 185 903
	<hr/>	
	Paiements	8 478 813
4) 8.ACP.ANG.8 - Soutien au secteur de la santé		
	Engagements individuels	17 745 192
	<hr/>	
	Paiements	9 401 663
5) 8.ACP.ANG.11 - Soutien aux populations vulnérables		
	Engagements individuels	15 934 623
	<hr/>	
	Paiements	14 814 124
6) 8.ACP.ANG.12 - Programme micro réalisations Phase III		
	Engagements individuels	7 329 563
	<hr/>	
	Paiements	7 329 563
7) 8.ACP.ANG.13 - Elaboration profile statistique		
	Engagements individuels	843 963
	<hr/>	
	Paiements	843 963
8) 8.ACP.ANG.15 - Support to the peace process		
	Engagements individuels	25 306 382
	<hr/>	
	Paiements	25 306 382

Total 8^{ème} FED

Engagements individuels	88 120 882 €
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Paiements	74 558 393 €
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C) 9^{ème} FED

1) 9.ACP.ANG.1 - Fonds d'Action Social FAS III		
	Engagements individuels	29 000 000
	<hr/>	
	Paiements	22 500 000
2) 9.ACP.ANG.2 - Programme d'urgence déminage		
	Engagements individuels	25 649 469
	<hr/>	
	Paiements	22 216 914
3) 9.ACP.ANG.3 - Fonds d'Action Social FAS III		
	Engagements individuels	16 000 000
	<hr/>	
	Paiements	13 500 000
4) 9.ACP.ANG.4 - Water supply and sanitation		
	Engagements individuels	18 735 822
	<hr/>	
	Paiements	13 716 886
5) 9.ACP.ANG.8 - Identification appui au Ministère du Plan		
	Engagements individuels	64 077
	<hr/>	
	Paiements	64 077
6) 9.ACP.ANG.9 - Renforcement Ministère de la Pêche		
	Engagements individuels	355 213
	<hr/>	
	Paiements	296 113
7) 9.ACP.ANG.10 - TCF 1		
	Engagements individuels	1 687 559
	<hr/>	
	Paiements	1 255 361

8) 9.ACP.ANG.12 - Eau Tombwa (en liaison 8.ACP.ANG.5)	Engagements individuels	1 296 157
	Paiements	384 513
9) 9.ACP.ANG.13 - Appui au Services de l'ON	Engagements individuels	2 775 625
	Paiements	1 716 088
10) 9.ACP.ANG.14 - Réintégration des groupes vulnérables	Engagements individuels	14 863 702
	Paiements	7 870 960
11) 9.ACP.ANG.15 - Appui à l'Éducation primaire	Engagements individuels	9 814 997
	Paiements	2 334 805
12) 9.ACP.ANG.16 - Train for Trade	Engagements individuels	2 939 986
	Paiements	748 078
13) 9.ACP.ANG.17 - Programme for generation of Empllyment	Engagements individuels	796 280
	Paiements	0
14) 9.ACP.ANG.18 - Strenghtening budget and planning	Engagements individuels	0
	Paiements	0
15) 9.ACP.ANG.19 - Programme d'appui aux ANE	Engagements individuels	1 168 728
	Paiements	0
16) 9.ACP.ANG.20 - Aide aux réfugiés (CF 6531)	Engagements individuels	3 260 000
	Paiements	2 775 023
17) 9.ACP.ANG.21 - Augmentation projet déminage (9.ACP.ANG.2)	Engagements individuels	4 366 266
	Paiements	2 399 585

18) 9.ACP.ANG.22 - Augmentation projet Water sanitation
Engagements individuels 1 946 003

Paiements 0

19) 9.ACP.ANG.23 - TCF II

Engagements individuels 0

Paiements 0

Total 9^{ème} FED

Engagements individuels 134 719 884 €

Paiements 91 778 403 €

Récapitulatif ANGOLA

1) Engagements individuels :

	€
7 ^{ème} FED	95 587 638
8 ^{ème} FED	88 120 882
9 ^{ème} FED	134 719 884
<hr/>	
Total	318 428 404

2) Paiements :

	€
7 ^{ème} FED	93 697 672
8 ^{ème} FED	74 558 393
9 ^{ème} FED	91 778 403
<hr/>	
Total	260 034 468

