

PD-ABS-894

107476

USAID/Angola Strategic Plan



2001 - 2005



PD-ABS-894

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PRIORITY LUANDA

AIDAC

E.O. 12958: N/A

TAGS:

SUBJECT: APPROVAL FOR USAID/ANGOLA STRATEGIC PLAN FY 2001-2005

1. BEGIN SUMMARY. THE USAID/ANGOLA STRATEGIC PLAN REVIEW WAS HELD JUNE 26, 2000. THE REVIEW RESULTED IN A RECOMMENDATION TO THE AA/AFR THAT THE USAID/ANGOLA COUNTRY STRATEGIC PLAN (CSP) BE APPROVED. THE CSP INCLUDES THE FOLLOWING THREE STRATEGIC OBJECTIVES (SOS) AND ONE SPECIAL OBJECTIVE (SPO): SO 1 ENHANCED HOUSEHOLD FOOD SECURITY IN TARGETED COMMUNITIES; SO 2 CONSTITUENCIES PROMOTING DEMOCRATIC GOVERNANCE STRENGTHENED; SO 3 INCREASED USE OF MATERNAL/CHILD HEALTH AND HIV/AIDS SERVICES AND/OR PRODUCTS AND IMPROVED HEALTH PRACTICES; AND SPO 1 MORE MARKET-ORIENTED ECONOMIC ANALYSIS USED IN DECISION-MAKING PROCESS. MAJOR ISSUES CONCERNED THE LEVEL OF DA PROGRAM FUNDS, AVAILABILITY OF ESF FUNDS, AND WHETHER THE RESULTS AS ARTICULATED IN THE STRATEGIC PLAN COULD BE ACHIEVED WITH LOWER LEVELS THAN REQUESTED. THE MISSION WILL REISSUE THE ENTIRE CSP WITH RECOMMENDED CHANGES AND EDITS. ANOTHER REVIEW WILL NOT BE REQUIRED. AFR/SA WILL ADVISE THE MISSION THAT ALL THE CHANGES HAVE BEEN SATISFACTORILY MADE AND THAT THE STRATEGY CAN BE DISTRIBUTED. END SUMMARY.

2. THE REVIEW WAS CHAIRED BY AFR/DP JAMES SMITH AND ATTENDED BY DAA/AFR VALERIE DICKSON-HORTON, DEPARTMENT OF STATE AF/S OFFICE DIRECTOR AMBASSADOR ARLENE RENDER AND ANGOLA DESK ELIZABETH PRATT, AND REPRESENTATIVES FROM AFR/DP, AFR/SA, AFR/SD, PPC, M/B, G, AND BHR. THE MISSION WAS CONGRATULATED ON NOT ONLY A FINE PRODUCT, BUT ALSO THE EXTREMELY COLLABORATIVE PROCESS IT UNDERTOOK TO ENSURE THAT THE STRATEGIC PLAN REFLECTED THE INPUT OF ALL BUREAUS OF THE AGENCY AS WELL AS THE EMBASSY.

3. ISSUES DISCUSSED AT THE REVIEW

A. ISSUE 1: THE STRATEGIC PLAN PROPOSES A PROGRAM FUNDED AT APPROXIMATELY USD 11 MILLION DA ANNUALLY FOR A TOTAL OF USD 57.2 MILLION OVER FIVE YEARS. IN THE EVENT THAT ANNUAL FUNDING CAN ONLY BE MADE AVAILABLE IN THE 8 TO 9 MILLION DOLLAR RANGE, HOW WOULD THE BUDGET BE ALLOCATED BY SO AND HOW WOULD THE EXPECTED RESULTS CHANGE?

DISCUSSION: THE MISSION NOTED THAT THE PARAMETERS CABLE ALLOWED FOR PLANNING IN AN 8 TO 14 MILLION DOLLAR RANGE. AT THE REVIEW, THE MISSION OUTLINED TRADE-OFFS IT WAS PREPARED TO MAKE IF THE FUNDING REQUEST OF 11 MILLION DOLLARS A YEAR COULD NOT BE FULFILLED. AT AN 8 TO 9 MILLION DOLLAR ANNUAL LEVEL, THE MISSION WOULD REDUCE FUNDING TO THE HEALTH STRATEGIC OBJECTIVE.

IN RESPONSE TO WHETHER THE SPO WOULD BE ELIMINATED, THE MISSION STATED THAT IT WOULD STILL FUND THE SPO AT SOME MINIMAL LEVEL SINCE IT SEES THE SPO AS CRITICAL TO SUPPORTING THE COUNTRY'S NEW STAFF-MONITORED PROGRAM AGREEMENT WITH THE IMF. NOT PROVIDING ANY FUNDING TO THIS SPO WOULD REDUCE THE USG'S ABILITY TO INFLUENCE THE DIRECTION OF THE GOVERNMENT OF ANGOLA'S MACROECONOMIC REFORM PROGRAM AS WELL AS THE USG'S LEVERAGE VIS-A-VIS OTHER BILATERAL AND MULTILATERAL DONORS.

REGARDING SO 1, OTI STATED THAT IT COULD NOT PROVIDE FUNDING FOR ANGOLA BUT WOULD CONTINUE TO SUPPORT TECHNICAL ASSISTANCE BY ITS STAFF TO IMPLEMENT THE STRATEGY. A BHR REPRESENTATIVE NOTED THAT FFP FUNDS WOULD NOT FILL ALL OF SO 1'S REQUIREMENTS AND, THEREFORE, SO 1 WOULD REQUIRE ADDITIONAL NON-BHR RESOURCES SUCH AS DA ECONOMIC GROWTH FUNDS.

RESOLUTION: IN SUMMARY, THE RESULTS AS OUTLINED IN THE STRATEGIC PLAN REQUIRE 11 MILLION DOLLARS IN DA RESOURCES PER YEAR. HOWEVER, INDICATIONS ARE THAT OVERALL BUREAU RESOURCES WILL REMAIN AT LEVELS COMPARABLE TO FY 2000 IN THE NEAR FUTURE. WHILE THE BUREAU RECOGNIZES THE MISSION'S DESIRE TO REDUCE HEALTH FUNDING, THE MISSION IS CAUTIONED THAT LOWER OYB LEVELS WILL MEAN REDUCED DISCRETIONARY FUNDING AND THE MISSION WILL NEED TO ADJUST ACCORDINGLY RATHER THAN REDUCING HEALTH.

IN THE EVENT OF A REDUCTION, LIKELY PROGRAMMATIC MODIFICATIONS INCLUDE: FOR SO 1, DECREASED DA FUNDING WOULD LIKELY REDUCE TRANSITION ACTIVITIES; FOR SO 2, THE DECREASE WILL BE SPREAD ACROSS ALL ACTIVITIES, PARTICULARLY THOSE THAT RELATE TO DISCRETE ACTIVITIES THAT CAPITALIZE ON EMERGING OPPORTUNITIES TO BUILD DEMOCRATIC POLITICAL INSTITUTIONS; AND FOR SPO 1, THE MISSION WOULD ATTEMPT TO MAINTAIN SOME LEVEL OF FUNDING AS LONG AS THE GOVERNMENT CONTINUES TO IMPLEMENT THE IMF STAFF-MONITORED PROGRAM. A REDUCTION IN CSD FOR SO 3 WOULD NOT REQUIRE SIGNIFICANT PROGRAMMATIC MODIFICATION IN THE ONGOING CHILD SURVIVAL GRANTS, BUT A MAJOR CUTBACK OR SUSTAINED REDUCTION IN CSD WOULD DELAY THE START OF A MALARIA PROGRAM.

B. ISSUE 2: TWO ISSUES WERE RAISED CONCERNING ESF FUNDING: (1) WHAT IS THE APPROPRIATE USE OF ESF OR DA FUNDING FOR DG PROGRAMS IN THE CONTEXT OF WORKING WITH POLITICAL INSTITUTIONS AND CIVIL SOCIETY, AND (2) SINCE THE STRATEGY DOCUMENT STATES THAT NON-DA FUNDS ARE REQUIRED FOR THE STRATEGY TO ACHIEVE ITS RESULTS, WHAT LEVEL OF FUNDING CAN BE EXPECTED FROM ESF?

DISCUSSION: THE STRATEGY STATES THAT IT IS APPROPRIATE TO FUND THE DG PROGRAM THROUGH A MIX OF ESF AND DA FUNDS. DA WILL BE USED PRIMARILY TO SUPPORT LONGER-TERM DEVELOPMENT OF CIVIL SOCIETY AND DEMOCRATIC PRACTICES, WHILE ESF WILL BE EMPLOYED FOR DISCRETE ACTIVITIES THAT CAPITALIZE ON EMERGING OPPORTUNITIES TO BUILD DEMOCRATIC INSTITUTIONS. THIS APPROACH WAS DEVELOPED WITH THE EMBASSY AND IS STRONGLY SUPPORTED BY THE COUNTRY TEAM.

DAA/AFR DICKSON-HORTON UNDERLINED USAID/W'S RESPONSIBILITY TO MAKE A DISTINCTION TO CONGRESS BETWEEN ESF AND DA SUPPORTED ACTIVITIES. AF/S DIRECTOR ACKNOWLEDGED THAT ESF FUNDS WOULD BE APPROPRIATE FOR SOME OF THE ACTIVITIES PLANNED BY USAID. SHE FURTHER NOTED THAT ESF RESOURCES WOULD LIKELY BE MADE AVAILABLE FOR ANGOLA BUT COULD NOT SPECIFY THE LEVEL. IF ESF IS NOT MADE AVAILABLE FOR 2001, THE MISSION WOULD REDUCE THE PLANNED LEVEL OF ASSISTANCE FOR THE PROPOSED 2001 ELECTIONS AND THE EMPHASIS ON POLITICAL INSTITUTION BUILDING.

RESOLUTION: DAA/AFR SAID THAT THE BUREAU WOULD UNDERTAKE AN INTERNAL REVIEW OF RESOURCES AVAILABLE IN THE CONTEXT OF BUREAU PRIORITIES AND MISSION REQUESTS, AND THEN WOULD HOLD DISCUSSIONS WITH THE STATE DEPARTMENT REGARDING ESF REQUIREMENTS.

4. SEVERAL ISSUES AND CONCERNS HAD BEEN DISCUSSED AND RESOLVED DURING THE ISSUES MEETING HELD JUNE 22, 2000. AS A RESULT, USAID/ANGOLA WAS REQUESTED TO MAKE THE FOLLOWING EDITS/CHANGES IN ITS CSP:

A. ISSUE: THE STRATEGY'S FIVE YEAR GOAL IS TO IMPROVE THE FOOD SECURITY, HEALTH, AND POLITICAL PARTICIPATION OF HOUSEHOLDS IN SEVEN PROVINCES AND OTHERS OUTSIDE THE SEVEN PROVINCE AREA. HOW MANY HOUSEHOLDS AND PEOPLE ARE IN THESE TARGET AREAS, IS THE GEOGRAPHIC FOCUS TOO WIDE, AND ARE THE RESOURCES TOO DISPERSED TO ACHIEVE SIGNIFICANT IMPACT?

REVISION: UPON DISCUSSION OF THE GEOGRAPHIC SCOPE AND TARGET POPULATION OF THE STRATEGY, THE MISSION WAS REQUESTED TO (1) REVISE CSP WORDING TO BETTER DEFINE THE GEOGRAPHIC AND POPULATION SCOPE OF THE STRATEGY AND (2) INCLUDE THE TARGET NUMBER OF BENEFICIARIES IN THE PERFORMANCE MONITORING PLAN.

B. ISSUE: ISSUES OF MEDICAL WASTE WERE NOT ADDRESSED IN THE ENVIRONMENTAL ANNEX NOR WAS THERE MENTION OF THE INITIAL ENVIRONMENTAL EXAMINATIONS (IEES) THAT WILL TAKE PLACE FOR THE SOS.

REVISION: THE MISSION WAS REQUESTED TO REVISE THE ENVIRONMENTAL ANNEX TO INCLUDE THE ISSUES OF (1) MEDICAL WASTE DISPOSAL RESULTING FROM HEALTH/HIV/AIDS ACTIVITIES AND (2) IEE REVIEWS OF NEW PROGRAM ACTIVITIES UNDER EACH SO AS THEY ARE DEVELOPED. THE MISSION SHOULD ALSO INCLUDE A STATEMENT UNDER SO 1 WHICH EXPLAINS ITS PROPOSED IRRIGATION PLANS AND EFFECTS ON THE OKAVANGO WATERSHED. THE MISSION SHOULD ALSO REQUEST THE HIV/AIDS CONTRACTOR TO INCLUDE A MEDICAL WASTE REPORT IN THE IEE WHEN IMPLEMENTATION BEGINS.

C. SO 1 ISSUE: THE CURRENT DEVELOPMENT HYPOTHESIS WHICH STATES THAT ANGOLA CAN REDUCE ITS DEPENDENCY ON IMPORTED FOODS AT ALL LEVELS MAY NOT BE VALID FOR INTERNALLY DISPLACED PERSONS (IDP) GROUPS. IT WAS RECOMMENDED THAT THE MISSION ADOPT AN ALTERNATIVE DEVELOPMENT HYPOTHESIS.

REVISION: THE MISSION WILL CHANGE THE DEVELOPMENT HYPOTHESIS FOR SO 1 TO: ANGOLA'S FOOD AND AGRICULTURE SYSTEM REQUIRES ENHANCED PRODUCTION AND MARKETING INTERVENTIONS AT ALL LEVELS.

D. SO 1 ISSUE: IS ADDING A THIRD BENEFICIARY GROUP (SMALLHOLDERS) TOO AMBITIOUS FOR THIS SO?

REVISION: THE MISSION IS ADVISED TO LOOK AT AN APPROPRIATE BALANCE OF BOTH FINANCIAL AND HUMAN RESOURCES IN THE IMPLEMENTATION OF IR 2 AGRICULTURAL CROPS PRODUCED AND MARKETED MORE EFFECTIVELY. MISSION IS FURTHER ADVISED TO MAKE LANGUAGE REVISIONS IN THE STRATEGY THAT BETTER DESCRIBE THE TARGET GROUPS AND EXPOUND ON THE FACT THAT THE ALREADY ESTABLISHED TRANSITIONAL ASSISTANCE PROGRAMS (TAPS) ARE AN ANCHOR TO THIS ACTIVITY.

F. UNDER SO 3 (HEALTH), NO ISSUES WERE RAISED, BUT THE MISSION WAS REQUESTED TO MAKE THE FOLLOWING CHANGES:

(1) ADD A BRIEF PARAGRAPH EXPLAINING HOW THE MISSION PLANS TO ADDRESS OR CONTRIBUTE TO THE POLIO ERADICATION EFFORTS IN ANGOLA, (2) REPLACE CURRENT INDICATOR FOR DIARRHEA AT THE SO LEVEL TO QUOTE PERCENTAGE OF CASES OF DIARRHEA IN CHILD UNDER FIVE TREATED WITH ORAL REHYDRATION SALTS, OR APPROPRIATE AND/OR INCREASED FLUIDS END QUOTE, (3) INCLUDE A PARAGRAPH ADDRESSING THE BORDER AREAS WITH NAMIBIA FOR ENSURING AN ADEQUATE SUPPLY OF CONDOMS IN THE COUNTRY, AND A PARAGRAPH ADDRESSING THE FRAMEWORK TO ENSURE CAUSAL RELATIONSHIPS ARE ACCURATE.

5. CONCLUSIONS:

A. IT WAS AGREED THAT THE STRATEGY UP TO THE LEVEL OF FUNDING REQUESTED IS SUBJECT TO AVAILABILITY. WHILE THE BUREAU RECOGNIZES THE MISSION'S DESIRE TO REDUCE HEALTH FUNDING, THE MISSION IS CAUTIONED THAT LOWER OYB LEVELS WILL MEAN REDUCED DISCRETIONARY FUNDING AND THE MISSION WILL NEED TO ADJUST ACCORDINGLY RATHER THAN REDUCING HEALTH. THE BUREAU WILL NEGOTIATE WITH THE DEPARTMENT OF STATE TO ATTEMPT TO SECURE OTHER SOURCES OF FUNDING.

B. THE MISSION'S POSITION IS TO SUPPORT THE ANGOLAN RESETTLEMENT PROGRAM BY WORKING WITH THE GRA AND UNDP. IT WAS AGREED THAT DUE TO THE LARGE NUMBER OF USG AND USAID PROGRAMS WORKING IN ANGOLA, CLOSE COORDINATION WAS NEEDED BOTH AMONG OFFICES WITHIN USAID AND WITH OUTSIDE AGENCIES. THE VALUE OF WORKING GROUPS TO FACILITATE COORDINATION WAS REAFFIRMED.

C. IT WAS AGREED THAT GIVEN THE POTENTIAL FOR A CHANGING DG ENVIRONMENT IN ANGOLA, USAID/W UNDERSTANDS THE NEED FOR FLEXIBILITY AND OPENNESS TO POSSIBLE ADJUSTMENTS IN THE USAID/ANGOLA DG STRATEGY. AFR/DP WILL PROVIDE THE MISSION SPECIFIC INFORMATION AS TO WHAT EXPEDITED PROCEDURES WILL BE INSTITUTED SHOULD THE MISSION NEED TO REVISE THE DG STRATEGY.

D. UNDER SO 2, THE MISSION WILL WORK WITH REFORMERS BOTH WITHIN AND OUTSIDE GOVERNMENT TO ADVANCE DEMOCRATIC REFORM. HOWEVER, THE STRATEGY DOCUMENT STATES THAT POLITICAL WILL IS LACKING WITHIN CRITICAL GOVERNMENTAL AND POLITICAL CIRCLES. THEREFORE, IT WAS AGREED AT THE REVIEW TO NOTE IN THE APPROVAL CABLE THAT AID/W EXPECTS THAT A SIGNIFICANT SHARE OF THE RESOURCES AVAILABLE FOR SO 2 ACTIVITIES WOULD BE DIRECTED TO SUPPORT DEMOCRATIC ACTIVISTS WITHIN CIVIL SOCIETY WHERE THE WILL TO PRESS FOR DEMOCRATIC REFORM IS GREATER THAN WITHIN GOVERNMENT.

E. THE MISSION WILL REISSUE THE ENTIRE CSP WITH RECOMMENDED CHANGES AND EDITS AS NOTED ABOVE. ANOTHER REVIEW WILL NOT BE REQUIRED. UPON RECEIPT AND REVIEW OF REVISED CSP DOCUMENT, AFR/SA WILL ADVISE THE MISSION THAT ALL THE CHANGES HAVE BEEN SATISFACTORILY MADE AND THAT THE STRATEGY CAN BE DISTRIBUTED.

F. USAID/ANGOLA WILL ESTABLISH BASELINE DATA AND TARGETS FOR SO AND IR INDICATORS AS PART OF THE ACTIVITY DESIGN PROCESS AND AS THE PERFORMANCE MONITORING PLAN IS FURTHER DEVELOPED AND REFINED. USAID/W STANDS READY TO ASSIST THE MISSION WITH THIS EXERCISE AS NEEDED. BASELINE DATA AND PERFORMANCE TARGETS WILL BE REPORTED IN THE FY 2003 R4.

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AID/PPC/PC:JOROURKE (DRAFT)

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USAID/ANGOLA

Strategic Plan

2001-2005

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Chronology of Major Events

June 1975:	Civil war began
November 1975:	Independence from Portugal granted
May 1991:	Bicesse Accord signed
September 1992:	Last election held
May 1993:	US formally recognized Angola
November 1994:	Lusaka Protocol signed
September 1995:	Brussels Roundtable held; US pledges \$190 million to support Angolan reconstruction and development
December 1998:	Full scale war resumed
February 1999:	UN Observer Mission's mandate ends
May 1999:	New economic reforms adopted
October 1999:	Fall of Bailundo and Andulo, UNITA's main headquarters
December 1999:	New currency, kwanza, introduced
December 1999:	United Nations 2000 Consolidated Appeal requests \$258 million
January 2000:	Elections announced for late 2001
February 2000:	Fowler report on strengthening UN sanctions against UNITA issued
February 2000:	Fuel price subsidy lifted; prices increase by 1600%

Comparative Country Statistics

Indicators (1998 ¹)	<i>Angola</i>	<i>Mozambique</i>	Sub-Sahar. Africa	<i>US</i>
Demographic indicators				
Total pop. (x 1000)	12 092#	18 880	580 939	274 028
Pop. Under 5 (x 1000)	2 339	3 365	298 834	19 623
Pop. Under 18 (x 1000)	6 542	9 670	100 036	71 222
Annual growth rate (%) (1990-1998)	3.4	3.6	2.6	0.9
Average annual growth rate of urban pop. (%) (1998)	4.8	7.0	4.2	1.1
Population urbanized (%)	31	35	32	76
Economic indicators				
GNP per capita (US\$) (1997)	260	140	513	29 080 ⁻
Annual rate of inflation (%) (1990-1997*)	1091	46	62	2
Education				
Adult literacy rate (%) (1995)	42 (56 M; 29 F) x	38	56	99 x
Mortality				
Crude death rate (per 1,000)	19	19	16	8
Infant (per 1,000)	170	129	107	7
Child (per 1,000)	292	206	173	8
Under 5 mortality ranking	2	10§	n.a.	160
Life expectancy at birth (years)	47	44	48	77
Cause-specific infant mortality (%) ³				
Malaria	27%			
Perinatal causes	23			
Diarrheal disease	12			
Cause-specific child mortality (%) ³				
Malaria	38%			
Diarrheal disease	14			
Measles	10			
Anemia	10			
Immunization coverage				
BCG (%)	71 (65 ⁵)	99	63	-
DPT3 (%)	36 (29)	77	48	94 x
Polio3 (%)	36 (29)	78	48	84 x
Measles (%)	65 (49)	87	48	89 x
TT2 (%)	24 (16)	41	37	-

Acronyms

AFR/SD: Africa bureau, Office of Sustainable Development

AFP: Acute Flaccid Paralysis

BNA: Banco Nacional de Angola, Central Bank of Angola

BHR: Bureau of Humanitarian Response

CAP: Caixa de Credito Agropecuaria e Pescas

CSM: Condom Social Marketing

CSOs: Civil Society Organizations

CSP: Country Strategic Plan

DA: Development Assistance

EPI: Expanded Program of Immunization

EU: European Union

FAA: Forcas Armadas Angolanas (Angolan Armed Forces)

FAO: Food and Agriculture Office of the United Nations

FAS: Fundo de Apoio Social (GRA Social Development Fund)

FFP: Food for Peace

FNLA: Frente Nacional de Liberacao de Angola (National Front for the Liberation of Angola)

G/DG: Global Bureau, Democracy and Governance Center

GRA: Government of the Republic of Angola

G/WID: Global Office of Women in Development

IQC: Indefinite Quantity Contract

IDA: International Development Assistance

IDP: Internally Displaced Person

IFI: International financial institutions

IMCI: Integrated Management of Childhood Diseases

IMF: International Monetary Fund

KSA: Knowledge, skills, attitude

Kwanza: Angolan currency

MINADER: Ministry of Agriculture and Rural Development

MCH: Maternal Child Health

NGO: Non-governmental organization

MOH: Ministry of Health

MPs: Members of Parliament

MPLA: Movimento Popular de Libertacao de Angola (Majority political party)

MPP: Mission Performance Plan

NIDs: National Immunization Days

NRM: Natural Resources Management

OCHA: Office for Coordination of Humanitarian Affairs

OFDA: Office of Food and Disaster Assistance

OTI: Office of Transition Initiatives

PNLS: National program for the fight against AIDS

PVO: Private Voluntary Organization

R4: Results Review and Resource Request

RCSA: Regional Center for Southern Africa

SADC: Southern African Development Community

SMP: Staff Monitored Program

SpO: Special Objective

STI: Sexually Transmitted Infection

UNESCO: United Nations Educational, Scientific and Cultural Organization

UNFPA: United Nations Population Fund

UNITA: Uniao Nacional para Independencia Total de Angola (Largest opposition party)

USG : US Government

WFP: World Food Program

WHO: World Health Organization

I. Relationship to US Interests, GRA Development Plan and Other Donor Programs

A. Relationship to US foreign policy interests and Angola's Mission Performance Plan (MPP)

The purpose of United States foreign policy is to create a more secure, prosperous, and democratic world for the benefit of the American people. USAID/Angola's five-year strategic plan supports this foreign policy. The strategy supports four US national interests and strategic goals as outlined under the International Affairs Strategic Plan:

- 1) Economic Prosperity- we are contributing to the promotion of broad-based economic growth in developing and transitional economies and increased global economic growth;
- 2) Democracy- we are helping to increase foreign government adherence to democratic practices and respect for human rights;
- 3) Humanitarian Response- we are working to prevent or minimize the human costs of conflict and natural disasters; and
- 4) Global Issues- we are playing a role to protect human health and reduce the spread of infectious diseases.

Under the current strategy, USAID contributes to the US Government's (USG) focus on humanitarian assistance. However, the USG joined an increasing donor consensus that ending Angola's conflict requires a more flexible approach that utilizes emergency, transition and development assistance tools simultaneously. Providing this flexibility is a high priority under the current MPP and this three-pronged response will contribute to achievement of the US government's overall democracy, economic reform and development goals for Angola.

USAID directly supports the following US Mission goals of: 1) Strengthening democracy and respect for human rights in Angola; 2) Maintaining capacity of the USG to provide humanitarian assistance to Angola's war-affected population, while simultaneously increasing transition and development activities that lead to long term solutions; and 3) Continuing Government of Angola (GRA) adherence to economic reform and commitment to develop its social and economic infrastructure.

B. Government of Angola (GRA) Policies

The GRA plans for 2000 are outlined below. While USAID does not have sufficient funds to support all elements of these national programs, we can clearly support many aspects in our strategy. The GRA's agriculture program and food self-sufficiency focus clearly matches USAID's proposed strategy for this sector. Land tenure and natural resource management will be topics for policy dialogue. USAID plans to focus some of the transition activities on rehabilitation of small-scale rural infrastructure. Although the GRA may be unable to meet all its objectives for 2000, meetings with the International

Monetary Fund (IMF) and the World Bank have been positive, and expectations are that the GRA will achieve many of its 2000 goals.

Agriculture, Fishing and Environment

The GRA objectives in these sectors are to increase agricultural production, particularly basic foods with the goal of achieving food self-sufficiency, promoting rural commerce, alleviating rural poverty, and resettling rural populations. The government also wants to address land tenure issues, and promote good management of natural resources. The key target population is smallholders and small fishermen. The policy includes reactivation of the rural extension system and agricultural research as well as rehabilitation of rural infrastructure. There is also a desire expressed to renovate fish processing and port facilities. These are obviously longer-term goals but no less important in the short term since long-term results depend upon sustained efforts.

The single most important policy for agriculture, however, is not directly aimed at the sector—the unification of the exchange rate and floating it since May 1999 do more than any other policy can in the short run to improve agricultural incentives by limiting artificially cheap imports of competing products from abroad. Similarly, food aid can also be a problem. It requires good coordination to avoid damaging incentives to local production while at the same time providing the humanitarian assistance necessary to basic survival.

Industrial Production

The strategy of the government is to take advantage of existing industrial facilities in order to reactivate light manufacturing, particularly food processing, to replace goods that are now imported. There is also scope for increasing the production and sales of implements needed in other sectors, especially agriculture.

Infrastructure and Public Works

Reconstruction and rehabilitation of destroyed and degraded transport infrastructure is a basic requirement for economic progress. Without this, the major coastal cities will remain isolated from productive zones in the interior and it will be impossible to market agricultural goods to the urban populations or manufactured goods to the countryside. Necessarily coupled with a demining program, this is an important area for government investment.

Not surprisingly, the highest priorities for the government are the reopening and improvement of the main transport routes from Luanda and Benguela to cities in the interior. There is also a desire to begin rehabilitating rail lines from Luanda to N'dalatando and from Benguela to Huambo. Also important will be improvements of deteriorated facilities at the major ports.

In urban areas, improved water and sanitation as well as electricity will go far toward supporting not only the well being of the population, but industrial production as well. Privatization of some of these services has been discussed and may well prove to be a viable route to achieving the needed investments.

The abysmal state of infrastructure throughout the country is such that the GRA will require major external assistance to begin to address even the most pressing needs.

Health

The government has designated health and education as the two social sectors of particular importance. The intention is to prevent needed fiscal austerity from impinging upon necessary expenditures in these areas. Primary health care is emphasized, as the national network of health facilities was severely damaged in the 1992 war and remains inoperative at the present. Many areas in the country have no health facilities or access to medical care of any kind. Vaccinations, maternal and child care, malaria prevention, AIDS prevention, tuberculosis and provision of essential medicines are included in the government's plans.

The GRA is fully cognizant of the public health problems that the country is facing. Policies are already in place to support child survival. In most cases the treatment protocols are consistent with international standards. The GRA is a signatory to all major international agreements related to health. For the 1999-2001 period, the priorities of the GRA are improving child health, including carrying out Expanded Program of Immunization (EPI) campaigns, National Immunization Days (NIDs), strengthening the cold chain, adopting the Integrated Management of Childhood Illnesses (IMCI) approach for the country, and appropriate malaria and diarrhea management. For maternal health, the priorities are reconstruction and rehabilitation of six provincial maternity hospitals, procurement and distribution of contraceptives nationwide, and training of traditional birth attendants. For HIV/AIDS, integration of sexually transmitted infections (STI) programs within the HIV/AIDS program, purchasing and distribution of condoms, promotion of condom social marketing and carrying out behavior change communication campaigns. For maternal health, child health, malaria, and HIV/AIDS, the GRA also plans to update national policies and service delivery guidelines. Improving data collection and other aspects of the health information system are also a priority of the government.

Public Administration

One of the biggest problems confronting the government is the bloated civil service coupled with a wage structure that is far too low to provide a decent living for civil servants and their families. Over the past 10 years civil service salaries have lagged behind inflation in spite of periodic efforts to raise salaries. These issues together with civil service rolls that contain many ghost workers as well as an excessive number of workers, make public administration an area for urgent reform.

There is already an effort underway to cleanse the rolls of ghost workers. The intention is to follow this with retrenchment in which ministries will reduce work forces. This is to be coupled with efforts to retrain public employees and to improve the pay scales of those who remain. The salary programs will be essential to improving retention and performance, but will also strain the capacity of the government to adhere to fiscal targets.

C. Other Donor Programs

Led by the United Nations' Office for Humanitarian Coordination (OCHA) and the World Food Program (WFP), there has been consistently good coordination among donors to respond to emergency needs. Better coordination among bilateral and multilateral donors is now expanding into transition and development assistance as well. In the area of economic reform, USAID is already closely collaborating with the IMF and will seek out other donors prior to initiating any assistance under the planned special objective. The World Bank is expected to reopen its office in Luanda next year if the GRA progress on the economic reform program continues.

With regard to social sector assistance, UNDP is emerging as the coordinator of all donors as we move from emergency into transition assistance. The resident representative who is also the UN Humanitarian Coordinator has had several meetings with USAID on UNDP plans to work with the GRA to design a transition program. UNDP strongly supports the philosophy argued in the Reconstruction of War-Torn Economies Discussion Paper by Consulting Assistance on Economic Reform. It argues that in addition to traditional donor response of humanitarian assistance, establishing internal security, elections support and rebuilding of physical infrastructure is not sufficient as conflict draws to an end. Rather, donors and the country must also pay attention to rebuilding the institutional infrastructure, in effect enhancing the capacity of countries to help themselves.

II. Overview of Angola

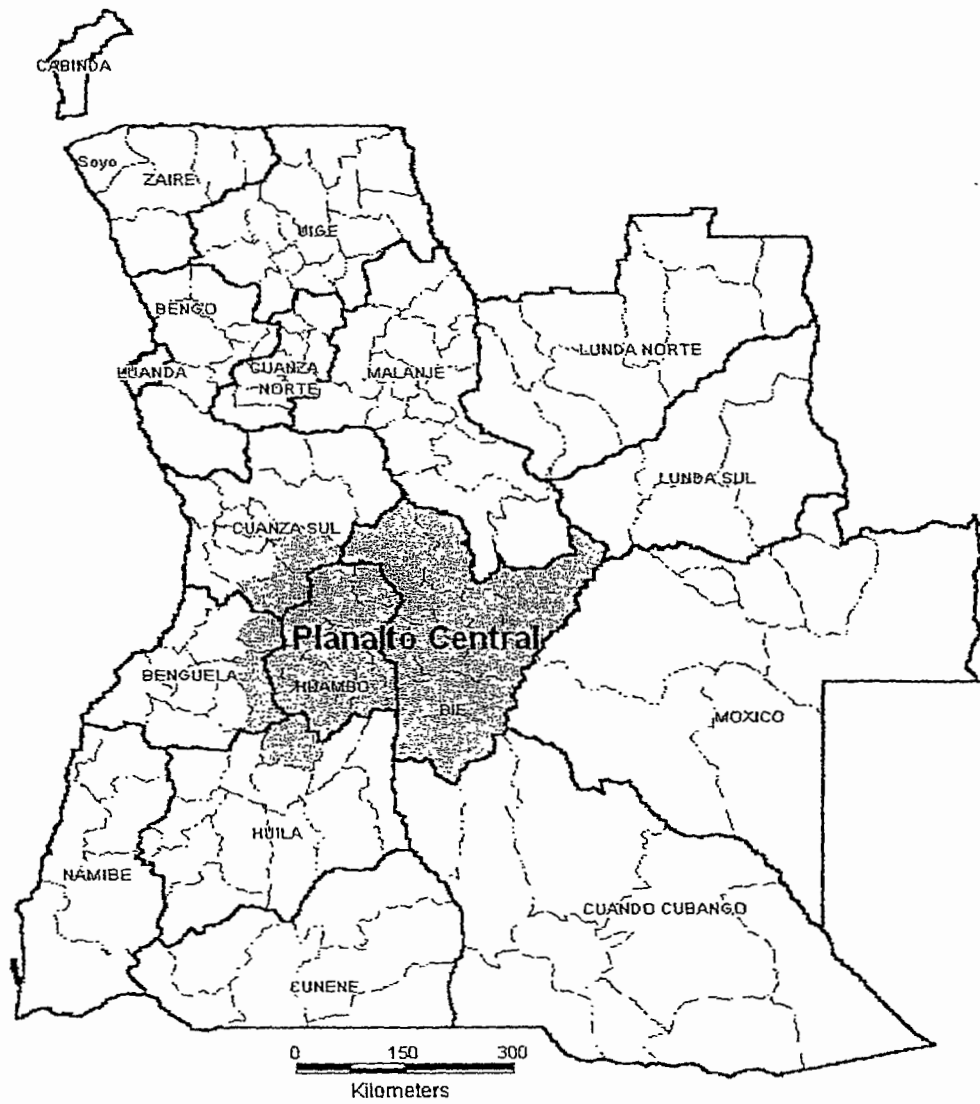
When considering various USAID strategy options for Angola, it is important to keep in mind that it is twice the size of Texas with 18 provinces. UNICEF estimates Angola's population as of 1998 at 12 million people¹. An estimated 25% or approximately 3 million people live in Luanda alone.

War generally dominates the news about Angola; there are, however, areas of the country untouched by conflict, some periodically affected and others almost always in some form of conflict. Historically, the Planalto (Central Highlands), primarily the provinces of Huambo and Bie as well as Malanje (See map page 6), have been the most hotly contested area of Angola. Over the last year, however, even in former National Union for the Total Independence of Angola (UNITA) strongholds, the government has made

¹ The 1999 estimate by the Angolan Institute of Statistics is 13,600,000

substantial progress against UNITA forces and has retaken military control of large areas of the country. However, the central government has yet to extend state administration to many of these areas. Although, UNITA no longer has conventional warfare capability there is still a serious guerrilla force. Areas of diamond mining activity in the northeastern part of the country (Lunda Norte and Lunda Sul) also have witnessed periodic conflict. The coast, the southern part of Angola, the northwest parts and the province of Luanda are traditionally not involved in UNITA/GRA fighting.

Republic of Angola



III. Transitions

Angola's transition process involves three types of transition. The first is war to peace, the second from an autocracy to a democracy and the third from a central command to a free market economy.

A. War to Peace

In November 1994, after over 20 years of civil war, the Government of Angola and the representatives of UNITA signed the Lusaka Peace Protocol. A gradual cessation of hostilities ensued, though there were sporadic flare-ups of conflict in numerous areas around the country. In spite of the precarious nature of the peace, the GRA and its partners were able to begin the process of reconstruction. Unfortunately, in late 1998, there was an escalation in the fighting and eventual return to all out war in some parts of the country. A government offensive in early 1999 recaptured many areas previously under UNITA control.

Although the military arm of UNITA has not been fully destroyed, the government forces have had sufficient success to eliminate UNITA's capability to wage conventional war. In anticipation of a return to guerilla warfare, the government is training its forces in counter-insurgency techniques.

Transition from war to peace focuses primarily on reconstruction and rehabilitation, moving from strictly humanitarian activities to community-based reconstruction and rehabilitation programs. Unsurprisingly, as a country ravaged by decades of civil conflict, much of Angola's basic productive and social infrastructure has been heavily damaged or destroyed and a very large portion of its population has been displaced.

While there is a need to continue emergency support to the most war-affected groups, it is time to create opportunities for transition from strictly humanitarian assistance to assistance targeted at reconstruction and rehabilitation of basic infrastructure and social reconciliation, essentially at the community level. Donors and the GRA should not wait for a conclusive end of conflict. Experience elsewhere in similar conflict environments indicates that precious time is wasted if a reconstruction and rehabilitation strategy is not conceived and pilot programs are not tested until conflict ends.

While larger economic reform programs must be undertaken, peace building requires early and visible peace dividends and pilot physical reconstruction and transitional initiatives should be initiated immediately. These initiatives can build trust and sustain confidence in a war-weary population during the difficult transition to peace. But while it is important to begin quickly, the GRA must continue to demonstrate its commitment to the process of reconstruction and sound macroeconomic policies early in the reconstruction process.

USAID's strategy focuses on the initial steps being taken to effect a transition to peace. It looks at reintegrating ex-combatants and repairing important physical infrastructure, including key transport communications and utility networks. It also strengthens the foundation for a sustainable public health system, including the rehabilitation and reconstruction of facilities and structures, of basic sanitation, and of delivery systems as well as opportunities for initiatives leading to long-term sustainable development, such as strengthening national programs in immunization, malaria control, and HIV/AIDS. The need for a resettlement program for those presently receiving emergency relief such as general food rations is also taken into account as is increasing food security for other war-affected and smallholder farmers in need of assistance to increase production and expand markets. In the area of governance, the strategy will work towards strengthening local government institutions, including the capacity for local resource mobilization and fiscal management, the restoration of law and order and the strengthening of civil society.

For success, it is critical that BHR and development assistance (DA) funding and activities be fully integrated into one seamless program. Throughout this strategy, reference is made to activities which: 1) fall into those previously and/or currently supported by BHR; 2) those previously and/or currently supported by DA; and 3) those previously and/or currently supported by both. The needs on the ground and in the communities are such that funding sources should be complementary. This strategy addresses this point and allows for the full implementation of the three-dimensional approach of emergency, transition, and development that was approved by USAID/W during the parameters setting stage.

B. Autocracy to Democracy

One of the legacies of both Angola's colonial and Marxist eras is a political system that allows little opportunity for citizen participation. The concentration of political and economic power in the hands of a core of the majority party (the MPLA) that is most closely aligned with President Dos Santos, allows this group to act with impunity. There are also cases of the abuse of force by security personnel and the curtailment of civil and political liberties, justified on the basis of the war and the resulting social instability. Thus, Angolans suffer not only from the war, but also from crime and the abuse of power. Citizens often do not resist these measures, for fear of retaliation from the State, ignorance of their rights and/or insufficient resources to access the justice system. Those who can access the justice system often choose not to do so because the judiciary is perceived as ineffective and untrustworthy. Indeed, the judiciary lacks the resources and independence to play any effective or meaningful role in the lives of Angolans. Finally, the legal framework is obsolete and incomplete. Much of the criminal and commercial code are remnants of the colonial era, with modifications from the Marxist era.

Insufficient political will, the lack of consensus, the weakness of the rule of law, limited competition and narrow public debate undermine the quality of governance. The executive exhibits little willingness to be accountable to the citizens of Angola – or to the National Assembly or Judiciary. The civil service is drastically underpaid and fails to

deliver the services for which it is responsible. Revenues from natural resources could finance the provision of more public services, but a decision to allocate more resources to social sectors would need to be accompanied by measures to address corruption, skills deficits and politicization within the civil service.

There are some hopeful signs, however, that democratic ideals are spreading. Citizens are interested in being more engaged and government counterparts are sometimes responsive, more often at the local and provincial levels. Though demand from within government for institutional reform to promote better governance is minimal, there are some reformers at all levels of government, particularly at the mid-level. In fact, this group frequently reminds the international community that they need our support to continue pressing for change from within. There are also indications that the GRA is beginning to tackle problems of a lack of transparency. The National Democratic Institute has sponsored a series of discussions on political issues such as the rule of law and corruption that have been well attended and well covered by the government controlled radio and TV stations. In the economic arena, the GRA has agreed to conduct, with the assistance of the World Bank, a diagnostic of the oil accounts. (Oil accounts for 85% of budget revenues.) Better information on this sector will clearly be a major step forward to providing more transparency in the GRA's budget process.

Another bright spot is government's statement of intent to hold elections in 2001. However, many question whether the elections will provide citizens any meaningful choice and voice in their political leadership. They cite the constitutional development process that has largely been the exclusive domain of the parliament, with little civil society input. Thus far the public has been asked to participate in providing proposals for a new national anthem and country symbol. However, the Angolan Bar Association has been conducting public hearings in order to gather the thoughts and opinions of the people for the constitution. It is intended that these opinions will be presented by the Bar Association to the Constitutional Commission. The GRA has indicated that it will hold public sessions with civil society to solicit feedback on the draft constitution.