EDF 9 sectoral breakdown

ANGOLA

STRATEGY FOR AFRICA	EUROPEAN CONSENSUS	SUB SECTOR AND PART SBS	in euro x 1000 total cumulative commitments 31.12.07
		governance	0
Human rights and governance	governance, human rights and support to economic and institutional reforms	economic and institutional reforms	
		Non State Actors	1 168
Peace and security	conflict prevention and fragile states	conflict prevention and fragile states	NA
Economic growth, regional integration and trade	trade and regional integration	European Partnership Agreements	
		regional economic integration	2 939
		private sector development	
	infrastructure, communication and transport	infrastructure, communication and transport	
	water and energy	water	21 977
		energy	
		unspecified	
	social cohesion and employment	social cohesion and employment	
	environment and sustainable management of natural resources	environment and sustainable management of natural resources	
investing in people	rural development, territorial planning, agriculture and food security	deminage	30 015
		agriculture + fishing	15 218
		food security	
	human development	health	45 000
		primary education	9 814
		Aide réfugiés	4 056
other	TCF	TCF	1 687
	support to NAO	support to NAO	2 839
	unspecified	unspecified	
Budget Support	GBS	General Budget Support	NA
TOTAL	TOTAL	TOTAL	134 713
Level of sector concentration	percentage of 9th EDF commitments covered by largest sectors of concentration plus GBS	largest sector	45 000
		Two largest sectors	75 015
		Three largest sectors	96 992
		Four largest sectors	112 210
		Five largest sectors	122 024
		nr of sectors + GBS to reach 85% of NIP	5
		sectors (NSA and GBS excluded)	134 713

**PROJETS REGIONAUX
ANGOLA**

1) Projets PALOP 8ème et 9ème FED

8.ACP.MTR.04 - Appui au développement du système judiciaire des PALOP
Engagements individuels 3 241 038 €

Paiements 3 210 623 €

8.ACP.TPS.123 - Appui au développement du système judiciaire des PALOP
Engagements individuels 1 500 000 €

Paiements 1 500 000 €

9.ACP.TPS.02 - Appui au développement du système judiciaire des PALOP
Engagements individuels 1 917 853 €

Paiements 825 429 €

9.ACP.SAD.19 - Réhabilitation de la route Humbe-Cahama
Engagements individuels 8 053 948 €

Paiements 0

8.ACP.MTR.4 - Santé

Engagement global 10 000 000 €

Engagements individuels 0

Paiements 0

Total engagements individuels 14 712 839 €

Total paiements 5 536 052 €

JAR 2007

Annexe F

Angola Projets BEI

Le règlement des arrières de la dette angolaise vis-à-vis de la BEI et l'amélioration du climat d'investissements a permis à la BEI de reprendre ses activités en Angola en 2007.

À la suite d'une mission d'évaluation en 2006, un contrat de prêt de 15M€ a été signé en octobre 2007 entre la BEI et la Société privée TV Cabo multimédia. Les perspectives de développement des activités de la BEI en Angola seront en fonction des besoins du secteur privé en termes d'investissement. Il n'est pas exclu non plus que la BEI intervienne en appui au secteur public ou para public, notamment au niveau des infrastructures, des secteurs de l'eau et de l'énergie.

Utilisation de l'appui budgétaire

Observation :

Au stade actuel, les conditions pour l'adoption et la mise en œuvre d'un appui budgétaire (qu'il soit général au sectoriel) ne sont pas réunies en Angola.

On observe notamment l'absence du PRSP adopté en coordination avec les Institutions de Bretton Woods, l'absence d'un programme cadre macro-économique avec le FMI. En outre, la situation des finances publiques, selon la Banque Mondiale ne fait pas apparaître une situation de transparence totale notamment en ce qui concerne les recettes pétrolières. Enfin, en l'absence d'une évaluation récente, il est difficile de confirmer que l'ensemble des dépenses publiques émerge du budget de l'État (cf. rôle des entreprises nationales pétrolière et diamantifère)

ANGOLA
Lignes budgétaires
Situation au 31 décembre 2007

Ligne budgétaire	Domaine des contrats souscrits	Montant total € Contracté	Montant total € Payé
1) 21 03 0100 V.	NGO-cofinancing	11 273 054	7 700 852
2) 21 02 0100 V.	Food security	20 324 397	9 388 997
3) 19 04 0500	Human Rights Democracy	2 549 391	1 642 948
4) 19 06 0102	Anti personnel mines	3 799 684	3 070 502
6) 21 05 0300	Health	4 096 771	738 193
7) 21 05 0300	Decentralised Cooperation	556 788	293 840
	TOTAL	42 600 085 €	22 835 332 €