C. Marxist Command to Market Economy

While progress to expand political space has been slow, noteworthy achievements have been made to transition from a Marxist to market economy. After several attempts, the GRA and IMF finally signed a Staff Monitored Program (SMP) agreement in April 2000. This nine-month program will be the entry point to reestablishing lending by international financial institutions (IFIs) and to initiating discussions of rescheduling Angola's debt. The IMF negotiating team was impressed by the level of commitment demonstrated by the GRA as well as the measures the government has taken over the past year. Angola's president is meeting regularly with ministers who are implementing reforms in exchange rates, interest rates, and the banking sector. The removal of the fuel price subsidy, a key reform, was made in one step.

Restrictions on foreign exchange were substantially liberalized with local foreign exchange accounts permitted for all citizens. In addition, importers can now use money

from their own accounts without prior approval. This eliminates a major level of government control over trade as it is no longer necessary to go through the banking system to get foreign exchange. However, exporters are still required to sell all foreign exchange to the banking system rather than being allowed to retain it. Through the unification of the exchange rate, it is now possible to buy back the foreign exchange on the parallel market. While not strictly legal, this market is tolerated by the government while it takes steps to improve efficiency and access through formal channels to the point where the parallel market is no longer attractive. The ultimate goal of the GRA policy is for people to have free access to foreign exchange. The exchange rate policy will enable light manufacturing and food processing to compete against artificially cheap imports.

Some liberalization of interest rates has occurred although real rates are still negative. Because there are no incentives for people to keep kwanzas in the bank, dollars will still be preferred and the GRA will have limited ability to direct monetary policy.

Privatization of state banks and improved bank oversight is another area where the government is moving ahead despite political opposition. For example, the Caixa de Credito Agropecuaria e Pescas (CAP) has been targeted for more than five years but has always survived as a result of the intervention of politically powerful parties who have benefited from loans. The CAP is now in the process of liquidation and should be eliminated before the end of the year. The two remaining state banks, the Banco de Poupanca e Credito and the Banco de Comercio e Industria, are being studied for eventual restructuring that will involve at least partial privatization.

The fuel price subsidy was lifted recently, resulting in a price increase of about 1600 percent. Although it results in higher spending by many government entities that consume oil, it will reduce the drain on the budget, estimated at \$200 million.

The GRA's 2000 budget was approved in January of this year. Some of the key elements include: commitment to maintain the free floating exchange rate; stronger financial management; inflation rate target of 87%; recovery of the non-petroleum sector; greater emphasis on health and education; and the need to increase civil service salaries. Below are some of its goals for macroeconomic performance for 2000:

Oil Production	775,000 barrels/day
Average Export Price	\$15
Average Exchange Rate	9.33
GDP Growth	3%
Oil Sector Growth	1.3%
Non Oil Growth	3.5%
Inflation	87.5%
Increase in International Reserves	78.6%

Deficit as a Percent of GDP

6%

Although oil prices have nearly doubled beyond the projected \$15, Angola's current production is already pledged as collateral against previous commercial loans. However, the high prices will benefit GRA coffers in the future. Production will increase from 775,000 to 1,300,000 barrels a day over the next five years.

There is an important linkage between the expected increase in oil receipts and the reform program in 2000. Painful austerity measures will be far easier to implement during a period in which receipts have taken a sharp upward turn than they will be after spending has adjusted to the new constraints. Past increases in oil production receipts have been dissipated through a combination of increased spending and increases in oil-guaranteed foreign debt. There is a chance now to break out of this pattern, but the window of opportunity will be lost if this effort at reform breaks down or if it is significantly delayed.

Macroeconomic targets apart from oil production may be harder to meet. Inflation in particular will be difficult to keep to targeted levels. Bringing it down to a total of 87.5% for the year will require annualized levels substantially below that for the remainder of 2000. (Last year inflation was about 325%.) This will require that the fiscal expenditures be controlled to an extent that has never before been achieved. Indeed, this problem has been at the root of all of Angola's failed stabilization attempts in the past and will be the key to the success of the GRA's current reform program.

The exchange rate target is difficult to assess. There appears to still be substantial overvaluation built into the exchange rate even at current levels. The stated target level does allow for some devaluation, but not as much as would be necessary to correct for accumulated inflation. However, the target is stated as an average, leaving open the level to which the rate is targeted to fall by year's end.

There is some reason for hope that GRA performance will improve over that seen in the past. Conversations with government officials and with the IMF team reveal an appearance of determination and political will greater than was apparent before, while the Minister of Finance has published public notices in the press that government suppliers should not expect to be paid if the items they supply are not included in the budget and the expenditures officially approved at the Ministry of Finance. If this can be strictly adhered to then there is hope that targets can be met.

Table 1 shows the planned investments of the government during 2000. While current expenditures are designed to give new emphasis to education and health, it is clear that the main thrust of the investment budget is on infrastructure and public works. This reflects the extremely deteriorated state of much of this public capital, and the essential role it plays in reactivating production.

Table 1: Public Investment Program 2000

	Kwanzas	%
01 Territorial Administration	25,106,460.00	1.07
02 Public Employment and Social Security	24,966,400.00	1.06
03 Agriculture and Rural Development	104,227,200.00	4.44
04 Veterans Affairs	4,624,800.00	0.20
05 Aid for Social Reinsertion	20,755,200.00	0.88
06 Science and Technology	3,496,800.00	0.15
07 Commerce	6,496,800.00	0.15
08 Social Communication	100,655,200.00	4.28
09 Post Office and Telecommunications	48,504,000.00	2.06
10 Education and Culture	69,372,000.00	2.95
11 Electricity and Water	629,183,360.00	26.77
12 Families and Women	3,496,800.00	0.15
13 Hotels and Tourism	3,496,800.00	0.15
14 Industry	11,280,000.00	0.48
15 Justice	20,755,200.00	0.88
16 Youth and Sports	13,874,400.00	0.59
17 Planning	2,619,404.00	0.11
18 Public Works	568,542,456.00	24.19
19 Health	83,246,400.00	3.54
20 Transport	76,704,000.00	3.26
21 Agostinho Neto University	346,296,000.00	1.47
Reserve	168,570,369.20	7.17
Total	2,021,603,649.20	86.00

This strategy will address all three transitions to varying degrees. The food security, democracy and governance, and health strategic objectives (SOs) and the economic reform special objective (SpO) contribute to the various transitions and are all interrelated. These relationships will be discussed in more detail in the descriptions of each sector.

IV. Program Evolution

USAID/Angola started operations in 1996 after the 1994 Lusaka Peace Protocol was signed. USAID/Angola's present strategy was approved in July 1995 for a five-year period from FY 1996-2000. That strategy was based on a transition to peace scenario in the aftermath of the signing of the Protocol. Through FY 95 the USAID program was managed by a Bureau of Humanitarian Affairs/OFDA Emergency Disaster Response Coordinator in Angola and through USAID/W, and was strictly humanitarian and transition assistance. In FY 96, a USAID office was established in Luanda with the

arrival of the first resident USAID direct hire foreign service officer. The approved strategy was designed with specific transition program elements for the first 18 months with the understanding that an update would be submitted at the end of the 18 months for the remaining program life of the strategy through FY 00. This update resulted in the Results Framework approved in the R4 review meeting of April 1997. The mission is still operating under this approved strategy and results framework.

The initial programs funded by USAID were relief in nature, and included specific health interventions, such as immunization campaigns, emergency feeding, and service delivery. These programs were implemented almost exclusively by US private voluntary organizations (PVOs) that had been implementing emergency relief programs. At the 1995 Brussels Donor Roundtable the USG stated that its \$190 million pledge would be provided through PVOs. In 1997 a Child Survival Strategy was prepared and resulted in support to several PVOs to provide critical services in rural areas of Angola. At the time of this strategy, it was assumed that the peace process would continue and the pace of normalization would pick up. The PVO programs built upon the previous emergency activities leading to more traditional interventions. Thus, well baby programs were implemented, traditional birth attendants and Ministry of Health nurses were trained, and cold chains were established.

In addition to the Mission, BHR has played a significant role in improving the access and quality of health programs. Over \$7 million in IDA funds had been committed at the time of this strategy. Finally, the War Victims and Displaced Children and Orphans Funds have provided significant funding for PVOs in health and war related relief efforts. Over \$8.7 million has been committed since 1994.

With respect to the agriculture sector, USAID/Angola has provided over \$39 million to US PVOs for programs in the Planalto area. In 1997 and 1998, the activities addressed resettlement and rehabilitation of families that had returned to their home areas with a focus on improved agricultural production. In addition, eight PVOs, led by World Vision, in collaboration with five International Agriculture Research Centers and four Ministry of Agriculture and Rural Development (MINADER) institutions, implemented a program of testing and multiplying food crops for increased production and disease resistance. Objectives were being met and results were favorable until late 1998, when conflict again caused large numbers of people to move to safer areas close to provincial capitals. During this 1998/1999 period, many crops were lost or stolen and village agriculture activities were curtailed or relocated to more secure areas. These programs have been focused upon providing farmers with improved skills, testing and multiplying improved varieties of seed, and disseminating improved planting practices and technology.

The Office of Transition Initiatives (OTI) and OFDA have also provided about \$18 million during the 1996-2000 period for emergency assistance and also for mine awareness and demining activities. These programs have increased the land area available for agricultural production. During 1996-2000 FFP provided 146 metric tons

for general food distribution for the displaced as well as commodities used in therapeutic feeding centers and supplemental feeding centers.

USAID/Angola's democracy and governance activities began in 1996. A September 1999 evaluation noted several lessons learned that were applied to developing this new strategy. Based on that evaluation and ongoing monitoring of the DG program over the past five years, several key findings are worth highlighting:

1. For the democratization process in Angola to move forward, broad political reforms are required along with changes in the political orientation of members of the current ruling elite.
2. USAID efforts to strengthen civil society groups have yielded more concrete results than the mission's efforts to support political institutions. While there was some political will within those institutions, the constellation of impediments to reform often proved stronger, thereby limiting the ability of USAID's Angolan partners to operationalize or capitalize on USAID investments. USAID will, however, continue to work with political institutions as an essential component to our work with civil society.
3. Support to civil society is more likely to yield results so long as hostilities persist, but continuing work with political institutions is essential to improve those institutions' ability to respond to increased demands.
4. Given declining resources and the challenging environment Angola presents, effective programming wherein USG resources have a meaningful impact on democratization requires that USAID focus its efforts on a few targeted issues and work with a select group of partners.

The funding of the Economic Reform Special Objective was suspended shortly after it began in 1996 because of the failure of the IMF and GRA to reach agreement on a broad macroeconomic reform program. Nevertheless, the SpO successfully supported its part of a World Bank project to privatize the management of the water and sewage system in Luanda. It also assisted in the development of a new foreign investment law and long term economic forecasting model.

V. Strategic Approach

A. USAID/Angola Critical Assumptions for the 5-year Strategy Period

In developing this strategy, USAID/Angola has identified overarching critical assumptions that are applicable to all sector programs.

- Angola will continue to be a country in whose stability the US has a strong national interest.
- Security/military situation: Despite continued guerrilla activities by UNITA, the GRA will maintain control over the historically secure areas and increase its control over its enclaves in historically insecure areas. Banditry will not prevent implementation of USAID activities.
- GRA responsibilities: The GRA will take responsibility for a reconstruction plan for the Planalto, for implementing IMF conditions, for allocating more funding to the social sectors, for rebuilding essential physical infrastructure and for creating inclusive political processes.
- IDPs and refugees: Some internally displaced persons (IDPs) and refugees will be able to return home or will decide to integrate with local residents; however, there will continue to be those who cannot or do not choose to be resettled to a permanent place.
- Demobilized soldiers: Demobilization of combatants during the five year period will not overwhelm the capacity to work in planned sectors.
- Direct relief: There will be continued but unpredictable need for emergency direct relief for vulnerable populations, but diminishing over the five year period.
- Donor responsibilities for transition: UNDP will lead the donor community to work coherently to support the efforts of war-affected communities to rebuild their physical and social infrastructure by developing a transition strategy in conjunction with the GRA.
- There will be no overwhelming natural disasters, particularly widespread droughts or floods, during the period. Angola's historical weather pattern is adequate rainfall for rain-fed agriculture in most years.

B. Cross Cutting Themes

USAID/Angola would like to achieve certain results for each targeted sector, but there are several elements that cut across all sectors. We have identified four cross cutting themes.

1. Human Capacity Development

Over 20 years of civil war and inappropriate policies have destroyed most of Angola's organizational as well as physical infrastructure. USAID/Angola will select our development interventions around this basic reality and incorporate capacity building in each sector assisted.

The results framework for each strategic objective contains capacity building elements. In SO 1, the capacity of farmers and extension agents will be increased and farmer and producer groups strengthened. Building community capacity to make their own informed decisions and manage their own resources as well as building capacity of local government institutions to better respond to communities needs will also occur. In SO 2, governmental and non-governmental constituencies will be strengthened to advocate for reform. Private and public health staff as well as community workers will be trained in SO 3. In SpO 1, the national government capacity to collect, analyze and use economic data will be improved.

Capacity building will also increase the synergies of sectoral interventions. For example, the ability of a wide variety of civil society organizations and coalitions and strengthened media outlets to advocate for change will be a result of these human capacity building activities and will benefit all USAID targeted sectors. By operating primarily from grassroots' levels, but also working with targets of opportunity within the government, the capacity building effort will also maximize leverage exerted by all potential agents of change.

USAID/Angola's strategic plan has a strong focus on the development of the performance capacity of individuals and groups critical to the achievement of the mission's strategic objectives. Without a major improvement in their performance, there is little likelihood of sustainable results. To improve performance, enhancements in knowledge, skills and attitudes (KSA) through training are necessary but not sufficient. The mission will therefore not simply focus on filling knowledge gaps but will also design other interventions in the operating environment of the individuals that will reduce the barriers they may face when trying to apply their newly acquired skills.

2. Gender

Women constitute over 51% of the population in Angola. WIDTech describes the gender situation in Angola as follows. While there are some women who are powerful and rich, the average Angolan woman is increasingly poor, uneducated and illiterate, lacking access to basic services, struggling to support herself and her family, and desiring

a better life. Many are victims of violence in their homes and their communities. Each day more are injured or killed by landmines. The sources of the problem are traditional gender-based roles, extreme poverty, the lack of education and information, ongoing conflict, restricted mobility and inability to cultivate land caused by landmines, and weak governance.

Improvement in the lives of Angolan women requires three pro-active factors:

1) Angolan government resources to deliver basic services (health, water, electricity, education); 2) removal of restrictions on organizations, civil society, etc. to ensure that government is responsive; and 3) resources provided (financial, training, and information) for self-help and entrepreneurial activities by women's groups. In addition, however, improvement requires that donors, international organizations and the Angolan government be conscious of ostensibly gender-neutral policies that may have negative impacts on women. For example, privatization and land tenure issues, selection of crops and areas of the economy to support, decisions regarding infrastructure that are time-saving and labor-saving for women (e.g. water systems) all have impact on women's lives. Similarly, education, training and hiring policies by donors will have an impact on whether Angola develops gender-stereotyped professions, who have the capacity to be future leaders; and, on whether those making the policies are aware of women's needs.

The circumstances of Angolan women are varied. In considering the needs and contributions of Angolan women, it is important to recognize that, just as society or a community or Angolans are not homogeneous groups Angolan women are also not a homogeneous group. When determining needs, engaging partners or building capacity, USAID and its partners should be aware of the subgroup of women they are targeting—e.g., whether they are IDPs—displaced from their homes for good or eventually returning—or literate.

USAID will keep the above in mind as we try to improve women's access to health care, provide opportunities to generate income to support themselves, and increase participation in government, economic policy debates, and local decision-making.

3. Public-Private Partnerships

The actual and potential wealth of Angola is greater than most other countries in Africa. It is a significant investment site for foreign investment, particularly American. The private investment flows dwarf the resources USAID could provide. Therefore, it is in the interest of USAID to leverage some of these private sector resources for the benefit of Angolans. Since much of this private investment is derived from the oil companies from which very little wealth flows into Angola, companies are trying to change and become better corporate citizens. USAID has already signed a memorandum of agreement with one oil company and several jointly funded activities are in negotiation with others. This collaboration will be strengthened in the next strategy period. Where possible, the activities funded through these partnership arrangements will support the expected results of the strategy.

4. Regional Integration

Angola's increased participation in regional organizations such as Southern African Development Community (SADC) can be a stabilizing force in the region as well as beneficial to the country. USAID will exploit regional linkages within each sector under this strategy. Regional economic integration as well as information exchanges and technology transfer will be encouraged. A viable regional economy benefits the US as well as Angola. Technology transfer will permit Angola to adopt cost effective and environmentally friendly processes. Our support to civil society can be enhanced by regional networking and the lessons that can be shared by the more mature organizations in the region. The mission will coordinate closely with the Regional Center for Southern Africa (RCSA) programs in this effort. Their programs in DG, economic growth and agriculture and natural resource management will be particularly useful in implementing our strategy.

C. Mission Goal

The 2001-2005 Mission Strategy for Angola should be set in the context of the Angolan people's suffering from the long standing complex emergency and extreme poverty. USAID/Angola is working toward a 10-15 year goal: Angolans are able to manage their resources effectively to meet their basic needs.

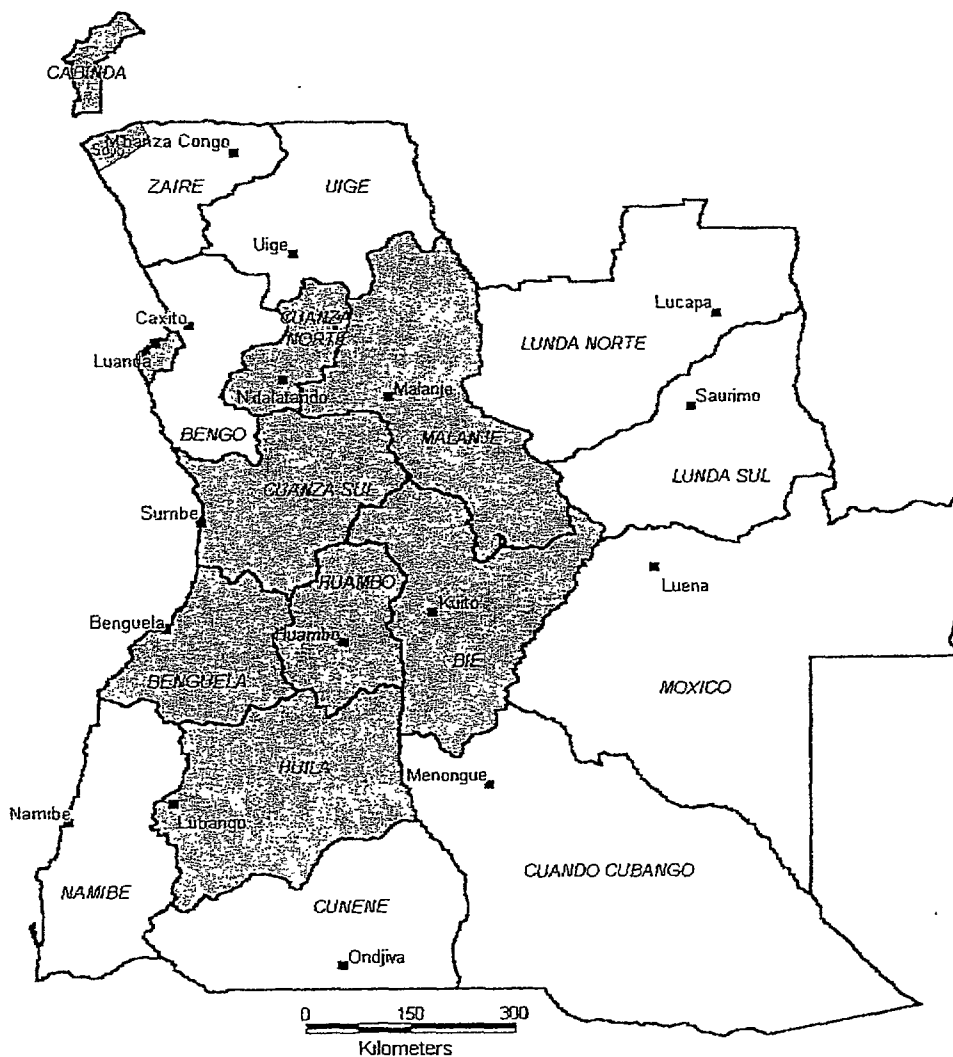
The Mission goal to address in the next five years is: **Households and communities in targeted areas improve their food security, their health status, and their participation in political processes.** The emphasis on change at the household and community level does not mean that all USAID activities directly address households and communities; rather, that a mixture of national and local level interventions and support to GRA units are chosen carefully for their expected impact at the household and community level. Each of the SO strategies will include both community-level and policy/process activities. Interventions will contribute to USAID agency goals and GRA policies. The activities will work with appropriate groups – producer associations, women's groups, local agricultural and health units, civic NGOs, community, media and professional associations, etc – to help them produce results that lead to household and community changes in capacity related to the above five-year goal.

The provinces of Cuanza Norte, Cuanza Sul, Malanje, Bie, Benguela, Huambo and Huila will be the priority geographic target areas for most activities. (See map page 20.) Within these target provinces the communities around which most activities will be focused will be those served by the four transition assistance programs (TAPS). These areas meet three important criteria: they are among the most war-affected, the neediest and have great potential for agricultural and community reconstruction and development. Large numbers of the IDPs are expected to return to their homes. On the other hand, some IDPs have lived in their new areas for several years and have established roots. Thousands of IDPs live in villages that are indistinguishable from any other village in Angola; not all IDPs are expected to return to their homes of origin. The mission will

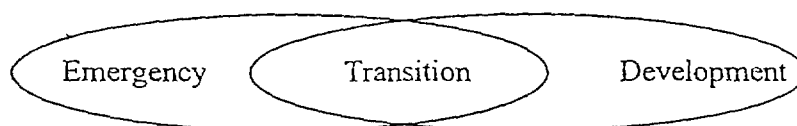
work with targeted communities to apply an appropriate mixture of emergency, transition and development interventions across SO sectors in order to enable the households and communities to meet their own objectives for improving their welfare.

SO teams will target some activities outside the priority geographic focus areas when there are compelling reasons to do so. For example, setting standards for cost-effectiveness or for development models can be done better in less war-affected areas, particularly if USAID funding can be leveraged through public-private partnerships such as in Cabinda or Soyo. Health interventions such as HIV/AIDS might have impacts that are as high or higher in other areas such as Luanda. Democracy and governance activities will target actors in political processes from ministries and the National Assembly down to the community level. The mission will work hardest, however, to identify and work towards synergies in the same geographic areas.

USAID Geographic Priorities



The schematic representation of the mission's three-prong approach would be as follows:



An *emergency* or *relief* situation is defined as one where there is a clear and significant immediate threat to human life in large numbers and where the capacity of the existing health system to respond is totally overwhelmed. As a rule (though not always), this situation is normally characterized by a limited time frame, and focused at the community-level in select geographical areas.

A *transition* situation is defined as one where the immediate threat to human life has been mitigated, where there is a minimal level of political stability and security, and the beginnings of institutional and community-based support structures. This situation is normally characterized by a focus on investments in capacity building, reconstruction and rehabilitation of health infrastructure (including health posts, water and sanitation systems) and services, a medium-term time frame, and focused at the community-level in select geographical areas. At the same time, a transition situation will also begin to engage national and provincial public entities for policy guidance and resource contributions.

A *development* situation is defined as one where there is significant national government support in terms of policies, human resources, and financial resources, where need is defined in terms of magnitude and severity of a public health threat. This situation is normally characterized by a focus on technical assistance and training, a long-term time frame, with a priority on supporting national programs and institutions.

In real life of course, the distinctions among the three are not nearly as clean, nor do they occur in a linear fashion. The intent here is not to imply such a linear relationship. Indeed, it is possible, perhaps likely, that two, possibly all three conditions will be present at any given time and at any given place. What is possible however is to utilize this schematic to identify results, activities, and indicators of success. For example, the program in Kuito, the capital of Bié province, could include emergency feeding along with rehabilitation of health posts along with training of MOH health workers and piloting an innovative public/private partnership.

D. Parameters Meeting Decisions

The parameters meeting held in August 1999 was attended by BHR/FFP, OFDA, PPC and several offices in the Global and the Africa Bureaus. State was also present. The following decisions arose from the meeting:

General:

- USAID/Angola would prepare a strategy for a five-year period despite the fluid situation in the country.
- The mission could incorporate relief, transition and development dimensions where appropriate.

Sectors:

- The strategy activities would remain focused on food security and child survival, but USAID/W also approved the mission request to incorporate an HIV/AIDS component in the strategy.
- Regarding the democracy and governance program, the mission was encouraged to identify discrete DA and ESF funded activities to better facilitate the separate funding of activities in the upcoming country strategy plan (CSP). The DG strategy would draw heavily on the results of planned evaluations and assessments.
- USAID/Angola's special objective supporting economic reform would remain suspended and no new activities undertaken until there were a reengagement of the IMF/World Bank and clear strategic opportunities for USAID to produce results in this area.
- The Africa Bureau strongly recommended that, rather than creating a new special objective in human capacity development, any capacity results be integrated into the current objectives.

Funding and Workforce Levels:

- The mission was given authority to develop a strategy in the range between \$8 million to \$14 million per year. However, the mission was advised that given the declining budget levels that even \$8 million a year may be optimistic.
- USAID/Angola was advised to seek and include guidance from BHR while developing the strategy, assuring that the role of food aid and other emergency and transition assistance is integrated.
- The mission was also advised that the US direct hire level would remain at three.

E. Dividing SO 1 Food Security and Health Activities

This proposed strategy follows USAID/Washington's guidance and remains focused on food security and child survival with an HIV/AIDS prevention component added. At the time of preparing the parameters concept paper, two items were not envisioned: the need to include maternal health activities and, secondly, the need to separate food security and health activities into two strategic objectives.

The addition of an emphasis on maternal health was needed because of Angola's appalling maternal mortality statistics and the close link between maternal health and child survival. In addition, key interventions in maternal health can be cost effectively integrated with child survival interventions. Examples of these are nutritional supplements such as iron and folic acid, training of traditional birth attendants and pre-natal care for safe delivery (including malaria prevention and treatment) and tetanus-toxoid immunization.

The combination of reducing infant mortality, mitigating against new infectious diseases such as HIV/AIDS and strengthening public health systems provides the basis for a complete strategic objective. The current SO 1 food security and child survival configuration has become unwieldy as an ever-increasing number of activities have been added. This reality is reflected in the management structure that has been devolved to managers for each technical area of the SO. With approval to proceed with the three prong approach of relief/transition/development and the addition of an HIV/AIDS program, a generalized and wide ranging SO 1 is unrealistic.

A well-defined health SO will present a clearer picture of the mission's program and will have the effect of focusing resources on the activities that will have the greatest impact. Moreover, it will allow the mission to clearly articulate what we will and will not support. This will strengthen our ability to coordinate and leverage resources with other donors. Placing the health program as a separate strategic objective sends the signal of urgency of having to address the problems, and reiterates the commitment of USAID in addressing health matters. This approach has the added benefit of enhancing USAID's visibility with the MOH and other GRA entities.

Our supervisory general development officer arriving this calendar year will manage both the food security and health strategic objectives, thus ensuring that the synergies between our food security and maternal and child health interventions remain.

F. Resource Requirements

	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Total
DA (Ag/Env)	2655	3000	3000	3000	3000	14655
DA/DG	1880	2000	1500	1500	1500	8380
CSD	2900	2500	2000	2000	2000	11400
HIV	1500	1500	1000	1000	1000	6000
ID	0	1000	2000	1500	1500	6000
Polio	2000	2000	1500	1000	1000	7500
EG (SpO 1)	500	500	750	750	750	3250
DA sub total	11435	12500	11750	10750	10750	57185
ESF	5000	2500	1500	1500	1500	12000
Title II Regular	7800	6600				14400
Title II Emergency						0
BHR/OFDA	OFDA funding will be requested annually					0
BHR/OTI	Mission requests \$1 m matching from OTI annually					0
DCOF						0
WVF						0
Total	24235	21600	13250	12250	12250	83585

To implement this five-year strategy, USAID is requesting an average of approximately \$11,000,000 a year in DA over five years, a modest increase in current levels. In addition to DA, this strategy will require a mix of ESF, FFP and IDA resources to be successful. No figures have been included from Title II emergency or BHR/OFDA, as the funding is provided annually based on the emergency humanitarian needs. ESF resources will also be used to support activities in the democracy and governance sector. By 2003 we expect ESF to fund half of the DG program. DA levels remain relatively stable throughout the strategy period.

G. Management

USAID/Angola has no plans to request additional direct hire staff to implement this strategy. In fact, only one or two new FSN staff are expected to be required. We will include technical assistance in the design of specific activities if needed. The mission is increasingly utilizing services from REDSO/ESA, RCSA/Botswana, USAID/South Africa, and USAID/W in the design and management of program and activities.

MISSION GOAL:
Household and Communities in Targeted Areas
Improve their Food Security, their Health Status
and their Participation in Political Processes

SO1:
Enhanced household food security in
targeted communities

SO2:
Constituencies promoting democratic
governance strengthened

SO3:
Increased use of maternal/child health
(MCH) and HIV/AIDS services and/or
products and improved health practices

SPO1:
More market-oriented economic analyses
used in decision-making process

SO1 Enhanced Household Food Security in Targeted Communities

IR1 Vulnerable groups become more self-sufficient

IR2 Agricultural crops produced and marketed more efficiently

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Strategic Objective 1: Enhanced Household Food Security in Targeted Communities

A. Problem Analysis

According to the USAID Policy Paper on Food Aid and Food Security, a household is considered food secure when it has regular access (either through production or purchasing power) to sufficient food for a healthy and productive life. This definition includes but is not limited to food availability, access and utilization. USAID/Angola intends to concentrate its efforts on increased agricultural production and household nutrition, within communities where there is potential to increase production, at a minimum, for home-consumption and, when possible, surplus for marketing. We will target communities where the internally displaced and ex-combatants and their families will resettle. Food security includes access to clean water, understanding of the basic requirements of family nutrition, and access to basic health services. These elements will be addressed by the Mission in SO 3.

In spite of poor infrastructure and low institutional capacity, Angola has the potential to create a much more efficient and productive agricultural sector that can provide benefits to smallholders as well as urban and peri-urban poor. Much of what is now imported could be produced locally. Disruption of the agricultural sector by state control and war has led to a loss of the sectoral strengths that Angola previously had. Angola needs assistance to recreate the know-how and the mechanisms for a dynamic private led agricultural sector. The proposed strategy initiates the process of recreating this know-how by identifying a selected number of commodities and geographic areas for work that will identify and address current constraints and develop models for furthering the private sector and marketing potential.

Enhancing food security in Angola requires a focus on achieving short-term localized transition results as well as the longer term development necessary to help Angola's public and private sectors make a transition from a war torn, state led past, to a peaceful market oriented future. The strategy attempts to capture and promote synergy between the two. On one hand one can ask, can we have development without resolving relief and transition issues, and, on the other hand, one can ask, can we have sustainable transition activities without carrying out the development work necessary to an environment which fully capitalizes on private sector strengths and initiatives from all facets. The answer to both is no.

This five-year strategy period must focus on two aspects of food security. The first is to make relief efforts more cost effective and more likely to create the conditions for an evolution from relief dependency to sustainable livelihoods. The second is to create more economic opportunities and to produce locally what is currently imported. Angola is highly reliant on imported foodstuffs at all levels of society. Local production would not

only reduce food prices and foreign exchange costs but would also provide an opportunity to create wealth for rural populations who derive little direct economic benefit from oil revenues.

Specifically, the strategy includes:

- Developing resettlement strategies to encourage movement out of IDP camps and lower reliance on food aid
- Exploiting the possibilities for moving IDPs to a more independent status, either by facilitating their return home or their relocation;
- Fostering increased individual responsibility/ability of vulnerable (IDPs, war-affected residents as well as general welfare groups –the elderly, children under 5, handicapped, and pregnant and lactating mothers) populations to meet their own food needs;
- Increasing dialogue with GRA officials to increase their share of responsibility for war affected populations;
- Encouraging donors to implement policies that progressively decrease dependency on general food distribution;
- Devoting more attention to preparing local technical cadres to initiate and carry out technical support activities;
- Creating conditions for smallholders to take advantage of market opportunities;
- Developing working models for creating sectoral growth.

The need for an explicit transition strategy is heightened by: (1) an increasing donor sentiment that the GRA has the resources to take more responsibility for relief efforts, and (2) opportunity for production self-sufficiency as security improves in Angola, (3) and the need for the country to be in a position that supports the growth of farmer incomes.

Land tenure is often cited as a major policy issue in Angola, and, as in most African countries it is a potential constraint. The current land tenure policy allows for occupation of land as long as it is being used for production. Since land cannot be used as collateral, this creates the need for alternative credit mechanisms for short- and medium-term loans. Nevertheless, the mission concludes that improved production and marketing schemes can be implemented without a revision of land tenure legislation during the period of this strategy.

Overall, the war in Angola has created three smallholder agricultural sectors;

- One that is presently relief dependent;
- One that is stable but primarily oriented toward subsistence production; and
- One that has a traditional orientation toward commercial markets.

This strategy seeks to move each sector forward by helping war-affected populations to bring themselves closer to self sufficiency, subsistence producers to achieve more surplus production for market, and smallholder farmers to revitalize their capacity to capture a larger share of the Angolan market. The interventions envisaged for the first two target

groups are similar, emphasizing access to and adoption of improved production technologies. A market oriented perspective will be applied to all groups and market linked constraints will be addressed as they arise. In sum, the strategy will focus on:

- Reducing dependency on relief food;
- Reducing reliance on donor funded agencies for support services;
- Developing the capacity of populations to produce their own food; and
- Increasing producer access to markets at all levels.

The strategy recognizes the weaknesses of public institutions to carry out technology transfer and avoids heavy reliance on them for this reason. Yet, for resource and other reasons, the broad rebuilding of public institutions is not currently within USAID's manageable interest. Angola offers an opportunity to create private, market driven solutions to market information and technology transfer as opposed to reinforcing the traditional state dominated approach. This being said, the public capacity that exists can be drawn on for specific tasks. The international agriculture research centers that are now involved in the Seeds of Freedom program will continue, in conjunction with PVOs and public institutions, to be the major source of technology for staple crops. Technologies for higher value commercial crops can be accessed from the private sector. Further, Angola also has the potential to access technologies from centers of expertise in the Southern Africa Region.

B. Development Hypothesis

Angola's food and agriculture system requires enhanced production and marketing interventions at all levels.

This can be achieved by investing in commodity chains which afford a high enough marketing margin to function profitably in spite of constraints.

This hypothesis is maintained for all three sectors identified in the problem analysis, although the opportunities for higher levels of economic impact are greater for market-oriented producers in secure areas. Although much of the success of the strategy depends on improving both productivity and production-- the key to the success of the strategy is also the application of a market led approach to designing activities for all target populations.

This construct does not cover populations that are heavily relief dependent. In some cases there is no viable development hypothesis without a return to stable conditions. For some target groups, although relief dependent, the hypotheses would be that *if* certain inputs are provided *then* reliance on food aid will be reduced. For populations that have the possibility to resettle the dominating hypotheses is that *if* food dependent populations are resettled in areas with greater employment and production opportunities, *then* they will reduce their dependence on food aid and become self sufficient.

The strategy focuses on the two ends of the transition spectrum. Even with the food reliant population, we will provide appropriate inputs (for example, improved varieties of seeds and improved technology transfer) leading to localized self-sufficiency initially. As resettlement is established in local areas, crop diversification and value added micro-enterprises will lead to improved marketing opportunities.

At the other end of the transition spectrum, we will focus on creating the sectoral capacity to improve markets and technologies, thereby generating greater value overall. This should be done to provide "pull" for the rural population as a whole and prepare an environment to transition toward. This will create an environment necessary to achieving improved sustainable livelihood for the vulnerable groups we are trying to assist. The approach tackles the other end of the spectrum by providing "push" to help vulnerable populations get to the point where they can participate in a market economy.

One of the premises of the strategy is that only by being engaged with customers in the process of sectoral development can the mission be effective in knowing and addressing the real world constraints. Therefore there is an emphasis on using our limited resources to create working models that demonstrate how constraints such as credit, market information and input supply can be effectively dealt with. Much of the strategy relies on creating market-oriented organizations that provide both political and economic strength.

Smallholder production, including that which is initiated by transition activities, cannot be enhanced without strong market linkages. Market linkages need to be strengthened or recreated. The proposed strategy is designed to permit a customer focus that is dictated by constraints. For example, in addition to improving productivity and production, it could involve assistance to producers and traders by facilitating financial mechanisms to overcome purchasing, transport, storage and processing constraints.

The strategy provides a framework for discussions with the government and public institutions. The government, at both the national and provincial level has developed broad approaches and guidelines to agricultural development. These approaches acknowledge the importance of broad based participation and private sector involvement. The government does not have specific solutions to sectoral problems at this point although its historical reference points are from a state led economy. Without donor assistance in creating market led approaches to development the government will tend to favor more directive top down approaches. The strategy provides a framework for the government to work with communities, associations and private enterprises in a participatory manner. It provides also an opportunity to define what roles can best be played by state institutions.

C. Critical Assumptions

- Adequate resources can be made available for all the IDPs and refugees who want to resettle and that programs will provide resources in a timely manner so that the returnees will want stay in their new locations.

- “Security” to permit IDPs to return.
- Large, but not overwhelming numbers of demobilized soldiers will want to participate in community reinsertion programs.
- Direct relief will continue to be provided to those who need it.

D. SO Customers

The activities implemented in SO1 will focus on those communities served by the four ongoing BHR funded Transition Assistance Programs (TAPs). These communities are: Cubal, Balombo, Ganda, and Catumbela in Benguela province; Gabela, Pomba Nova, Porto Amboim, Kikombo, and N'jata in Kwanza Sul province; Kuito, Catabola, Chinguare, and Camacupa in Bie province; Cazengo, Cambambe, and Lucala in Kwanza Norte province; and, Malanje, Calamuxito, Cambondo, and Cacuso in Malanje province. An additional TAP program is under consideration in Huambo province. Activities in Huila, Soyo Luanda and Cabinda will be considered on an exceptional basis primarily where a benefit will be gained for achievement of results in the main target areas through replication.

The strategy targets three types of customers:

1. Relief dependent populations that are currently targeted by USAID funded relief efforts. The strategy focuses on their resettlement and increasing production of basic foodstuffs.
2. Resident populations that have access to adequate production assets to meet their own requirements and produce marketable surpluses. The focus here is to increase producers' ability to satisfy markets. Producers in the war-affected areas can become better organized to meet local market needs for agricultural products. There may also be opportunities to link to regional markets within Angola. Preparing producers technologically and organizationally to capture markets at all levels is a crucial aspect of transition.
3. Smallholders with opportunities to develop Angola's market potential. We will work with this group in spite of major structural constraints, where there are opportunities for improved agricultural performance.

These models should, inter alia, create replicable methodologies for:

- The creation of economic interest groups and enterprises. This covers both groups, which have a broader function of promoting the interests of numerous enterprises in a given geographic or commodity area, as well as enterprises which have more specific economic interests;
- The development of financial mechanisms for meeting specific enterprise needs;
- The resolution of regulatory constraints;

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- Accessing improved technology from both public and private sources;
- Linking producers to traders and transporters;
- Carrying out market analysis as a basis for definition of enterprise and association activity;
- Creating improved capacity for handling and processing.

All of these functions are relevant to the needs of our target populations. Selection on specific locations will be dependent on what areas have the greatest opportunity for success in creating these models in all regions. Part of this decision should be left to partners and customers. Proposals and partnering arrangements should be judged on the extent to which they articulate the opportunities for success in achieving the results for the targeted group of customers.

The approach will work with each group on the basis of its gender composition. The first group is high in the number of woman headed households and criteria for interventions will take into account the extent to which interventions are tailored to meet gender specific needs. In all groups criteria will require consideration of enhancing women's access to production resources.

E. Key Results

This strategy objective links to the Agency goals of Economic Growth And Agricultural Development Encouraged as well as the goal of Lives Saved, Suffering Reduced and Conditions for Political Development Reestablished.

Strategic Objective 1 Enhanced Household Food Security in Targeted Communities

Our experience in the past several years with such PVO programs as Creative Associates Community Re-Activation, Africare, Save the Children/US, CARE, CRS and World Vision demonstrate that poor, isolated communities in conflict-affected areas can increase their agricultural production and productivity and improve their nutritional status. These activities have assisted communities to increase both food production and their own self-reliance. BHR and other resources will continue to be used for such activities as: provision of inputs, including improved seeds and tools; improved on-farm use of water resources; improved natural resource management and soil conservation practices; improved marketing and transportation systems; introduction of cash crops to improve rural incomes; and pilot farming-systems activities at the community level. One of our goals will be to ensure that these approaches are cost-effective and sustainable.

We can return to the methodology for providing assistance to increase agricultural production, focusing more on community economic reactivation programs that empower local communities to rebuild shattered physical and social infrastructure, create a modicum of stability in a still insecure environment, and permit communities affected by conflict to assume greater control over their own future. Our implementing partners will work closely with communities to identify their immediate needs and local resources, rebuild damaged and maintain productive infrastructure, and improve the natural resource

base by environmentally sound agriculture and production technology. This approach to the reconstruction and building of basic infrastructure is a vehicle for fostering community initiative and self-reliance, helps establish local governance, and creates a sense of stability and an environment of tolerance and reconciliation. The focus on agricultural production, and potential micro-enterprise activities, helps to revitalize or "jump-start" the community's economic base, and should reduce the communities' dependence on continued outside assistance.