SUMMARY of EDF FORECASTS 2008 - 2009

	FORECASTS 2008											
	1st SEMESTER			2nd SEMESTER			TOTAL 2008			TARGET 100%L+50%M		
	LOW	MEDIUM	HIGH	LOW	MEDIUM	HIGH	LOW	MEDIUM	HIGH	LOW	MEDIUM	HIGH
New Global Commitments	0	0	0	0	0	0	20 000 000	0	20 000 000	0	10 000 000	10 000 000
New Individual Commitments	14 481 389	5 665 737	6 294 192	2 521 461	8 812 833	16 650 000	2 535 638	8 872 931	5 241 431	6 972 103	15 784 936	15 784 936
Payments	12 750 024	4 988 353	5 541 671	2 220 000	7 759 189	17 740 960	2 701 781	9 454 313	5 584 866	7 428 937	15 188 126	15 188 126
Decommitments	99 532					870 428					969 960	
Decommitments to recommit	0					0					0	
Reduction of Old RAL	3 538 946	1 942 734	1 596 212	0	2 740 840	4 672 444	1 710 444	721 000	2 241 000	2 070 944	4 811 784	

	FORECASTS 2009					
	1st SEMESTER			2nd SEMESTER		
	LOW	MEDIUM	HIGH	LOW	MEDIUM	HIGH
New Global Commitments	0	0	0	0	0	0
New Individual Commitments	2 100 000	1 054 797	1 045 203	1 600 000	5 036	897 697
Payments	6 931 668	3 481 668	3 450 000	19 063 895	60 000	8 307 895
TARGET 100%L+50%M	0	0	0	1 600 000	5 036	897 697
TARGET ANNEE	0	0	0	1 600 000	5 036	897 697

SITUATION on 01/01/2008		SITUATION on 31/12/2008	
ALL PROJECTS	PROJECTS decided before YEAR 2003	ALL PROJECTS	PROJECTS decided before YEAR 2003
RAL	196 304 660	377 372 040	196 304 660
Σ Ongoing GLOBAL COMMITMENTS	367 372 040	49 767 384	5 719 626
RAC	14 489 226	58 514 212	19 891 595
RAP	15 953 679	108 281 596	25 611 122
RAL	30 422 906		
% RAL / Σ GLOBAL COMMITMENTS	31%	29%	13%
Nbr of years to absorb RAL	8	7	

	Amount	Nbr
Ceiling increase riders	0	0
Extension Date		1
Reaménagement budgetaire		1
Modification DTA		1
Total number of projects		1

Amare J

EDF 10

Partnerships and Priority Actions of the Lisbon Plan

country: ANGOLA

(for Delegations in Africa only)

EDF Global commitment for 2008 (previsions)

in euro x 1000

STRATEGY FOR AFRICA	EUROPEAN CONSENSUS	sectors	Partnerships and Priority Actions of the Lisbon Plan	planned commitments in NIP for 10th EDF
Human rights and governance	governance, human rights and support to economic and institutional reforms	governance	Partnerships on 2. Democratic Governance and Human Rights 7. Migration, Mobility and Employment	
		economic and institutional reforms		
		Non State Actors		
Peace and security	conflict prevention and fragile states	conflict prevention and fragile states	Partnership on 1. Peace and Security	
Economic growth, regional integration and trade	trade and regional integration	European Partnership Agreements	Partnership on 3. Trade (and Regional Integration)	
		regional economic integration	3. (Trade) and Regional Integration	
		private sector development		
	infrastructure, communication and transport	infrastructure, communication and transport	8. Partnership on Science, information society, space	
water and energy		water		24 000
		energy	5. Partnership on Energy	
		unspecified		
investing in people	social cohesion and employment	social cohesion and employment	6. Partnership on Climate change	
	environment and sustainable management of natural resources	environment and sustainable management of natural resources		
	rural development, territorial planning, agriculture and food security	rural development and territorial planning demining agriculture		20 000
	human development	health		
		primary education education unspecified		
other	TCF	TCF		
Budget Support	support to NAO	support to NAO		
	unspecified	unspecified		
	GBS	General Budget Support		NA
TOTAL	TOTAL		44 000 4. Partnership on the MDG's	44 000

Annex C of EAMR: Questions on the EU Aid Effectiveness targets (Angola).

1. EU Target No 1		
Channel 50% of government-to-government assistance through country systems, including by increasing the percentage of our assistance provided through budget support or SWAP arrangements		
2. Introduction		
The aim is to collect information that allows us to measure this target. The information that is needed is both the total amount of ODA provided, as well as the extent to which country systems are used in providing this ODA. For these purposes the country systems are defined as covering four main areas: (i) national budget execution procedures; (ii) national financial reporting procedures; (iii) national auditing procedures; and (iv) national procurement systems. By treating each of these four areas as having a 25% weight and dividing by the total amount of ODA provided the information required can be calculated (hence the division by four – see part 4 below). In all cases the necessary information can be collected using the same definitions as those in the OECD/DAC "Definitions and Guidance" (see attached page which includes an extract of definitions relevant to this indicator)		
3. Questions and definitions		
Question	Definition – OECD Ref	Response EUR
How much ODA did you disburse at country level for the government sector in FY 2007 (EUR)?	Qd2	37,353,865.24
How much ODA disbursed for the government sector in FY 2007 used national budget execution procedures (EUR)?	Qd5	0
How much ODA disbursed for the government sector in FY 2007 used national financial reporting procedures (EUR)?	Qd6	0
How much ODA disbursed for the government sector in FY 2007 used national auditing procedures (EUR)?	Qd7	0
How much ODA disbursed for the government sector in FY 2007 used national procurement procedures (EUR)?	Qd9	0
4. Definition of Indicator		
$\frac{[(Qd5 + Qd6 + Qd7 + Qd9) \div 4] \div [Qd2]}{\text{response \%}}$ (please calculate and enter as response %)		Response % 0
5. Additional information		
Are there any significant initiatives in your country to promote the use of country systems? If so provide a list and a short description. If not, highlight the constraints to use of country systems (use additional space as needed)		
<p>Total disbursements represented 76.37% of the 2007 target, up from last year's 63% (for a total of €25 million). Disbursement, reporting, procurement and auditing through national procedures remain difficult. Despite some improvement in national accounting, lack of capacity in public finance remains critical and there is no IMF framework agreement. Therefore, sufficient constraints linger to prevent budget support and use of national systems.</p> <p>However, following the expected improvement in public finance management for the coming years,</p>		

this could be revisited for the 10th EDF halfway review. At the same time, we must stress that there is no present demand from local authorities to set off budget support. Finally, considering that the country gets lofty public revenues from its own resources (mainly oil), we must realize that EC aid continues to be small when compared to fiscal resources (less than 0.5% of the 2008 budget).

Definitions from "Definitions and Guidance" OECD/DAC

www.oecd.org/dataoecd/13/29/36306366.doc

ODA	<p>Official Development Assistance (ODA) includes all transactions as defined in OECD-DAC Statistical Directives para. 32 (see appendix), including official transactions that:</p> <ul style="list-style-type: none"> ▪ Are administered with the promotion of the economic development and welfare of developing countries as its main objective; and ▪ are concessional in character and convey a grant element of at least 25%.
Disbursements	<p>A disbursement is the placement of resources at the disposal of a recipient country or agency (see OECD-DAC Statistical Directives para. 15-18). Resources provided in kind should only be included when the value of the resources have been monetised in an agreement or in a document communicated to government. In order to avoid double counting in cases where one donor disburses ODA funds on behalf of another, it is the donor who makes the final disbursement to the government who should report on these funds.</p>
Government sector	<p>Administrations (ministries, departments, agencies or municipalities) authorised to receive revenue or undertake expenditures on behalf of central government.</p>
Disbursements for the government sector	<p>This category includes the disbursement of ODA in the context of an agreement with the government sector (see definition above), including works, goods or services delegated or subcontracted by government to other entities (e.g. NGOs, private companies).</p>
Use of national budget execution procedures (Q ⁵)	<p>Donors use national budget execution procedures when the funds they provide are managed according to the national budgeting procedures as they were established in the general legislation and implemented by government. This means that programmes supported by donors are subject to normal country budgetary execution procedures namely procedures for authorisation, approval and payment.</p>
Use of national financial reporting procedures (Q ⁶)	<p>Legislative frameworks normally provide for specific types of financial reports to be produced as well as for the periodicity of such reporting. The use of national financial reporting means that donors do not make additional requirements on governments for financial reporting. In particular they do <u>NOT</u> require:</p> <ul style="list-style-type: none"> ▪ The production of additional financial reports. ▪ Periodicities for reporting that are different from government's normal reporting cycle. ▪ Formats for reporting that do not use government's existing chart of accounts.
Use of national auditing procedures (Q ⁷)	<p>Donors rely on the audit opinions, issued by the country's supreme audit institution, on the government's normal financial reports/statements as defined above. The use of national auditing procedures means that donors do not make additional requirements on governments for auditing.</p>
Use of national procurement procedures	<p>Donors use national procurement procedures when the funds they provide for the implementation of projects and programmes are managed according to the national procurement procedures as they were established in the general legislation and implemented by government. The use of national procurement procedures means that donors do not make additional, or special, requirements on governments for the procurement of works, goods and services. (Where weaknesses in national procurement systems have been identified, donors may work with partner countries in order to improve the efficiency, economy, and transparency of their implementation).</p>