In addition to increasing agricultural production and productivity, household food security similarly requires improving farmers' access to markets and improving marketing opportunities. A majority of communities in our target areas remain isolated from markets, and the mission will assist in rehabilitating farm to market roads to promote more efficient delivery of food to markets and basic inputs from markets to farms. Demining and rehabilitation of roads will also expand access to areas for the resettlement of IDPs. The USG, through the State Department, provides financial support to international NGOs to carry out mine awareness and humanitarian demining programs. Those programs including those financed by other donors are crucial to the achievement of USAID's emergency, transition and development objectives in Angola.

Access to new technologies and the introduction of low-cost food processing techniques will increase farm incomes, and directly contribute to household food security. The mission will address such basic constraints as access to micro-credit input and appropriate equipment through the introduction of private sector micro-enterprise activities and establishment of community producer groups that benefit from economies of scale to develop markets and replace imported food.

The mission intends to pursue this strategy for strengthening production for commercial markets by exploring public-private linkages. For example, petroleum companies are interested in funding activities that increase agricultural production and productivity at a regional level, improving markets and reducing the dependence on imported food.

Key indicators for SO1 are:

- 1- Production of food crops (annual volume and % rate of increase in volume for targeted crops in targeted communities). Actual measurement methodology needs to be specified in RFPs but will include baseline work in each targeted community and a way to measure with reasonable accuracy changes from year to year.
- 2- Another well-accepted proxy for changes in household food security is nutritional status by household or community. Some of the communities targeted under SO 1 will also be targeted by SO 3, but not all. Changes in nutrition status correlated with changes in food production in the SO 1/SO 3 communities to all the SO1 communities will be measured.

IR 1.1: Vulnerable Groups Become More Self-sufficient

USAID has provided a substantial amount of funding, including emergency food aid, disaster assistance funds (IDA), and development assistance to meet the immediate needs of populations primarily in and around the Planalto most affected by the conflict. Relief assistance has been critical to saving lives and mitigating the worst effects of war for a large proportion of the most vulnerable Angolans. The Africa Bureau (AFR) and BHR have worked in close collaboration to meet the immediate needs of these populations, including the large IDP community, through general food distribution, coordination of seeds and tools, and provision of basic health services. While there is still a need to continue providing emergency assistance to the most vulnerable population at present, it is time to initiate a resettlement process for IDPs and include these populations in activities to help achieve longer-term food security at the household and community level. This intermediate result addresses longer-term food security through a shift from emergency to more transition assistance that will establish a foundation for future development.

There is no doubt that general food distributions will be required in Angola for the next few years. Gaps in availability, access and utilization will continue to be met by international donors and the Government of Angola. Yet, there are opportunities to begin shifting the focus of programs for IDPs. For example, years of conflict have resulted in severely damaged infrastructure, from basic farm to market roads, irrigation canals, and denuded forests to such basic social infrastructure as schools and health posts. There are significant numbers of IDPs who could begin to engage in food or cash for work activities, rebuilding such basic rural infrastructure as secondary roads. The World Food Program (WFP) and some PVOs are beginning to expand their programs to include such activities as road repair, afforestation, and rebuilding of damaged schools. We intend to encourage the expansion of these programs to meet the dual objectives of providing essential food for still vulnerable groups while building the kinds of productive and social assets that will lead to increased agricultural production and a greater access to basic social services.

To a large extent, the mission will focus on using a blend of dollar and food resources to rebuild or rehabilitate basic productive assets that have been damaged as a result of conflict. This focus provides both short-term employment opportunities to large numbers of people who now rely exclusively on relief and begins to rebuild the kind of basic rural infrastructure that will increase agricultural production and productivity.

As a way of ensuring significant impact of such initiatives on the country as a whole, USAID/Angola's transition strategy includes a) working with other donors, and b) supporting the recent initiatives of UNDP to design a Reconstruction and Rehabilitation strategy and program that will depend on significant GRA support. USAID's transition program would target conflict-affected areas and focus on activities that (1) strengthen municipal capacity to meet the needs of their communities; (2) reinforce the capacity of internally displaced and refugees, especially as resettlement becomes viable; (3) reintegrate former combatants into communities and help establish productive lives; (4) address the specific needs of other war-affected populations, especially women and

children; and (5) quickly establish some sense of community normalcy. Mine action programs will be closely coordinated with these activities to facilitate resettlement of IDPs and open additional roads and land for potential cultivation.

IR 1.2 Agricultural Crops Produced and Marketed More Effectively

While the mission will help the most vulnerable households and communities in the target areas achieve food security, we recognize that Angola is highly reliant on imported foodstuffs at all levels of society. Much of what is imported could be produced at the same or lesser cost in country. This would not only reduce food prices and foreign exchange costs but would also provide an opportunity to create wealth for rural populations who derive little direct economic benefit from oil revenues. We will target a selected number of commodities and producer groups to develop working models for creating growth in agriculture. This strategy will: (1) create membership driven advocacy groups to confront policy constraints such as credit, input supply and transport issues; and (2) initiate a process to redirect Angola's market linkages toward its own producers. In other words, this strategy will increase their food security for Angola as a whole.

Capacity building will be a key element of this strategic objective. Access to improved sustainable production technologies will be made available to local farmer communities and government offices at the local level. Cost effective handling and processing facilities will be improved. Lack of capacity is also a constraint in developing market linkages and we will enable farmers to analyze market information and identify markets.

Finally the strategy recognizes the important potential role that the private sector can play in agricultural activities and provides a strategic framework for partnering with the private oil companies and Angola's oil company, Sonangol, to engage in sustainable community development and agribusiness activities.

F. USAID's Comparative Advantage

USAID has provided technical assistance and training in market led agriculture all over the world, including in other centrally planned economics of former communist countries. Utilizing US Universities, private sector consultants, and U.S. based international PVOs, USAID has established a skilled pool of agriculturists expert in third country development of crop production systems that contribute to food security of the local populations. US organizations with agribusiness skills or rural credit development technology have been successful in establishing improved markets, functional rural credit systems, and farmer association development throughout Africa.

G. Illustrative IR Indicators and Activities

Illustrative Indicators

IR1 Vulnerable groups become more self-sufficient

- 1.1.1 # of beneficiaries of direct food aid and food-for-work, disaggregated by gender. Baseline at beginning of activities; annual count on Sept 30.
- 1.1.2 # of IDPs defined as resettled. For each community, baseline at beginning of activities; annual count on Sept 30.
- 1.1.3 # of ex-combatants defined as reintegrated. Methodology same as 1.1.2 indicator
- 1.1.4 Physical infrastructure essential for self-sufficiency rehabilitated through food for work/cash for work in targeted communities
- 1.1.5 Community decisions are made through a participatory process. Y/N – evidence of inclusion of women and vulnerable groups, examples of decisions or processes to show adequacy of mechanism.
- 1.1.6 Income-generating groups formed. Y/N, #, # disaggregated by gender and by farmer groups (Baseline, count on Sept 30) When there are agricultural groups, community can be possible beneficiary of IR2 activities.

IR1.2 Agricultural crops produced and marketed more effectively

- 1.2.1 Targeted crops from targeted groups or enterprise sold through formal or informal market mechanisms. Actual volume and % annual change from baseline volume – measured cumulatively through Sept 30
- 1.2.2 Evidence of improved management and marketing skills in targeted producer associations/groups. Disaggregate by gender makeup of associations/groups. Evaluate as of Sept 30.
- 1.2.3 Evidence of increased use by producer associations/groups of improved processing and production technologies – increased planting of improved varieties? Sustainable seed replication mechanism? Sustainable use of processing machinery? Disaggregate by gender makeup of associations/groups. Evaluate as of Sept 30
- 1.2.4 # of farmer groups/associations from IR 1.1.6 included in IR 1.2 activities
- 1.2.5 Evidence that operating environment constraints have been addressed – improved information availability, improved availability of credit, whatever is targeted for changes. Evaluate as of Sept 30.

Specific areas related to environmental issues, chemical use, soil fertility, afforestation could be included in this mechanism. The implementing institution would provide home office support for maintaining continuity and cohesion to the overall effort and documenting/reporting on results and lessons learned.

Illustrative Activities

IR1

Implementation of food for work/cash for work programs
 Assistance to produce crops that enhance nutritional status
 Technical training in crop production/natural resource management and soil conservation
 Diversification of household cultivation

IR2

Organization of farmer groups into entities that have defined goals and train farmers in the use of more productive technologies and farmer groups in market information analysis.

Promotion of increased availability and utilization of improved and adaptable food crops

Public Private Partnership

Overall, both Soyo and Cabinda have good agricultural production capabilities. A wide array of tropical fruits, vegetables and staple crops are already grown in the area and the local populations have relatively easy ability to meet their own food needs.

Both Chevron and Texaco would like to purchase more products locally and could provide a market for some produce. Meeting their food needs can probably best be met initially by dealing with a few small-scale commercial producers that have the capacity to produce regular quantities of quality product through improving production organizations. Although the companies would also like to have an impact on a broad range of people near their areas of operations, trying to spread this production over too large a number of subsistence farmers is too labor/management intensive to be feasible immediately. Once some needs are fulfilled by local producers, other activities can be found that would impact on a wider range of the population.

H. Key Implementing Partners

USAID has active grant awards with five PVOs implementing agricultural programs in the geographical target area of the present strategy period of 1996 - 2000. All have contributed to the development of the new SO 1 strategy for 2001 - 2005. The five are: Africare, CARE, CRS, SCF/US, and World Vision. In addition, USAID is promoting the increased utilization of several local NGOs that have developed basic skills in program implementation and working relationships with the PVOs above. These PVO partners will continue implementation of the IR 1.1 activities given their demonstrated capacity and technical expertise presently available in Angola for focusing upon agricultural programs for rural war-affected populations and communities.

USAID will rely upon well known and experienced US based consulting firms, US Universities, PVOs, and international organizations that have demonstrated expertise and accomplishments in market and agribusiness development, rural credit, organizing farmer associations, policy development and consultations, etc. to implement IR 1.2 activities. This may involve direct awards of grants or cooperative agreements, buy-ins to established USAID programs and IQCs, or consultant services for short-term policy studies or training.

I. Other Donors

USAID has and will continue to coordinate activities with other donors. Presently, the humanitarian demining programs of the greater Planalto include three NGOs funded from various USG sources. Demining activities are also funded by Norway, Sweden, England, Germany, European Union (EU), Italy, and the UN. Frequent donor coordination meetings are hosted by the UN.

Besides the US, the major donor contributing towards food security programs is the European Union's Food Security office in Angola. Presently the EU is providing funds through the FAO to the MINADER's Food Security Office responsible for monitoring the food balance sheet of Angola for capacity building and gathering data on rainfall, crop prices, and production estimates of the major crops. The EU is planning a second phase program of support to the Food Security Office scheduled to start in 2001. The EU is also a major donor of food aid distribution, to both the WFP and to individual NGOs, for humanitarian and resettlement activities. About 10 million ECUs per year are funding eight NGOs for food commodities, seeds and tools, and logistical costs. Closely associated with the food aid distribution and resettlement activities is the Micro Project which provides funds for small projects such as repair and rehabilitation of irrigation systems, roads, and other rehabilitation activities. In general, the EU's programs are implemented throughout the nation but they are focusing on the Planalto region due to the high numbers of war-affected families and the agricultural production potential. The EU is also providing assistance to the Agricultural College and crop research and seed multiplication activities in Huila province. USAID has discussed the planned strategy with the EU's Food Security office and will jointly coordinate the programs towards increased complementarity and collaboration.

The Dutch, Germans, French, Italians, Canadians, and others are funding discrete agricultural activities of individual NGOs and are contributing resources to the various UN programs.

J. Linkages/Synergies to other SOs

Improvement of the nutritional status of the rural population is closely linked with the SO 1, focus on agriculture and food security and SO 3, on health. Improved nutrition will result from increased production and crop diversification in rural locations as well as from increased consumption. Both food security and health activities complement each other.

In the Planalto region, the involvement of farmer's groups, women's groups, and communities in determining the basic needs for food security, small scale processing, and increased marketing will complement SO 2 activities leading to more community and group self determination. This will be particularly important in implementing food-for-work or cash-for-work activities because the communities themselves will have to decide which activities to undertake—as market roads, health post or school rehabilitation, etc.

The development of agribusiness, increased marketing and production envisioned under IR1.2, will utilize farmers associations/groups as the principal tool to further desired results. This activity will closely tie-in with SO 2 activities, specifically with associations having a voice in self-determination, possible advocacy activities for certain legislation and to establish a dialogue with government officials regarding agricultural regulations.

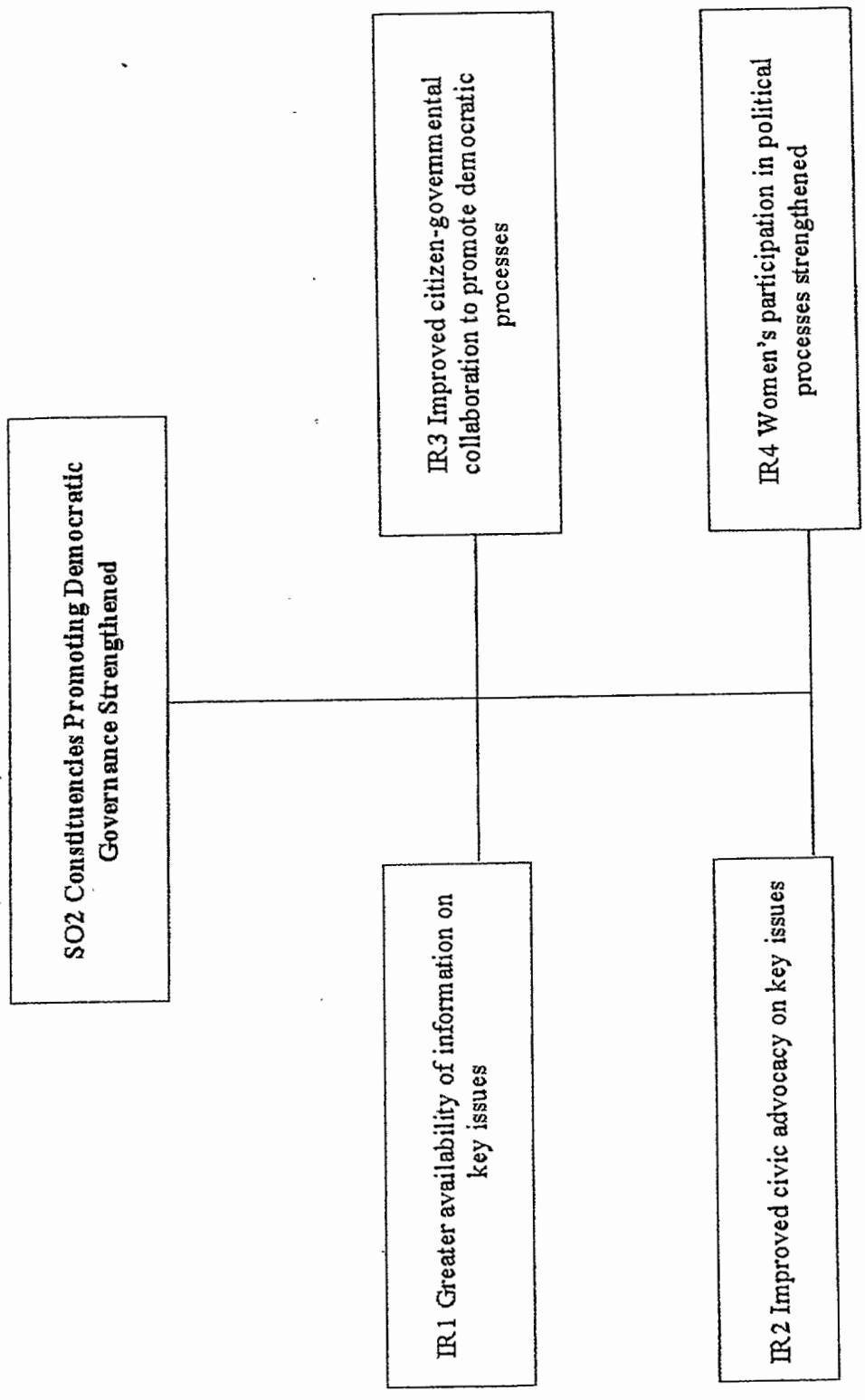
K. Consultative Process and Analyses/Evaluations

A consultative process has been fostered since the inception of the strategy development process. Visits from consultants began in October 1999 to identify constraints and learn more about current partners needs and concerns. This included meeting with the current PVO implementing partners, the donor community particularly multilateral donors, and several MINADER offices at both the national and provincial levels. USAID/Angola also met with oil companies and USAID staff in Washington and the region. The Agricultural Sectoral Assessment, done in February 2000, was designed and implemented as a means to further eliciting partners views.

During the formal strategy development process conducted in May one partner meeting was held that included the GRA officials, other donors and PVOs. This meeting presented the overall strategy being proposed by the mission with each SO making a presentation. Major feedback from this session was that the Mission should pay particular attention to Natural Resource Management (NRM) and soil conservation.

The SO 1 team had two meetings with PVO partners and incorporated some of their suggested modifications in the strategy. The PVO representatives recommended that the strategy be people focused, realistic and in the difficult operating environment in which they operate. Other issues raised included the need to help local extension agents (both NGO and public) to become more effective and approaches to producing a wider array of goods and nutritional foods for local markets. The importance of guaranteeing resource access to women headed households was also stressed. The SO 1 strategy has incorporated these concerns and included a strategic framework that encourages partners to address them. Partners can, for example, incorporate small scale low technology, low cost processing facilities and equipment and, restocking of small ruminants into their programs.

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Strategic Objective 2: Constituencies Promoting Democratic Governance Strengthened

A. Problem Analysis

Democratization in Angola will depend on broad political and economic reforms that can only be implemented with strong, high-level political commitment to change from political leaders. The war must also come to an end, but resolution of the conflict requires that those who renounce arms and the Angolan population in general establish a consensus on democratic rules for determining the political leadership, structure of government institutions and norms governing those institutions.

The overall lack of citizen inclusion in the political processes relates to limited competition within the political system. A very small circle of government officials holds a monopoly on power, both economic and political. It controls the sources of Angolan wealth, such as oil and diamonds as well as the institutions of decision-making. The Executive controls the military and provides housing, cars and other perks for loyal government officials. Although the Judiciary has demonstrated some degree of independence, such as rejecting the claim that UNITA members of Parliament (MPs) who refused to join UNITA Renovada could not retain their positions, it remains heavily controlled by the Executive; the President nominates Supreme Court judges and the Attorney General. The legislature's independence is also compromised. It does not have certain oversight powers such as approval of presidential appointments like those noted above or ability to initiate legislation. Moreover, because Angola has a party list system (which creates strong incentives for party loyalty) and the ruling party holds a majority of parliamentary seats, the legislature provides little oversight or debate over executive initiatives. The opposition political parties are extremely fractured and weak and some opposition parties have established "working agreements" with the MPLA. But recently, alternative voices across the social and political spectrum demanding changes are becoming stronger and persistent, although their power and resources are still limited.

Civil society voices are also limited in public discourse, given weak social organization and governmental domination of the media through such measures as censorship, control of material inputs and media equipment, monopolization of the limited advertising base and abuse of power – e.g. harassment and imprisonment of journalists. Control of the media is not complete and herein lies a critical opportunity for USAID/Angola. Finally, the most obvious medium for competition, elections, is lacking. Local and provincial officials all are appointed and the last national elections were in 1992, although the government has stated its intent to hold elections, possibly in late 2001. Addressing the problem of competition requires that the problem of political will and consensus be resolved. To bring more competition into the political system, support for the establishment of a democratic polity (i.e. the rules for the basis of political competition and the rule of law) and its subcomponents like a constitution and legal framework that protects political and civil liberties must be increased among key political actors.

The lack of good governance has undermined the regime's legitimacy. The government has never established an effective social contract with the people and failed to live up to its responsibilities. The conflict provided some justification for government's inability to deliver adequate services, but "passive public tolerance" has eroded as citizens recognize that the government has controlled highly lucrative natural resources for years and yet does not provide the most basic services for its people.

In short, Angola faces a vast range of political problems, the primary two of which are the lack of political commitment to democratization and the rule of law, and consensus among the major parties on the basic social contract for determining the political system. The latter issue, the resolution of the conflict, is outside USAID's manageable interest and the scope of development programs.

In the traditionally secure areas, which are not completely captive to the dynamics of war, political reform is plausible, but is prevented by, first and foremost, the absence of political will. As noted above, the current structure of the economy and government institutions allows the ruling elite in Angola to derive tremendous financial benefits from their positions. Similarly, lower level government officials can enrich themselves through petty corruption. There is little personal incentive from within the system to implement democratic reforms and improve the quality of governance including respect for human rights. Therefore, the advancement of democratization in Angola requires the generation of popular pressure on the regime to implement reforms and respect the rule of law, combined with bold steps from individuals from within the three branches of government.