1. EU target 2		
Provide all capacity building assistance through coordinated programmes with an increasing use of multi-donor arrangements ¹		
2. Introduction		
<p>EU target 2 aims to measure progress in aligning and coordinating support for capacity development. It's closely linked with indicator 4 of the Paris Declaration. Therefore, the term "capacity building" used in the EU target is interpreted as "technical cooperation". This use of the DAC definitions allows consistency with the DAC monitoring of the Paris Declaration.</p> <p>The term "coordinated" also refers to the DAC definition which covers the following principles: ownership of TC by partner countries, alignment of TC with countries/local strategies and objectives and, where more than one donor is involved, harmonisation of TC among donors.</p> <p>To avoid confusion, we strongly advise that you use the definitions given in the OECD guidance, by clicking on the link http://www.oecd.org/dataoecd/13/29/36306366.doc. DAC criteria on this indicator are being updated to make them easier to use and in January the final version to be used for monitoring the indicators in 2008 will be available on this site.</p> <p>Finally please note that a separate AIDCO initiative on EU target 2, related to preparing a strategy for achieving the target, is ongoing in 46 Delegations. Through this EAMR however, we hope to capture information from all delegations. Questions 1 and 2 below seek quantitative information on technical cooperation. Section 4 seeks qualitative information from delegations not participating in the survey launched by AIDCO (46 Delegations contacted) and provides the opportunity to share your experience and views.</p>		
3. Questions and definitions		
1	How much technical cooperation did you disburse in 2007 (Total TC in EUR)? <i>OECD question reference in the Paris survey : Q^d3</i>	Euro 19,610,097.17
2	How much technical cooperation did you disburse through co-ordinated programmes in support of capacity development in 2007 (EUR)? <i>OECD question reference in the Paris survey : Q^{da}</i>	Euro 6,188,078
4. Definition of Indicator		
3	<i>Q^d4 / Q^d3 (please calculate this and enter in the next column as %)</i>	31.5 %

¹ Despite the different wording the target is interpreted to correspond to Paris Declaration indicator 4. Please pay particular attention to the definition for the question Q^d4.

5 Additional Information

4 Qualitative information² :

Are there any significant initiatives to promote coordinated technical cooperation in your country?

There is a growing acknowledgement among donors of the need to improve coordination and look for synergies in Angola. Some sector-wide coordination has already started and discussions to create a donor aid database were launched in 2007, in order to better coordinate aid flows. So far, this issue is still a work in progress.

The EC delegation is trying to enhance, following the Paris Declaration on Aid Effectiveness, better donor coordination and division of labour, including the analysis of donor's comparative advantage and sector of concentration. However, no specific technical cooperation plan has been so far envisaged. Presently, our coordination efforts include donors such as DFID, FAO, UNDP, UNICEF, UNCTAD and the World Bank. The Code of Conduct / Division of Labour process has just started.

If so, please provide a short description. And indicate whether they are linked to the Code of Conduct / Division of Labour process or any other "EU initiatives"

The above mentioned initiatives were mostly launched before the approval of the Code of conduct, but they are linked to the process, presently at its early stages in the country. The Delegation tries to foster ownership of TC in Angola, alignment with local objectives and, where more than one donor is involved, harmonisation among them. This is the case in some of our technical support inside the line ministries. However, much remains to be done in this area, as no specific country or sector-wide approach is currently established. Some examples of coordination include:

- Education. Under the EDF-funded "Programa de Apoio ao Ensino Primario", the French cooperation will provide a Human Resources expert who will be working from February 2008 onwards in collaboration with the Technical Assistance team in order to implement the on-going programme estimate. Additionally under an on-going initiative of the World Bank, in order to conduct a qualitative survey of the education sector, the WB, the EC, DFID and UNICEF are working together to present a joint initiative to the Ministry of Education. The EC will contribute to such joint plan through the resources available under the Programa de Apoio ao Ensino Primario.

- Water and Sanitation. DFID and the EC have launched a water and sanitation sector study (ToRs prepared by the EC, funds provided by DFID) whose results should inform the 10^o EDF water and sanitation programme and possibly DFID future activities. Regarding Sanitation, the EC and UNICEF jointly organised and financed the first national seminar on Sanitation.

- Health. Discussions were conducted with DFID in order to explore the possibility to recruit a health economist, paid by DFID, which should be working in the framework of the EDF-supported Programa de Apoio ao Sector Saúde.

- Trade. A Train for Trade Program is underway with UNCTAD, providing capacity building in several ministries related to trade facilitation and negotiation.

- Finally, there is also some coordinated work underway with the Comissão Nacional Intersectorial de Desminagem e Assistência Humanitária (CNIDAH), FAO (support to food security advisors) and the UNDP on technical assistance.

² These questions are taken from the survey on "Developing an EuropeAid Strategy on TC and PIU" sent to delegations which are members of the Aid Effectiveness Network. They need to be answered by delegations who are not participating in this survey.

If not, highlight key constraints delaying joint work on TC and capacity development.

Given the relatively small amount of external assistance provided to Angola, vis-à-vis the country's own financial resources, the donor community has relatively little leverage regarding coordination and little attention has been devoted to the subject from the Angolan side.

In addition, the lack of sound sector policies and overarching developing strategies make it more difficult for donors to frame their interventions into Government-driven initiatives. No clear interlocutor for donor coordination is at hand inside the administration, but the process of dialogue with the government regarding this matter will be probably re- launched in 2008.

1. EU target 3		
Avoid establishment of new project implementation units (PIUs).		
2. Introduction		
<p>EU target 3 aims to assess progress towards strengthening local capacity by tracking the number of PIUs put in place to manage projects and programmes. It is linked to indicator 6 of the Paris Declaration. This target is interpreted as "avoiding the establishment of new parallel PIUs"</p> <p>To avoid confusion, we strongly advise that you use the definition of parallel PIUs given in OECD guidance, by clicking on the link http://www.oecd.org/dataoecd/13/29/36306366.doc. DAC criteria for this indicator are being updated to make them easier to use and in January the final version to be used for monitoring the indicators in 2008 will be available on this site.</p> <p>Finally please note that a separate AIDCO initiative on EU target 2, related to preparing a strategy for achieving the target, is ongoing in 46 Delegations. Through this EAMR however, we hope to capture information from all delegations. Questions 1 and 2 below seek quantitative information on technical cooperation. Section 4 seeks qualitative information from delegations not participating in the survey launched by AIDCO (46 Delegations contacted) and provides the opportunity to share your experience and views.</p>		
3. Questions and Definitions		
1	How many parallel project implementation units funded by EC were in operation in December 2007? <i>OECD question reference in the Paris survey : Q^d10</i>	0
2	Out of these, how many <u>new</u> parallel project implementation units were established during 2007?	0
4. Additional Information		
3	<p>Qualitative information³:</p> <p>Are there any significant initiatives to avoid the establishment of parallel PIUs in your country? There are no major initiatives to avoid PIUs in Angola. Most to the implementation work is managed through the Technical Assistance Unit at the Ministry of the Plan. In 2008, a new unit will be created at the Ministry of Trade in order to manage the Train for Trade Program.</p> <p>What in your opinion should be done to increase domestic ownership and quality of project implementation arrangements? There is a strong national rhetoric regarding technical independence and ownership. A good way to increase the quality of implementation might be to encourage the development of human resources and technical capacity inside the public administration. A coordinated effort from donors could help to further raise this issue.</p> <p>If so, please provide a short description. If not, highlight key constraints. Chief bottlenecks are the scarce capacity at the ministries and the strong concentration of decisions at the political level. The former means that few well trained people have to deal with many requests from donors while the latter implies that choices take longer to be taken</p>	

³ These questions are taken from the survey on "Developing an EuropeAid Strategy on TC and PIU" sent to delegations which are members of the Aid Effectiveness Network. **They need to be answered by delegations who are not participating in this survey.**

1. EU Target No 4		
Reduce the number of uncoordinated missions by 50%.		
2. Introduction		
<p>The aim is to collect data on the number of uncoordinated EC Missions to your country. The information needed is (a) the total number of EC Missions to your country and (b) how many of these were coordinated.</p> <p>The Paris Declaration objectives underlying the related indicator of progress for coordinated missions are: "In planning their missions to the field⁴ it is important that donors: Conduct fewer missions, coordinate timing of missions with partner authorities and, where necessary, with other donors, <i>conduct more joint missions, avoid conducting missions during "mission free periods"</i>⁵.</p> <p>Coordinated mission is a mission undertaken by 2 or more donors jointly, or by one donor on behalf of another. In practice, the following 3 questions help to clarify what is meant by a mission:</p> <ol style="list-style-type: none"> 1. Does the mission involve international travel to a beneficiary country? i.e. this concerns only missions from HQ, not missions undertaken within the country by the Delegation. 2. Does the mission involve a request to meet with government officials, including local government? 3. Is this mission undertaken by 2 or more donors jointly? Or is it done by an HQ service also on behalf of another donor? <p>The Definitions and Guidance of the OECD (www.oecd.org/dataoecd/13/29/36306366.doc) requires that missions undertaken by consultants contracted by AIDCO (or other DG's), if they meet the 3 above questions, must also be included.</p>		
3. Questions and definitions		
OECD	How many HQ missions to the field were undertaken in FY 2007? ⁶	4
ref: Q ^d 15		
Q ^d 16	How many of these were coordinated?	0
Please provide a breakdown of missions the Commission and its services have undertaken to your country in FY 2007 in the table below:		
Missions by:	Coordinated	Uncoordinated
Members of Commission		1
AIDCO		1
DEV		
RELEX		
TRADE		
ECHO		
FISH		
OTHER DGs		2
Consultants contracted by the Commission		
Total	0	4

⁴ 'Field' refers to the country in general including missions to the capital only.