In considering with whom USAID should partner in order to support greater demand for democratic governance, the mission reviewed which groups are supportive of democratization, which groups would actively oppose democratic reform and those which are "neutral," that is, unlikely to take strong action and commit their resources either for or against reform. These categories are not ironclad, but they do map the general positions of key players. Clearly in Angola, organized support for political reform lies in civil society: specifically, the independent media, church leaders, students, many professional associations and women's groups, some political institutions, and political parties, including some mid-level MPLA members. On the other hand, some reformers do exist in government with whom USAID/Angola can partner: specifically, offices within the Ministries of Justice; Planning; External Relations; Agriculture and Rural Development; Health; Education; and Family and Women as well as certain Parliamentarians from a number of political parties including the MPLA. Active opponents of reform can be found within the MPLA and UNITA-Renovada, and many political appointees at the provincial and local level. These groups benefit the most from the current political situation and therefore have strong vested interests in preserving the status quo. While lower level civil servants are likely to support reform, they have few resources and are most likely to fall into the neutral or opposition category; the more senior ones will tend to fall into the latter camp for reasons stated in the paragraphs above. Thus, it became clear to the mission that while reformers within government could be helpful to USAID/Angola, our strongest partners were in civil society.

However, USAID/Angola plans to direct support to the political institutions to address key issues that will bring reform. We believe that it is appropriate to fund the DG program through a mix of ESF and DA. DA will be used primarily to support longer-term development of civil society, political institutions, and democratic practices, while ESF will be employed for discreet activities that capitalize on emerging political developments.

B. Development Hypothesis

Given the above analysis, USAID/Angola is constructing a strategy based on the hypothesis that the most critical investment that we could make to support democratization would be to facilitate greater demand for democratic governance, which in turn will make the implementation of reforms a growing political necessity.

In order to foster greater demand for democratic reform, the mission has identified four, mutually reinforcing results. First, greater access to information on pivotal issues will help create a more educated populace who is aware of its rights, of the link between critical daily needs and democratization, and of concrete, realistic avenues for action. In response, citizens will be better able and more likely to move to protect their interests and address their needs through democratic activism. Second, information, combined with efforts to support alliances and coalitions among constituencies for reform, will serve to aggregate citizen demands and further build demand for reform. Third, critical to engendering effective political pressure is the cultivation and support of reform-minded citizens not only within the general public, but also within government, be they civil servants or political leaders. As activists in civil society reach out to one another and to partners within government, they can strengthen the voice of those often isolated reformers in government and thus be more likely to affect public policy and the character of governance in Angola. Finally, because women bear the brunt of the consequences of the war and ineffective, undemocratic governance (e.g. the majority of the poor and displaced are women) and are historically marginalized from political processes, they constitute a critical constituency with a profound stake in democratization.

USAID/Angola firmly believes that the combination of more information, stronger civil society coalitions, better civil society organizations (CSOs) – governmental partnerships and increased women's involvement in all these efforts will yield a clear and loud voice articulating constituencies' (civil society and government) demand for a democratic government that respects the rule of law and serves the people.

C. Critical Assumptions

We have identified two critical assumptions that relate specifically to the democracy program. These are as follows.

1. The GRA will continue to support publicly the concepts of democracy and good governance.

2. The GRA and its development partners will continue to support the opening of political space for citizens to participate in political processes and exercise basic civil rights.

D. SO Customers

While democratization will benefit Angola as a whole, under this strategy, USAID/Angola activities will directly involve and benefit Angolans, private citizens and public officials who want to develop robust constituencies around the key reform issues. Our activities will support efforts of civil society to develop relationships with individuals and groups inside government who share an interest in reform. Human capacity building will be a key element under this SO in order to achieve the proposed results. By working with civil society and segments within political institutions to promote democratic governance, there will be a need to strengthen the capacity and abilities of individuals and institutions, particularly coalitions and the media. Intense efforts will also be made to ensure gender inclusion, be it for example, the inclusion of women in training opportunities or the involvement of men in a "women's rights" initiative.

It is important to note that DG programs will be carried out whenever possible in the same areas where SO 1 and SO 3 will be implementing their activities as a way of creating and exploiting synergies. Activities will also be implemented in Luanda with political parties and institutions, media and civil society.

E. Key Results

In line with the Agency's goal of "Democracy and Good Governance Strengthened" and the objective focusing on the development of a politically active civil society and government institutions to promote democratic governance, USAID/Angola proposes the following results framework.

Strategic Objective: Constituencies promoting democratic governance strengthened

Given the limited demand for democratic reform, USAID's strategic objective is to support the empowerment of existing reformers from inside and outside government to cultivate greater support from other Angolans for democratization and empower those activists in both government and civil society to be more effective in their efforts to promote democratic governance.

The emergence of civil society organizations (CSOs), nonexistent five years ago, is a clear indication that Angolans have begun to acknowledge how social, economic and political problems affect their lives and country. Human rights activities carried out by CSOs and the independent media have prevented gross abuse of power by the government, especially the police and military. CSOs have started producing results such as prisoner releases from unconstitutional long preventive detentions; market women have been able to challenge police abuse and harassment; the war victims have been able to pressure government to comply with a law allowing them free transportation; and

local farming communities have caused the government to review the land tenure law. Moreover, the independent media is openly challenging the government and influenced a review of the press law.

Over the last three years the number of CSOs has grown and there are a number of associations: the Angolan Industrial Association, the Civic Association of Angola, professional associations for lawyers, medical doctors, women lawyers, women journalists, engineers, etc. Several entities have formed to lobby on key social issues. For example, ADMA (a women's development organization) is engaged in a campaign to reduce the high mortality rate among women giving birth in Lubango. ADA (Angolan Association for the Unemployed) is lobbying the government for more jobs.

In order to maximize programmatic impact, the mission will focus on several key issues at this level of democratization in Angola. These issues are:

- the rule of law including women's rights and basic legal rights,
- transparent and accountable governance including budget processes, freedom of information legislation,
- freedom of speech and expression including a legal framework and defense of journalists,
- peace and democratization including civil society peace initiatives, advocacy on behalf of vulnerable citizens created by the humanitarian crisis and the link between responding to social needs and democratic governance.

In order to achieve the strategic objective of "Constituencies promoting democratic governance strengthened," USAID/Angola will focus on four key intermediate results.

Intermediate Result (IR) 1: Greater availability of information on key issues

"Increased access to information on key issues" will involve both media assistance and support for civic and legal rights education. The financial viability and technical capabilities of independent media outlets are critical to expanding public discourse and knowledge on key issues. Journalists' associations do exist but are weak and the regulatory environment requires liberalization. USAID activities, in partnership with other donors interested in media development, will support activities designed to address these challenges.

While stronger independent media is crucial to a more fluid flow of information particularly in urban areas, USAID must also look beyond the media. It is estimated that only 35% of Angolans have radio access and far fewer read newspapers or watch television. Therefore, USAID/Angola will focus on mechanisms to reach target groups like market women, church leaders and traditional leaders, youth associations and student organizations who play an important role in disseminating information and who are in a position to mobilize themselves and others in response to the need for more information on key issues. USAID will support legal rights and civic education activities designed to

provide Angolans with the information they need to inform their actions, so that they can better defend their rights and demand better governance at all levels of government.

Intermediate Result 2: Improved civic advocacy on key issues

During the current strategy, the mission has supported the basic development of civil society organizations. While many of these organizations are still nascent, the stronger ones have begun to implement impressive advocacy initiatives. For these efforts to have greater impact, CSOs will have to develop stronger horizontal and, particularly, vertical linkages, as well as learn more sophisticated advocacy skills. They will also have to network with similar organizations in the region.

To date, civil society organizations have tended not to form strong alliances with one another. In the initial years of the strategy, the establishment of coalitions in and of itself will be an important result. In later years, higher standards will be set and the goal of USAID technical assistance and grant support will be to strengthen those coalitions. In working towards this result, we will pay particular attention to the need to strengthen the links between Luanda-based organizations and those in the provinces. This will enable "national representatives" to better understand and then articulate the interests of those whom they are seeking to represent, e.g. Luanda-based women who want to support women in rural areas.

It is anticipated that the greater availability of information will facilitate the creation of coalitions as citizens learn more about key issues and possible actions that citizens can take to address those issues. Moreover, coalitions will need to use media outlets and disseminate information from their own networks and activities to cultivate support for democratic reforms. Thus, many mission activities will support both IR1 and IR2.

Intermediate Result 3: Improved citizen - governmental collaboration to promote democratic governance

The third intermediate result also focuses on the cultivation of partnerships in support of reform. The mission recognizes that while civil society can and should act as a watchdog, civil society - government relations should not always be adversarial. In a persistent environment of conflict like Angola's, overly aggressive advocacy could cause a backlash. Advocacy coupled with efforts to build dialogue and cooperation will help protect, if not further expand, political space. For democratization to advance in Angola, citizens outside of government need to engage with citizens inside the three branches of government in a constructive dialogue to design more democratic policies and procedures and then implement them. While we recognize that there is insufficient political will to merit large investments in classic institution-building programs with the GRA, USAID/Angola and our implementing partners must continue to reach out to parts of the government to build alliances for democratic governance. We will focus activities with the National Assembly and other political institutions by working on specific key issues that would foster democratic reforms and good governance. Activities will be targeted at specialized commissions such as the constitutional commission, the HIV/AIDS sub-

commission, and the Human Rights Commission of the Ministry of Justice as well as on other issues such as land tenure, revision of the press law, election law, the election process, Court of audit of public accounts and prison reform. Establishing collaboration between civil society and government, a relationship that has been more commonly characterized by tension and distance rather than partnership will be important. Key results in the early years of the strategy will be the mere existence of dialogue. More meaningful working relationships should develop in the latter half of the strategy period.

Intermediate Result 4: Women's participation in political processes strengthened

The crosscutting issue of gender serves as the basis for the fourth intermediate result: "Strengthened women's participation in political processes." As noted above, women represent a critical constituency that not only is the most affected by the war and poor governance, but also have the least voice in Angola. In addition, some of the strongest CSOs, including one of the few existing coalitions in Angola, are women-oriented. The mission intends to build on this existing capital to strengthen constituencies for democratic reform. This result will be achieved via gender-inclusive implementation of all activities throughout the portfolio and selected activities that will specifically focus on the empowerment of women. It should also be noted that the principle of gender inclusion will be held for all activities – including those focusing on women's issues; the involvement of men on issues related to women's rights is essential. Given the importance of gender issues and women's participation in USAID activities, it is important that this result be articulated as its own intermediate result (IR), rather than folded into the other IRs. This will help the mission to maintain the appropriate level of attention to this issue.

F. USAID's Comparative Advantage

USAID has been assisting the DG sector for more than four years in Angola. We are still the only donor that has comprehensive and consistent developmental DG program not only with civil society but also with political institutions in Angola. Despite the ongoing military conflict, we have been able to maintain our activities in the areas of legislative strengthening, media development, human rights, civic and advocacy training and NGO capacity building. In the field of NGO capacity building, civic or social advocacy, and legislative strengthening, USAID stands as the main contributor to this sector.

G. Illustrative IR Indicators and Activities

Illustrative Indicators

IR2.1: Greater Availability of Information on Key Issues

IR2.1.1: Index of the strength of independent media outlets or targeted media outlets.

IR2.1.2: Number of Private Sector News that Exist.

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commission, and the Human Rights Commission of the Ministry of Justice as well as on other issues such as land tenure, revision of the press law, election law, the election process, Court of audit of public accounts and prison reform. Establishing collaboration between civil society and government, a relationship that has been more commonly characterized by tension and distance rather than partnership will be important. Key results in the early years of the strategy will be the mere existence of dialogue. More meaningful working relationships should develop in the latter half of the strategy period.

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IR2.1.1: Index of the strength of independent media outlets or targeted media outlets.

IR2.1.2: Number of Private Sector News that Exist.

IR2.1.3: Number of People Reached by "Education Efforts" of Target CSOs

IR2.2: Improved Advocacy on Key Issues

IR2.2.1: List of Active, Formalized Coalitions Active on Key Issues

IR2.2.2: Advocacy Index of Target Coalitions

IR2.3: Improved Citizen-Governmental Collaboration to Promote Democratic Processes

IR2.3.1: Evaluation of the Extent of Collaboration Based on Key Characteristics

IR2.3.2: Increased Number of Mechanisms for Civil Society Participation in Public Policy Formation.

IR2.3.3: Increased Use of Mechanisms for Civil Society Participation in Public Policy Formation.

IR2.4: Women's Participation in Political Processes Strengthened

IR2.4.1: Number of Women Benefiting from SO2 educational Opportunities/

IR2.4.2: Index of Coalition/Advocacy Skills on Women's Issues

Illustrative activities

IR1

- TA and grant support targeted media groups;
- Training of journalists, support of research, analysis and dissemination of information on key issues, e.g. constitutional drafting, legal reforms, corruption, human rights and HIV/AIDS;
- Education on civic and legal rights for targeted groups and coalitions;
- Support for increasing the number of alternative media sources

IR2

- TA and grant support for the development and strengthening of CSOs and targeted coalitions;
- Advocacy training of coalitions on key issues e.g. legal (civil) and human rights, corruption, lobbying skills and reforms;

IR3

- Creation of opportunities for dialogue and cooperation on key issues between CSOs and political institutions;
- Establishment of partnerships on key issues for reforms;
- TA and support to sectors of the political institutions on key reforming issues;

IR4

- Training and education on human rights, particularly women's rights;

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- Civic advocacy education on key issues that affect women in particular such as violence, discrimination, equal opportunities, and better maternal health care;
- TA and grant support to women's groups and coalitions working on key issues to enhance women's political, social and economical empowerment.

H. Key Implementing Partners

Activities will be implemented in partnership with local and international NGOs and associations and civil society organizations, in particular those working in media development, women's issues, human rights and social advocacy issues. The Constitutional Commission of the National Assembly, the HIV/AIDS sub-commission of the National Assembly, the Commission on Human Rights of the Ministry of Justice, the Ministries of Family and Promotion of Women, Health, Education and Social Communication as well as political institutions are among our proposed partners in government.

I. Other Donors

Given the limited political will for democratization in Angola, most other donors have, at best, small democracy programs. With the new strategy, USAID/Angola will continue to coordinate with the other DG donors. In the media sector, we will collaborate with Sweden, France, the Netherlands, Norway and UNESCO. Although there are a number of donors involved in the media sector, overall support levels remain far short of the need. USAID/Angola will be able to continue to productively invest in this sector. The situation with regard to human rights and civic education is similar. Other donors are making small contributions, so USAID/Angola can safely support activities to meet this priority need. Currently, projects related to legal and human rights, including women's rights, are financed by Belgium, Canada, the Netherlands (via support to the UN office), Norway, Sweden and the UN Office and the Germans are funding civic education. Finally, donor partners in conflict resolution are Canada, the European Union and the UN Office's Human Rights Division.

Germany, Portugal and Sweden are providing assistance and the European Union is starting a \$1.6 million development program in institution capacity building, training of staff and support to specialized commissions. Other institution building projects include two small activities, one funded by Spain, the other by Sweden with the Ministry of Justice. The European Union is also inaugurating a \$2 million judicial administration program. Initial discussions regarding elections reveal that the donors are likely to provide some assistance; details regarding the elections are unknown and therefore donors cannot yet make specific commitments. Should elections indeed materialize, USAID/Angola will coordinate any electoral activities with donor counterparts to ensure complementarity and resource-maximization.

J. Linkage/Synergies to other SOs

The results achieved under the DG SO will facilitate and support the mission's other SOs and SpO, and vice versa. Under IR 2.1, the mission intends to support the strengthening of independent media outlets. Stronger media outlets not only will allow greater access to information to the key democratization issues, but also provide channels through which health, agricultural and economic policy and outreach information can be disseminated. The media will be a critical tool in HIV/AIDS education and advocacy efforts, and the free flow of information will help to facilitate greater dialogue on economic issues including economic policy. Moreover, training materials on advocacy and coalition building will benefit the mission's DG partners as well as partners from other sectors. The other mission SOs will also make important contributions to IR2.2 and IR 2.3. Elements of the health, food security and economic portfolios all involve coalition building and/or collaboration with government. For example, the mission plans to implement activities that train both government officials and civil society representatives on economics issues and promote economic policy decision processes that involve citizen participation (i.e. civil society – governmental collaboration.)

It is also important to note that economic reform, if done properly, will enhance economic competition and help to weaken current disincentives to democratic reform. Those who want to monopolize political power now because of the economic benefits will have less reason to do so, and as new actors emerge in the economy, some will begin to assert more political power. Thus, USAID/Angola's efforts to support economic reform are critical for both economic development and democratization.

K. Consultative process and analyses

Beginning in August 1999, the DG Program undertook a series of consultations with its main local stakeholders such as leaders of the Parliamentarian groups, some local government officials of Luanda, Bengo, Benguela and Huila, the Ministry of Justice, and the DG expanded team (which comprises the implementing partners, seven eminent Angolans from political institutions and civil society, and the Political and Public Affairs Officers at the Embassy) in order to assess the current democratic situation and discuss future opportunities for DG activities. The meeting with local government was to evaluate the impact of the DG program activities in the local communities and assess government's response. The Angolan Bar Association, major church groups, journalists and labor unions were actively engaged in the reflection of DG results and the impact of activities.

In September 1999, the mission embarked on a 'stock-taking' exercise by conducting an evaluation of ongoing DG activities. The evaluation addressed questions such as: broad and cross cutting issues about the program; specific grantee activities; impact of activities on Angolan organizations and institutions as well as citizens; and, finally, questions related to the strategic objective and the intermediate results indicators.

The assessment process served as an opportunity to look at Angola's DG environment, including lessons learned from past activities as well as an analysis of the present circumstances. From that process the assessments made future projections. All the major

DG sub-sectors were examined by a team of eight Angolan experts with a wide-array of experience in: Rule of Law (legal framework; human rights; judicial sector; and access to justice); Political Process (women's participation in political process; informed citizenry; and political party development); Civil Society (legal framework to promote and protect civil society; citizen participation; media sector; democratic culture; and institutional and financial viability of civil society organizations); and Governance (decentralization; legislative strengthening; and governmental integrity).

The team was charged with the responsibility of examining the above-mentioned sectors by looking at: what is (existing condition); what should be (desired condition); the discrepancy between the two conditions (problems); and causes of the discrepancy (source of problem and how to address discrepancies). They also assessed domestic allies and partners as well as constraints and uncertainties of Angola's democratic environment.

Consultations were made with the implementing partners as well as with the members of the DG Expanded Team. The Mission used the opportunity of debriefings as well as visits from USAID/W staffers to stimulate discussions on Angola's DG environment. To analyze the evaluation and assessment reports the mission was assisted by the regional center for southern Africa (RCSA), G/DG and WIDTECH representatives and "virtually" by AFR/SD. The team specifically looked at problems and possible solutions and prioritized them including investments required. They then developed types of illustrative activities to address the solutions to achieve the expected results over the strategy period. The analyses were structured along the following framework: structural (Angolan political process regarding consensus, rule of law, competition, inclusion and good governance); dynamic (actors and their interests as well as possible allies for and opponents to reform); institutional (particularly focusing on legal, competitive; and governance arenas); and strategic choices (USG's interests, resources available for assistance program and trade-offs).

SO 3: Increased Use of Maternal/Child Health and HIV/AIDS Services and/or Products and Improved Health Practices

IR 3.1.1 Increased access to MCH services

IR 3.1.2 Increased demand for MCH services

IR 3.1.3 Increased quality of MCH services

IR 3.2.1 Increased access to condoms

IR 3.2.2 Increased demand for condoms

IR 3.3.1 Improved enabling environment

Strategic Objective 3: Increased Use of Maternal/Child Health and HIV/AIDS Services and/or Products and Improved Health Practices

A. Problem Analysis

1. Demographic and Health Status (See statistics sheet in front of strategy)

Angola has a young and rapidly growing population. The total fertility rate is estimated at 6.7 children per woman, and the rate of population growth is estimated at nearly 3.4% per year. Over 45% of the population is under age 15. The years of civil war have resulted in large numbers of internally displaced persons (IDPs). According to a 1999 WFP/FAO survey, there are nearly 2 million IDPs out of a total country population of 12 million. Almost half of the population is estimated to live in urban areas. It is estimated that major cities, such as Luanda and Lobito and Benguela, account for nearly 50% of the population if the IDPs are included.

The impact of war on health status has been particularly severe. Infant, child and maternal mortality in Angola are among the highest in the world. According to UNICEF, infant mortality rate is 170 per 1,000 live births and under-five mortality rate is 292 per 1,000 (as compared to 173 for the whole of the sub-Saharan region). There is little significant difference in infant and under-five mortality rates between rural and urban areas. The maternal mortality rate for 1996 was 1,500 per 100,000 live births. Life expectancy at birth (men and women) is about 47 years.

Malaria accounts for 61% of the registered cases of disease and is the biggest killer of children under five years, accounting for about 56% of deaths in this age group. Malaria also accounts for over 25% of maternal deaths. *Plasmodium falciparum* is found in 80% of the country, the most endemic areas being Luanda, Cabinda, Benguela, Malanje, Huila and Huambo. A 1999 survey conducted by the Pediatric Hospital in Luanda indicated that chloroquine resistance is at about 17%.

Diarrheal diseases follow mortality from malaria, and account for about 18% of deaths among children less than five years. 1997 UNICEF survey data suggest 40% of children (6-23 months) reported diarrheal episodes two weeks before the survey.

The poor coverage of the national health system is reflected in the following vaccine coverage rates: BCG at 65%, DPT 3 at 29%, measles at 49% and tetanus toxoid 2 at 16%. According to the World Health Organization (WHO), the largest ever-recorded outbreak of polio in Africa occurred in Angola in 1999. There were over 1100 cases and 89 reported deaths. Coverage of polio is at 29%.

Exclusive breastfeeding (0-3 months) is only at 12% and prevalence of stunting at 53%. Eighty-three percent of deliveries occur at home and trained health personnel attend only about 22.5% of births.

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Currently, prevalence of HIV among the general adult population is estimated at 3.4% for Luanda and 8% for Cabinda. Prevalence of HIV infection among commercial sex workers is estimated at 20% and among TB patients at 30%.

2. Constraints

The lack of access due to war, a lack of public sector resources, and poor health practices on part of the population are major constraints to resolving Angola's public health problems. The war has had a direct and significant negative impact on the ability of the Government of the Republic of Angola (GRA) to provide services. Health facilities were destroyed, and health personnel were part of the IDPs that were dislocated. Road and other access routes were either destroyed or heavily mined. Logistics systems crumbled due in part to lack of safe transport routes, leading to total stock-outs in drugs, vaccines, and other commodities. Even in areas relatively unaffected by the war such as Benguela the situation is not much better.

There are only 31 government hospitals in Angola, 246 health centers, and 1,288 health posts. Of these health posts, it is estimated that only half are functioning normally. There is only one health service physician for each 20,000 Angolans. A 1993 report by the World Bank estimated that 120 of Angola's 163 municipalities had no physician. The weakness in the health system is indicative of the overall weakness in public administration and lack of budget support. Only an estimated 3% of the national budget is spent on health care. This compares with nearly 34% of budget for national security and defense. Salaries of MOH staff are extremely low (for example, following a recent major salary revision, a national program director makes less than \$500 a month) although a very high percentage of the MOH budget goes to salary payments. Most public sector staff work half a day at government facilities and provide private services during the other half.

The lack of prevention and education programs has led to poor health practices on part of the population. For example, a recent UNICEF survey showed a very poor level of awareness of what malaria is and how it is transmitted. A vast majority of respondents mentioned climate (winds, temperature change), poor sanitary conditions (dirty laundry), and habits (eating cold foods) as being main causes of malaria and its transmission. Knowledge of nutrition, control of diarrhea, and other basic health habits is equally poor.

High poverty levels, low literacy, and lack of information on HIV/AIDS in Angola are all factors that predispose the country to a rapid spread of the epidemic. It is estimated HIV prevalence will increase to 10% by 2009, with hospital bed occupancy increasing to 24%, and the number of orphans going up to 315,110. The war has resulted in a massive migration to urban areas, with an increasing number of IDPs, street children, and sex workers, many of whom are teenagers and children. Anecdotal reports place the number of brothels in the city of Luanda at over 280 and the number of prostitutes at over 4,000. A common phenomenon in today's Angolan larger cities is that of the "catorzinhas" (little 14-year olds), whereby girls in their teens exchange sexual favors to older men for material gifts, help with school fees, help with family difficulties, etc. As expected, and

similarly to what happens in other countries, including lower prevalence west African countries, the prevalence of infection is higher among sex workers than the general population. To date, only one prevalence study has been conducted among sex workers (Luanda 1999: 140 women aged 15 to 42 years old), which gave a prevalence of infection of 18%, i.e., over 5 times that of pregnant women in the general population.

Vulnerability to HIV is increased by the high incidence of STDs, the limited access to primary health care and treatment facilities for STDs, and low rates of condom availability and use. Forty percent of the sex workers in the study mentioned above reported having had an STD. In the same study, 58% of sex workers had no condoms at the time of the interview, and 58% reported never using condoms, with pressure from clients refusing to wear a condom frequently cited as a reason. The number of clients reported varied between 1 and 18 per day, and 86% of the sex workers mentioned "hotels" as their main place of work.

The war has also increased Angola's vulnerability to a rapid spread of the epidemic as soldiers and refugee populations move in and out of neighboring countries that have a high HIV incidence. In addition, the increasing number of blood transfusions, due to war mutilations and malaria increase the risk of HIV transmission through blood. The lack of laboratory capacity and the increasing number of professional blood donors have made this a significant minor factor in HIV transmission in Angola.

Lack of knowledge is clearly an important determinant of HIV transmission in Angola. An earlier study (1995/96) unveiled common misconceptions about AIDS and HIV transmission. Whereas sex workers seemed to believe the infection could be transmitted by kissing on the face (25%) and sharing a toilet (54%), 27% of interviewees did not think it could be transmitted through occasional sexual intercourse without using a condom and 33% considered dancing at the disco as risky behavior. Nineteen percent believed AIDS could be treated with antibiotics.

Teenage and young adult sexuality trends place this age group at high risk for HIV infection. Studies conducted amongst secondary and university students in Luanda and other provincial capitals show a trend toward early sexual initiation, with a third of respondents in one study having had their first sexual experience between the ages of 10 and 14. Early sexual initiation has been identified as a major risk factor for HIV infection in epidemiological studies. Another consequence of this is a high rate of teenage pregnancies (roughly ¼ of the girls in different studies report having been pregnant before the age of 20), with the majority of the same pregnancies ending up in abortions. Successive pregnancies are also commonly reported. The different studies also show a poor knowledge of contraception methods, of risk factors for HIV transmission, uncertain opinions of what constitutes "unsafe sex" or "risky behavior", and resistance and poor knowledge of use of condoms. On average, only one third of youngsters report using condoms in occasional sexual encounters, and even so, not in a consistent fashion. Fear of AIDS and denial of the problem were also frequently expressed. On a positive note, youngsters seem to be receptive to more and better information on issues surrounding

sexuality and the majority (80% and over) favors educational programs within their schools.

B. Development Hypothesis

USAID/Angola firmly believes that in spite of severe hardships, progress has been made in addressing the critical health problems of this country. The mission therefore proposes a strategically focused program that addresses emergency, transition, and development needs and that will have the greatest impact on the health of men, women, and children of Angola. In addition, addressing select elements regarding HIV/AIDS will make significant inroads on this epidemic long before it becomes the major pandemic that has affected neighboring countries. This strategy will accomplish its objective by targeting demand generation for key services and products, making them accessible and improving their quality. USAID/Angola concludes that achieving its strategic objective will lead to decreased child and maternal morbidity and mortality and will keep the prevalence of HIV/AIDS from skyrocketing the way it has in neighboring countries. Improving the enabling environment for health is another key element of this strategy.

C. Critical Assumptions

For USAID's health program to succeed there are some critical assumptions that must be met. In some cases, these assumptions should be seen more as "requirements" or "pre-conditions" for the full implementation of the program.

The assumptions are:

- The GRA increases its policy and resource (both financial and human) commitment to improved health services.
- Partnerships can be established for the Expanded Program for Immunization (EPI), Malaria and condom social marketing (CSM) programs (WHO, UNICEF, Rotary, private sector and other donors).

D. SO Customers

The activities implemented in SO3 will focus on those communities served by the four ongoing BHR funded Transition Assistance Programs (TAPs). These communities are: Cubal, Balombo, Ganda, and Catumbela in Benguela province; Gabela, Pomba Nova, Porto Amboim, Kikombo, and N'jata in Kwanza Sul province; Kuito, Catabola, Chinguare, and Camacupa in Bie province; Cazengo, Cambambe, and Lucala in Kwanza Norte province; and, Malanje, Cacuso, Calamuxito, and Cambondo in Malanje province. An additional TAP program is under consideration in Huambo province.

The only exception to the above will be targeted interventions for the social marketing of condoms and, possibly, insecticide treated bed nets, which will be focused on Luanda, Benguela, and Cabinda. Some illustrative specific target populations include:

- For activities that are emergency in nature, customers will be principally vulnerable people as a result of the emergency. Secondary customers will be those who are residents of the area where there has been an influx of IDPs and who are affected by their arrival. Recent data suggest that there may be as many as 2 million IDPs nationwide, though the USAID program will not reach all IDPs. The populations to be served will be identified on an activity-by-activity basis.
- For the malaria activities, customers will be the entire population of Angola. The direct beneficiaries however will be communities where pilot programs are supported and the national MOH and National Malaria Program.
- For the immunization activities, customers will be women of reproductive age and children under five years of age.
- For the diarrheal disease activities, customers will be children under the age of five and their mothers.
- For nutrition activities, customers will be IDPs for emergency feeding, children under the age of one for breastfeeding, children under the age of 5 for vitamin A supplementation and women of reproductive age for iron and folic acid supplementation.
- For HIV/AIDS, initial customers will be the population of Luanda (approximately 3.5 million), with a special focus on high-risk groups such as commercial sex workers and youth.
- Within the priority focus provinces, a better estimate of total beneficiary population will be established. A preliminary estimate is that for emergency activities, the beneficiaries will be selected from areas with large, most vulnerable populations (those that are minimally secure). As such, it is likely that the total beneficiary population will be between one to two million. Transition activities will go beyond the most vulnerable populations to surrounding communities, towns, and cities. Development activities will focus on national programs, but the main beneficiaries are likely to be the main cities of Luanda, Benguela and Cabinda, and the Planalto region. It is hoped that almost half of the national population will be covered.

E. Key Results

Strategic Objective 3 **increased use of maternal/child health (MCH) and HIV/AIDS services and/or products and improved health practices.**

This SO will contribute directly to the Mission Goal of **households and communities in targeted areas improve their food security, their health status, and their participation in the political process.** The SO will also contribute to USAID's objectives for population, health and nutrition, namely:

- Infant and child health and nutrition improved and infant and child mortality reduced.
- Deaths, nutrition insecurity, and adverse health outcomes to women as a result of pregnancy and childbirth reduced.
- Threat of infectious diseases of major public health importance reduced.
- HIV transmission and the impact of the HIV/AIDS pandemic in developing countries reduced.

As a result, the SO will contribute to the overall Agency goal of *world population stabilized and human health protected*.

The Key indicators for the SO are:

- **Immunization:** Percent of children under one-year of age who have received three doses of the DPT vaccine.
- **Malaria:** Percent of children under five years of age with fever who are treated at home with an effective antimalarial drug (according to national policy) or who are brought to a health facility within 48 hours after fever began.
- **Diarrhea:** Percent of cases of diarrhea in children under five treated with oral rehydration salts, or appropriate home-based solution and/or increased fluids.
- **Breastfeeding:** Percent of infants less than six months of age who are exclusively breastfed.
- **Condom Use:** Percent of target groups reporting condom use during most recent sexual act with a non-regular partner.
- **Safe Delivery:** Percent of births attended by trained health personnel.

With a devastated health infrastructure, the potential for impact in the overall condition of the health sector is enormous. The recent USAID/Angola experience with international PVOs shows that in a country that is just now coming out of a conflict, there is the possibility of carrying out "transition-to-development" activities. At the same time, there is the clear recognition that continued support for emergency relief operations will be needed. This SO therefore integrates fully into the overall USAID/Angola mission approach of addressing emergency, transition, and development simultaneously. For purposes of the health sector, the conceptual approach in addressing the three stages is to consider two distinct situations: Emergency/Relief, and Development. These two situations are not independent but overlap.

Polio eradication merits special mention. Since 1998, the Mission has been committed to the goal of polio eradication in Angola and contributed substantially to National Immunization Days (NIDs), in partnership with WHO, UNICEF, Rotary, DFID, private companies (with special mention to De Beers and Odebrecht) and the Government of Angola, through the National Immunization Program (PAV). The Mission plans to maintain its support to polio eradication campaigns, with particular emphasis on increased coverage, improved logistics, training and supervision, and greater participation of Angolans at all levels, and through the CORE initiative, which will be focusing on three different areas: a) Logistics support & coordination, b) Social Mobilization, and c) Transport and communication. In addition, and under this new five-year strategy, the

Mission plans to support routine immunization and surveillance of acute flaccid paralysis (AFP), which are crucial to sustain the gains obtained through polio eradication campaigns and achieve polio-free certification in 2005. USAID/Angola would also wish to continue to draw on the expertise of Washington-based technical staff who, through discussions with Mission staff, country visits and issuance of recommendations can give an invaluable contribution to the polio eradication effort in Angola.

Intermediate Maternal Child Health Results

IR 3.1.1: Increased access to MCH services

Making basic child survival services accessible is a necessary condition to achieving increased use of services. In Angola, access to services is seriously restricted due to the collapse of physical infrastructure, reducing the number of health posts serving a particular geographical area and increasing distances between communities and health facilities. Mobile facilities, where they exist, may face constraints due to lack of roads and existence of land mines. Reasonably intact facilities are often faced with stock-outs of drugs, vaccines, and other commodities. Electricity is frequently not available and cold chains are often compromised at several points throughout the system. The staff at the facilities are often poorly trained and lack incentives and motivation to go out into their communities to increase community participation.

IR 3.1.2: Increased demand for MCH services

Informed demand is critical to ensuring that health services are used. In Angola, there are significant knowledge gaps in malaria, diarrheal disease, and nutrition. Only a small proportion of mothers know how malaria is transmitted, and few know the early signs and symptoms. Likewise, there is little knowledge of home remedies and oral rehydration therapies for diarrheal disease.

IR 3.1.3: Improved quality of MCH services

Studies have shown that if people are not satisfied with the quality of services, they will seek those services less or stop altogether. Therefore, along with access to and demand for services, focusing on improving the quality of services is important for this strategy. In Angola, quality of services has suffered seriously as a result of limited financial and human resources. Systematic training and upgrading of skills of personnel has not occurred in over ten years. Policies and guidelines for supervision and case management of many health conditions are either non-existent or have not been updated or put into practice in years.

Intermediate HIV/AIDS results

IR 3.2.1: Increased access to condoms

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At present, there is a major gap in primary preventive interventions aimed at reducing the risk of HIV transmission. This is true for simple, cost-effective interventions such as making condoms widely available. The lack of condoms has become a source of concern not only for the MOH, but for major private sector partners as well. In particular, the US oil companies have voiced their concern and are considering a significant partnership in condom provision. It is through this partnership that the Mission expects to obtain low-cost quality condoms for its planned IEC/CSM program.

IR 3.2.2: Increased demand for condoms

The experience from other countries has shown that reducing high-risk behavior is one of the most difficult challenges of any HIV/AIDS prevention program. Since Angola appears to still have a relatively low prevalence of HIV/AIDS, an effective communication for behavior change could have a significant impact on the future-course of the epidemic in this country. The IEC/BCC strategy to achieve this result will focus on selected geographical areas and target preferentially high-risk groups.

Intermediate Enabling Environment Results

IR 3.3.1: Improved enabling environment

Improved data collection, analysis and dissemination for decision-making

Current monitoring and evaluation systems are in serious disrepair and assistance to this area will have broad impact. For example, HIV prevalence estimates are subject to constant speculation, and much uncertainty exists with regard to the accuracy of the same estimates and the adequacy of the geographical scope of current sentinel surveillance efforts. Through this IR, the Mission plans to contribute to a thorough assessment of the HIV/AIDS situation along border areas, in particular along the border with Namibia (security concerns notwithstanding), given the very high prevalence of HIV infection in the Caprivi strip. This will be the first step toward the implementation of awareness/prevention programs in these areas, in addition to areas of high population density already identified (Luanda and Benguela) or at particularly high risk (Cabinda). Improved surveillance of acute flaccid paralysis is extremely important at this stage of the polio eradication effort and needs much improvement. Sentinel systems for purposes of emergency preparedness are equally in poor shape.

Improved policy framework for sustained health interventions

National, provincial, and local level policies and guidelines have not kept pace with state-of-the-art global trends. The GRA is fully cognizant and is interested in updating a variety of policies but is hampered by lack of technical and financial resources.

Models of sustainable partnerships established

Even under the most ideal conditions of peace and stability in the country, the experience from other countries shows that the public sector alone cannot provide the whole range of services to the entire population. Partnerships with the private sector are essential for ultimate impact.

F. USAID's Comparative Advantage

In early 2000, we carried out an evaluation of our child survival program. The evaluators concluded that the PVOs are showing good results given the circumstances, and in spite of the many problems facing Angola, support to development and child survival is essential. USAID is already involved in multiple facets of improving the health programs of Angola. We are involved with polio eradication, with responding to the victims of war, and are routinely asked to take active part in immunization programs, malaria, and HIV/AIDS planning. With modest resources, USAID can bring to bear significant technical resources and expertise that will make a significant difference in health outcomes in Angola.

G. Illustrative IR Indicators and Activities

Illustrative Indicators

IR 3.1.1: Increased access to MCH services.

- 1) number of posts and other infrastructure rehabilitated/reconstructed;

IR 3.1.2: Increased demand for MCH services.

- 1) percent of mothers who know signs and symptoms of malaria and diarrhea;
- 2) selected communities with Health Committees established.

IR 3.1.3: Improved quality of MCH services.

- 1) percent of children under age five with a diagnosis of malaria who are prescribed correct anti-malarial treatment according to national guidelines;
- 2) percent of health workers who manage cases of illness among children under five years of age in accordance with the national policy (regarding diarrhea, malaria and immunization);
- 3) percent of service delivery points that encountered a stock-out of any item during the past 12 months.

IR 3.2.1: Increased access to condoms.

- 1) number of condoms sold.

IR 3.2.2: Increased demand for condoms.

- 1) increase in knowledge and awareness among target populations;
- 2) number of peer educators trained;
- 3) number of community-based communication activities carried out.

IR 3.3.1: Improved enabling environment:

Improved data collection, analysis and dissemination for decision-making.

- 1) number of provinces/municipalities with acute flaccid paralysis (AFP) detection greater than 1 in 100,000 in children under 15 years of age;
- 2) number of sites where sentinel surveillance for HIV prevalence is carried out on a yearly basis with at least 4 high risk groups;
- 3) number of outbreak preparedness plans reviewed and discussed with MOH and other partners/donors.

Improved policy framework for sustained health interventions.

- 1) AIDS policy environment score;
- 2) national policies/guidelines for malaria, diarrheal disease, maternal health interventions and immunization developed and disseminated.

Models of sustainable partnerships established.

- 1) percent of cost-recovery in a selected facility or community;
- 2) partnerships fully operational;
- 1) a functioning inter-country coordinating committee (ICC).

Illustrative Activities

IR 3.1.1: Increased access to MCH services.

1) reconstruction and rehabilitation of health posts and sanitation infrastructure in communities; 2) emergency feeding centers in communities; 3) national and local support to NIDs; 4) national and local support to malaria control; and 5) community outreach initiatives, such as mobile clinics.

IR 3.1.2: Increased demand for MCH services.

1) community-based behavior change communication programs; 2) support to national communication campaigns; 3) mobilization of community leaders.

IR 3.1.3: Improved quality of MCH services.

1) training of health personnel at community-level; 2) improving national level training curricula; 3) improving the national drug logistics system in conjunction with other donors; 4) improving the national cold chain system.

IR 3.2.1: Increased access to condoms.

1) initiate an integrated condom social marketing (CSM) program, targeting primarily commercial sex workers and young people, in particular teenaged girls. The program will initially be implemented in Luanda and progressively extend to other priority geographical areas (for example Cabinda and Benguela/Lobito); 2) improve condom logistics.

IR 3.2.2: Increased demand for condoms.

1) community-based outreach programs; 2) targeted information, education and communication program to be integrated with the CSM program; 3) peer education among commercial sex workers and youth; 4) targeted peer education and communication programs for returning military personnel.

IR 3.3.1: Improved enabling environment:

Improved data collection, analysis and dissemination for decision-making.

1) strengthen national HIV/AIDS surveillance program; 2) strengthen capacity of national EPI program for AFP surveillance; 3) strengthen national health emergency preparedness; 4) strengthen capacity for monitoring, evaluation, and dissemination of data and analyses.

Improved policy framework for sustained health interventions.

1) advocacy for improved policies and regulations regarding HIV/AIDS; 2) analysis of health policies, especially those related to finance and cost-recovery; 3) training of provincial and local public health officials in policy implementation.

Models of sustainable partnerships established.

1) models of local NGOs providing health services; 2) partnerships with private sector, especially oil companies; 3) public sector initiatives in cost-recovery.

H. Key Implementing Partners

For maternal and child health activities, illustrative partners include: the Ministry of Health at the national and local levels; Angolan institutions such as the Fundo de Apoio Social (FAS); national and international PVOs; UNICEF and WHO.