⁵ The target set for 2010 for indicator 10 a) is to have 40% of donor missions to the field as joint.

⁶ This question applies to the missions from the HQ

4. Definition of Indicator		
Q ^d 16 / Q ^d 15	2006	2007
Please calculate and enter in the column for 2007 and also include the figure for this indicator for 2006 ;	0	0

5. Additional Information			
Delegations are invited to list the dates for main HQ missions already planned for the March 2008 to August 2008, indicating whether they are, or not, to be coordinated with other donors;			
HQ DG	Date planned	Purpose/Sector	Coordinated (Yes/No)
TREN	February 2008	Transport	Yes
AIDCO	April	General	No
AIDCOE3	not decided	Education	No
Delegations are suggested to indicate higher priority requests for HQ missions needed from September 2008 to February 2009, but not yet agreed with HQs, that the Delegation estimates serve better the coordination arrangements at local level and can yield more added-value for the policy dialogue.			
HQ DG	Date planned	Purpose/Sector	Donor(s) involved
AIDCO	Sep/Oct	Justice	Portugal/Italy
TRADE	Oct/Nov	EPAs, SPG	UNCTAD
Delegations are asked to briefly inform if there are significant initiatives to decrease the number of uncoordinated missions in your country? If so, please provide a short description. If not, highlight key constraints.			
There are no significant initiatives underway. This objective is important, but there are several constraints. First, logistics, as it is increasingly difficult to find a hotel and process visas. Then, the lack of coordination means that each agency has its own procedures, budget and reporting deadlines. Although improved coordination at the local level will be most helpful (and the donor database will also help in this topic), better coordination at headquarters will also be essential to achieve this objective.			
Finally, Delegations are asked to assess the likelihood of meeting, by 2010, the twin targets for missions, ie. the OECD target of 40% and the EU target of halving the number of un-coordinated missions.			
- OECD target of 40% likely to be met:			No
- EU target of halving the number of un-coordinated missions:			No
Delegations are asked to briefly indicate what additional steps HQ should be prepared to consider to help in achieving those targets at the level of the beneficiary country concerned:			
We currently believe that, unless a) better infrastructure is developed in the country, b) enhanced coordination with donors is finally achieved by local authorities and c) better synchronization from headquarters is obtained, these 2010 twin targets will unlikely be met.			

Other aid effectiveness related information

On 4 July 2007 our Counsellors Louis Michel and Benita Ferrero-Waldner wrote to all Heads of Delegations requesting implementation of the Code of Conduct for Division of Labour. Several

Delegations have responded and have attached their progress reports on aid effectiveness. We need information on the specific points below:

1. Paragraph 5 of the Council conclusion on Division of Labour notes:

"Simultaneously with the implementation of the Code of Conduct, the Member States and the Commission will promote wide discussions with partner countries and other donors on complementarity and division of labour, based on the EU code of Conduct which will be complemented by first experiences in the field. The outcome of these discussions would constitute an input to the OECD/DAC partnership and the High Level Forum on Aid Effectiveness III that will take place in Accra, Ghana in 2008. The Council invites the incoming Presidencies to actively support such a process, in close cooperation with the Member States and the Commission." (Highlights by AIDCO 01)

1.1 Have the discussions with partner countries and other donors been held?

(a) If yes, when and what was the result? Please describe in brief how these talks are progressing. This process has been started, with the distribution of relevant documentation among donors. It was one of the topics of a EU Heads of Delegation meeting in early 2008. The future donor database and the ongoing discussion in these areas will probably help to achieve better future coordination.

(b) If no, are there plans to hold them? If yes, please describe briefly what the plans are.

1.2 What input on division of labour is planned by the partner country towards HLF III? If none, then leave blank.

2 In paragraph 14 the Council invites the Commission to outline Community implementation of the Code of Conduct in its annual report on development cooperation, including: 'a self-assessment in its potential areas of comparative advantage as referred to in the joint Development Policy Statement'. (highlights by AIDCO 01)

2.1 What action has been taken towards this self assessment of comparative advantage?

(a) If yes, please describe the process in brief and the results.

(b) If no, do you have any plans for initiating such a process? What are the plans?

The self-assessment of comparative advantages has not been thoroughly outlined in Angola. The country did not originally sign the Paris declaration and the issue has received little attention since then. The future donor database and the donor assistance roadmap will be of further assistance. In this respect, the delegation coordinates the efforts to set up an updated matrix of donor's interventions for the past years, that will show the level of aid disbursed by country and sector.

3 In country that have already initiated some form of division of labour: None so far.

3.1 Please describe the process. (e.g., when did it start; partner country leadership; donors involved; results on the ground, etc).

3.2 As a result of this process, did the Delegation:

- Reduce or expand the sectors in which it remains active?
- Exit from any sectors? Specify
- Enter any new sectors? Specify
- Become lead donor in any sectors? Specify
- Enter into delegated cooperation partnerships? Please specify.

ANNEX 3: 2007 MATRIX OF DONOR INTERVENTIONS

Donor/sector 2007 (k € mil)	% of total aid																					
	Food Aid	Agriculture and Fisheries	Health	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 reintegration	Unknown (?)	Total per donor	% of total aid	
Bilateral ODA - EU																						
Czech Republic	0.15	0.22	0.70	0.05	1.40	0.50														0.82	1.4%	
France	1.20	0.40	0.86	1.14	1.00															3.40	5.2%	
Germany	2.87	1.35	6.68	0.72	0.01	1.17	1.25													5.38	8.2%	
Italy	0.97	0.39	0.68	0.72	0.01	1.17	1.25													0.00	18.8%	
Portugal	4.42	0.30	2.10	0.42	0.15	0.15	0.54													0.05	12.6%	
Spain	1.28	0.09	0.70	2.00																0.20	9.8%	
Sweden	2.07	1.01	11.64	4.13	5.26	2.78	2.22	1.00	1.79	0.57	0.43	0.42	0.74						0.12	4.8%		
The Netherlands	13.06	1.07	17.76	6.9%	8.0%	4.2%	3.4%	1.5%	12.0%	0.6%	0.7%	5.8%	0.1%	3.8%	0.3%	15.0%	4.7%		0.87	5.8%		
United Kingdom	2.0%	19.9%	1.5%	17.7%	6.9%	8.0%	4.2%	3.4%	1.5%	12.0%	0.6%	0.7%	5.8%	0.1%	3.8%	0.3%	15.0%	4.7%	1.87	10.0%		
TOTAL EU MS																						
% aid/sector EU MS																						
Other DAC																						
Japan (JICA)	0.09	3.63	2.88	6.11	1.08	1.08	1.72	0.39												13.88	22.5%	
Norway	1.00	0.15	2.87	5.28	1.25	0.47	1.64	1.72												16.80	26.4%	
Switzerland	17.86	1.48	0.19	1.23	3.24	0.37														0.38	0.6%	
United States (USAID)	0.09	22.39	4.91	5.18	5.51	4.86	1.56	4.82	1.72	0.29	1.13	0.16	0.25	2.82					32.05	51.5%		
TOTAL OTHER DAC	0.1%	36.0%	7.2%	14.9%	10.5%	7.8%	7.4%	2.8%	4.8%	1.9%	2.2%	0.3%	0.4%	4.2%	0.0%	0.0%	0.0%	0.0%	28.21	100.0%		
% aid/sector Other DAC																						
Multilateral ODA																						
EC	5.28	0.11	1.66	1.27	2.66	0.91	0.93	3.73	2.16											46.40	64.3%	
World Bank	0.85	0.76	0.76	1.14	1.14	1.14	1.14	1.14	1.14	1.13	1.13	1.13	1.13	1.13	1.13	1.13	1.13	1.13	25.71	35.7%		
TOTAL MULTIL ODA	0.03	6.94	0.11	2.84	1.27	2.26	2.05	4.87	3.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	72.11	100.0%		
% aid/sector Multil. ODA	0.0%	8.5%	0.2%	3.7%	1.6%	4.1%	5.0%	10.6%	7.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%			
TOTAL																						
Total ODA per sector	1.37	42.32	6.62	23.46	11.91	13.09	6.93	7.17	16.39	6.99	1.92	5.28	2.70	28.49	0.18	12.34	10.90	1.32	200.89	100.0%		
% of ODA per sector	0.7%	21.2%	2.9%	11.7%	6.0%	5.9%	3.3%	3.6%	8.2%	3.2%	1.0%	0.9%	1.3%	14.2%	0.1%	6.2%	5.5%	0.7%	100.0%			
% of ODA per donor																						

ADU = ADOIDA IN 2007 (CN contributions - other bilateral aid - above figures, not included)
 The EC figures are as reported in the 2007 Annual Report of the Commission for Africa (in Millions of Euros), excluding the contribution of other donors to jointly funded programmes
 Financing: 16; NCS: 8; 0.143; 10.13; Year: 1; Swiss Franc: 0.699; 1 US\$: 0.726
 Source: EC Delegation with data provided by donors.