Behavior change communication expert organizations such as Johns Hopkins/PCS, Academy for Educational Development, and Population Services International.

On the HIV/AIDS program, partners will include Population Services International; US and Angolan private sectors, especially the oil companies; the National AIDS Program (PNLS) and local NGOs.

Key partners to help improve the enabling environment for data collection will be: PNLS; CDC; international organizations such as UNAIDS and WHO; and 4) bilaterals (for example, Italian cooperation). Policy framework activities will depend upon the National Assembly and Parliamentarians, MOH at the national and provincial level and selected NGOs/PVOs.

L. Other Donors

There are a large number of bilateral and multilateral organizations supporting GRA efforts in health. The World Bank, European Union (EU) and WHO are supporting the institutional development of the MOH, including staff training, health information systems, and surveillance. A number of bilateral programs, including those of Japan, Sweden, Italy, the Netherlands, Norway, Portugal, the UK, Denmark, Brazil and South Africa have all provided support to National Immunization Days (NIDs) and in strengthening the GRA's immunization program. Rotary and De Beers also support NIDs. UNICEF has further supported the strengthening of the routine immunization program, cold chain, and vaccine procurement as well as supported the Control of Diarrheal Disease program, in particular the ORS interventions. UNFPA, the World Bank, and Sweden have been major donors in reproductive health, including the procurement of contraceptives. DFID (British Aid) has been a major provider of essential drugs. UNAIDS, the EU and Italy are providing support to the GRA's efforts in addressing HIV/AIDS, in particular regarding safety of blood supply and sentinel surveillance. The UN World Food Program provides emergency food assistance.

In addition to the bilateral and multilateral response, there is a large number of international PVOs that are involved in emergency and transition assistance, which includes provision, reconstruction, and rehabilitation of health infrastructure and services. Virtually all organizations work in areas of the country that either are still in conflict or were recently declared by GRA as "stable". A partial list includes CARE, Africare, Catholic Relief Services, World Vision, International Medical Corps, Médecins sans Frontières/Belgium, and Christian Children's Fund. An Angolan organization particularly devoted to rehabilitation and reconstruction is the Fundo de Apoio Social – FAS (Social Support Fund).

J. Linkages/Synergies to other SOs

1. Linkages with other Mission SOs

The nature of this SO's approach – i.e., simultaneously addressing emergency, transition, and development, lends itself to unique and important linkages with other strategic objectives of USAID/Angola:

Agriculture (SO 1): The devastation from the conflict has left many rural areas with no capacity for agricultural production. The health sector is seriously compromised by the existence of internally displaced persons who have little or no access to food. Many PVOs are responding to urgent child survival needs through the establishment of feeding centers. As SO 1 activities start to show positive outcomes, the availability of food should become more routine thereby helping the nutritional status of the population. The agriculture sector is likely to be hit by the HIV/AIDS epidemic. Behavior change campaigns will need to ensure that the communication and education needs of agricultural workers and their families are fully met.

Democracy and Governance (SO 2): Good governance and effective public administration are critical for the success of the health sector. The delivery of health services is principally a public sector responsibility. Although a private sector exists and there are large number of NGOs and PVOs, there is no doubt that only the public sector can have the cost-effective coverage needed to have an impact. In this context, the public MOH suffers from all the weaknesses of public administration, including poor salaries, lack of incentives, political appointments, etc. To the extent that the Mission's SO 2 addresses these issues, there will be a greater probability of success by the health SO. The mission is already carrying out a number of advocacy and national policy activities related to HIV/AIDS. These policy initiatives are aimed at establishing human rights-based legislation such as the right to fair treatment in the work place, the right to confidentiality, inheritance laws, etc.

Economic Growth (SpO 1): Our Economic Reform Special Objective aims at increasing the capacity of Angolan institutions and researchers to utilize data based analyses for economic programming and policy making. Establishing this capacity is critical to the success of SO 3 inasmuch as the health sector budget is traditionally one of the most misunderstood. Health economics as a discipline is very complex and requires knowledge of budgets and finance, of welfare economics, and public finance. One of the aims of the IMF's economic reform program is to increase the GRA's social spending, including on the health sector. A crucial link with this Special Objective will be to ensure that in addition to improving macroeconomic decision-making, capacity is also strengthened to carry out microeconomic and sector analyses. Another critical relationship is the economic impact of HIV/AIDS. Throughout southern Africa, businesses are increasingly feeling the impact of the epidemic on their overall cost structure. Policy makers and researchers need to understand the analytic framework and the results of modeling that look at the impact of the epidemic. Angola is especially susceptible because of its high dependence on oil, diamonds, and other extractive industries. Usually workers in these industries have higher infection rates than workers in other sectors. Moreover, with the very high rates of malaria, the immune systems of workers are already weakened. Thus it is possible that the progression from HIV to AIDS to death will be relatively quick, and the cost this implies to businesses and the country's economy could be devastating.

2. Linkages with the USAID Regional HIV/AIDS Program

The USAID Regional HIV/AIDS program for Southern Africa aims at expanding the US response to the epidemic beyond each country's bilateral program. In this context, the priority for the regional program is to focus on transportation corridors across the Southern Africa region. The program has a systematic plan for phasing in corridors and Angola will take advantage of this. Particular attention will be placed on border crossings to the north, in the province of Cabinda, and to the south, along the border with Namibia.

3. Linkages with the Embassy

President Clinton recently announced the HIV/AIDS epidemic as a national security threat to the United States. Embassies across the world will therefore be increasingly involved in HIV/AIDS matters. USAID/Angola will take advantage of this increased interest by engaging embassy sections such as the Public Affairs/Public Diplomacy on strengthening journalists and media reporting. We also plan to work with the Defense Attaché's Office in approaching the most important uniformed services of Angola. Finally, we will work closely with the Political Section on activities with the National Assembly. The Regional HIV/AIDS Program is in the process of developing an initiative for Ambassadors, with the view to promote advocacy activities at the highest levels. We also plan to participate in this timely initiative.

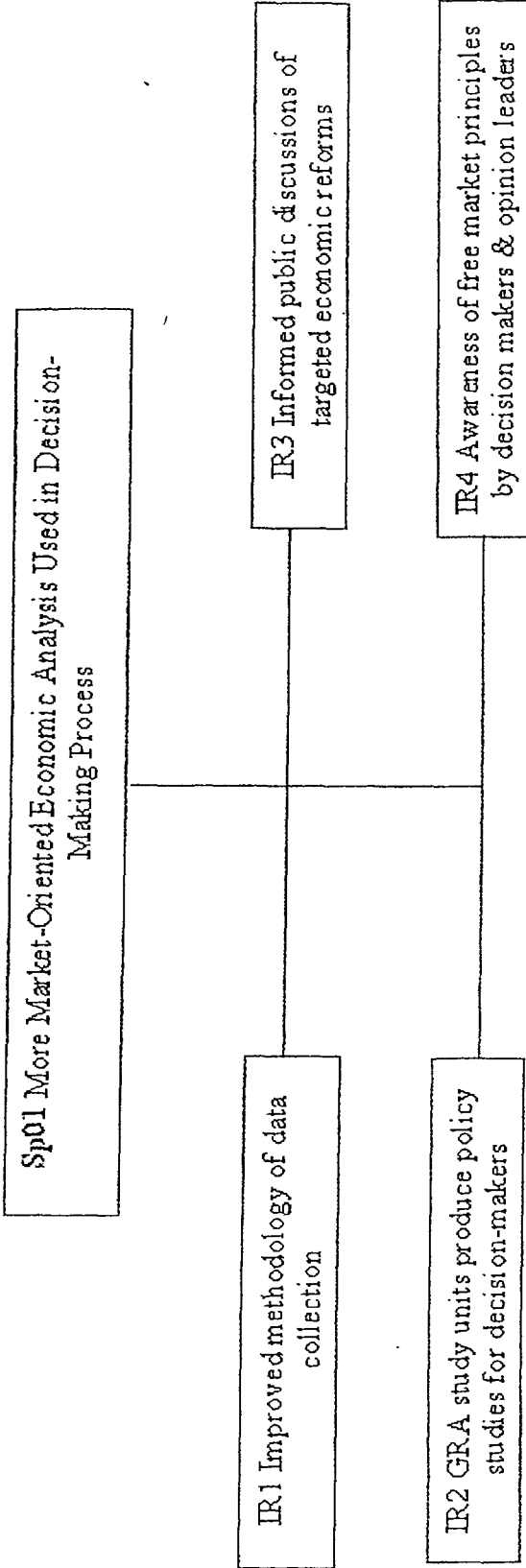
4. Synergies with the Private Sector

USAID/Angola has an important opportunity to leverage resources by joining forces with US companies that are working in Angola. The companies (mostly oil companies) have approached us through the US-Angola Chamber of Commerce to establish joint programs addressing the HIV/AIDS epidemic. USAID could support the analysis of the impact of HIV/AIDS on each of the companies, in return for corporate commitment to establishing work place policies. The companies have also shown interest in establishing a fund that could be used (for example through PSI) for the procurement of condoms. Other possible synergies with the private sector could include the co-funding of a fee for service health facility/network, which could provide maternal child health as well as STI/HIV health services to employees and their families.

K. Consultative Process and analyses and evaluations

Since the August 1999 Parameters Meeting, USAID/Angola has consulted extensively with USAID/W (G/PHN, AFR/SD, BHR/OFDA, BHR/OTI and BHR/FFP) USAID's regional office in Nairobi, USAID/South Africa, selected technical experts, implementing partners, other donors and the Ministry of Health to guide its new health strategy.

Critical analytical work that informed the strategy included expert reports on the conduct of Polio NIDs in 1999, a mid-term evaluation of the USAID/Angola's ongoing grants to Africare, CARE, Catholic Relief Service, and FAS (March 2000), a feasibility assessment of a condom social marketing program (April 2000), the UNICEF 1997 Multi-Indicator Survey (April 1998), the UNICEF State of the Children Report (April 1997), MOH Plan of Action for 1999/2001.



Special Objective (SpO) 1: More Market-Oriented Economic Analysis Used in Decision-Making Process

A. Problem Analysis

Few Angolans either inside the government or outside understand the economic principles behind the economic reforms the GRA is making. Nor do they know about the GRA's public commitment to a more market-oriented economy. If the new economic reform agreement signed with the International Monetary Fund (IMF) in April 2000 is to bring economic benefits to the Angolan people, more than a few senior technocrats need to understand the principles for effective implementation. In order to make economic reform sustainable, many more Angolans need to know how to produce reliable data, analyze the data and draw correct conclusions from the analysis. Of the small percentage of Angolans who do have university educations, many attended schools in Cuba, the ex-Soviet Union and Eastern Europe where they learned Marxist economics. Moreover, GRA policies are not often explained to civil society.

Within the GRA, information exchange within and between ministries is weak. Communication needs to be strengthened overall, but particularly among the ministries that compose the GRA's core economic team. The Ministry of Planning is responsible for development of strategies, policies and coordination of economic measures. The Ministry of Finance is in charge of the fiscal policy and the management of Angola's financial resources and assets. It coordinates and monitors the utilization of the national budget and resources. The Central Bank, Banco Nacional de Angola (BNA), manages the exchange rate and monetary policy. All three entities have benefited from technical assistance by the IMF, World Bank and UNDP. However, even those few trained have not been able to impart their training to a large number of their colleagues. The lack of statistical and analytical capability has been identified by the GRA and the IMF as a key constraint for smooth implementation of the recently instituted Staff Monitoring Program (SMP).

The IMF Staff Monitored Program has set both quantitative and qualitative quarterly targets such as public finance and Central Bank ceilings on credit, international borrowing ceilings, arrears ceilings, arrears reduction to IFIs such as the African Development Bank, floors on international reserves, etc. An oil diagnostic, civil service reform, privatization, trade liberalization, continued financial sector reforms are also part of the program. The first review of GRA progress will take place in late June. The primary goal of the IMF program this year is working with the GRA on stabilization and enforcement of the budget.

Overall, there appears to be a level of effort and determination on the part of the government that is new. As noted previously, the president has personally and publicly endorsed reforms in a way that has not occurred before. In spite of the many problems that remain, there is real possibility of true change if the government maintains its current stance in favor of continued reform.

B. Development Hypothesis

The mission believes that there is a critical need for data and analysis in making and monitoring economic reforms. Furthermore, we believe that if we address this need through support to a broader group of Angolan government officials and civil society entities to produce data and reports related to economic reforms that it will improve the GRA's economic decision making process. The higher goal is Angolans working together to mitigate negative effects and support positive effects of the reform program. Moreover, USAID/Angola thinks it is important not only that the GRA key staff and decision makers be more familiar with free market policies, but that more citizens have basic knowledge as well. We think it important for all citizens to be able to discuss various policies the government is proposing. In order to do that, they must understand certain fundamental concepts. We will provide training to journalists and community leaders so they will be able to explain some of these basic concepts. USAID/Angola will sponsor fora where proposed IMF and GRA reforms can be discussed. These activities will lead to more market-oriented economic analysis used in decision-making process. To the extent possible this SpO will encourage support of GRA policies which are also beneficial to regional priorities such as the trade protocol under SADC. Without more market oriented policies Angola will be unable to fully integrate into the regional economy which will help the entire region as well as Angola.

C. Critical Assumptions for the SpO

- GRA high level political commitment to IMF Reform Program continues
- GRA will provide appropriate counterparts to implement the SpO activities
- Other bilateral and multilateral donors will support GRA macroeconomic reforms

D. SpO Customers

The customers will be GRA officials at senior and mid levels as well as a broad cross section of Angolan citizens, particularly opinion leaders of civil society organizations and journalists. Although the target population is nationwide, urban consumers, radio listeners and farmers will be the main targets of the SpO.

Additional customers are GRA departments at the national level that collect data, produce analysis and/or make policy decisions about economic reform measures.

Civil society actors that engage in efforts to participate in and/or monitor the economic reform processes (journalists, sector activists, women's groups, academics, business associations).

E. Key Results

Special Objective (SpO) 1: **More Market-Oriented Economic Analysis Used in Decision-Making Process** links to the Agency Strategic Objective of Broad Based Economic Growth and Agricultural Development Encouraged. The thrust of this SpO under the new strategy will be to support the reform program agreement between the GRA and the IMF.

Whether the GRA's decisions are made on the basis of the increased economic data available to decision makers is outside of mission's manageable interest, because decisions may be made on the basis of the GRA's political imperatives. However, USAID activities will ensure that more government officials and more Angolan citizens are aware of the economic implications of GRA policy options, and will increase the capability of the GRA to produce data needed to implement and monitor the IMF program. Human Capacity building is a cross cutting theme as this SpO is primarily one of technical assistance and training to enhance capacity of both the GRA as well as Angolan citizens. Capacity building is a key activity.

SpO Indicators:

- 1) Depending on activity design, some quantitative reporting by implementing partners of increases from baseline in quantity and quality of data collected, analysis produced, timeliness in terms of availability in time for key points in decision processes, public availability—major successes highlighted in reporting narrative.
- 2) The perceptions of key stakeholders such as the IMF/World Bank representatives and USAID contractor of year-to-year progress toward achievement of SpO: "Do you see evidence that the GRA's economic decision-making processes this year used market-oriented economic analysis more than they did a year ago?" Usually, Sometimes, Not at All. If Usually or Sometimes, please give evidence and examples. Clarify that the question refers to the process and discussion, not to the actual decision made.
- 3) Perceptions of key beneficiaries such as the ministers of Finance and Plan, Governor of the Bank of Angola or their deputies: "This year have you had more market-oriented economic analysis to work with in your economic decision processes than you had last year?" "Did you find the (list of data/documents funded by USAID) useful?" Find out which USAID-funded documents were used most and considered most useful – these follow-on questions become a suggested indicator for IR2. Also use the interview opportunity to request feedback and suggestions for the next year's activities.

SpO 1 has four intermediate results.

Intermediate Result 1: Improved Methodology of Data Collection

At the present time, the GRA departments and civil society entities cannot produce or collect basic economic data needed to implement and explain reforms and their impact.

Intermediate Result 2: GRA Study Units Produce Policy Studies for Decision Makers

This IR will support GRA study units in various ministries to increase their capacity to produce studies required by the GRA to make appropriate macroeconomic policy decisions. It will also help them develop mechanisms to make information publicly accessible. Lastly, the benefits of greater participation by Angola in SADC and other regional fora understood/recognized

Intermediate Result 3: Informed Public discussions of targeted economic reforms

IR 3 will provide opportunities for discussion on specific reforms to be undertaken by the IMF. USAID will not try to support foras for the entire IMF program. Rather, we will select certain ones to target. The expected result will be a reduced level of misinformation and provide the rationale for some of the painful measures that will be required.

Intermediate Result 4: Awareness of free market principles by decision makers & opinion leaders

Finally, this last IR targets a cross section of Angolan society and government ministries to receive basic free market economic training. It will target leaders of women's groups, farmers associations, trade unions, the media, etc. to broaden the understanding of economics through training and technical assistance. Women's groups will be a special focus to ensure that macroeconomic reform issues of importance to women are understood and addressed.

F. USAID's Comparative Advantage

USAID has provided technical assistance and training in free market economics all over the world, including in other centrally planned economies of former communist countries. USAID has also provided technical assistance in key economic ministries in other African countries moving from socialist policies to more market oriented policies. The Harvard activities in Ethiopia are an example.

G. Illustrative IR Indicators and Activities

Illustrative Indicators

IR1: Improved Data Collection Methodology

- 1) Collection of data needed to make use of "Alternative Futures" (long-term economic) model is routinized at a satisfactory and sustainable level. (Question to USAID contractor.)
- 2) Collection of data critical to implementation and interpretation/understanding of IMF program is routinized at a satisfactory and sustainable level (development of indicator depends on what activities funded)
- 3) Targeted technical GRA units/counterparts apply improved data collection methodologies (development of indicator depends on training activities funded)

IR2: GRA Study Units Produce Policy Studies for Decision-Makers

- 1) Satisfaction of decision makers with specific USAID-funded studies (see second part of SO Indicator 2)
- 2) Number of studies produced (list)
- 3) Timeliness of studies produced – were they completed in time to be useful in the targeted decision process?
- 4) Dissemination of studies within GRA – assessment of availability (widely circulated, limited circulation, not circulated)
- 5) Summary of studies in simple language made publicly available – assessment of availability

IR3: Informed Public Discussions of Targeted Economic Reforms

- 1) Number of public discussions between GRA and civil society actors funded/influenced by USAID activities

IR4: Awareness of Free Market Principles by Decision Makers and Opinion Leaders

- 1) Number, disaggregated by group characteristics (farmers, women, journalists, etc) of beneficiaries of training module for non-economists in the "Alternative Futures" model
- 2) Dissemination of materials for non-economists on free market economics

Illustrative activities

Illustrative activities are expected to include training sessions by local economics professors, in-country training courses for GRA officials, and a limited number of participants sponsored to the IMF Institute or specialized university courses abroad. Studies could include a comparative advantage study on Angola, pros and cons of Angola's increased participation in regional organizations such as Southern African Development Community (SADC) or an input/output diagnostic.

H. Key implementing partners

Catholic University of Angola, Harvard Institute of International Development, Ministry of Planning, media, civil society groups and associations.

I. Other Donors

At present, few donors are implementing activities in the economic reform sector. With the recent agreement between the GRA and IMF, however, we expect the World Bank, UNDP and the Norwegians to become active again in this sector. USAID has already established good working relations with them and we plan to coordinate assistance to avoid duplication and/or contradiction of effort.

J. Linkages/Synergies to other SOs

This SpO will encourage better free market policies overall, thus indirectly benefiting all of USAID's customers, but particularly will work with farmers groups under SO 1 and civil society organizations under SO 2. One of the reforms envisioned by the IMF program encourages more GRA expenditures in health (SO 3). Training sessions for beneficiaries will be focused in provinces that have other USAID activities. The partners implementing health activities have already identified certain policies that need to be addressed in order to meet improve implementation of current activities and make greater impact. Potential studies of key constraints to the agriculture sector could also be funded. One such study could, for example, examine land tenure issues which will affect returning internally displaced people as well as incentives to increase production since many of the IDPs are farmers.

K. Consultative process and analyses/evaluations

This strategy is based upon the experience gained under implementation of this SpO during the last three years. We have used the same HIID consultants since the beginning of the activity. The economist who developed the model has worked on Angola since 1993. The REDSO economist was in Angola on TDY. USAID also held several meetings with the Ministry of Finance and the Central Bank in preparing this strategy. The SpO results were developed in close consultations with the Ministry of Planning, the IMF and the World Bank.

Annex A: Environmental Analysis

Section E201.5.10g Environmental Requirements

Section 118/119 of the Foreign Assistance Act requires that all country plans (or strategies) include:

- 1) An analysis of the actions necessary in that country to conserve biological diversity and tropical forests; and
- 2) The extent to which current or proposed USAID actions meet those needs.

In many cases, the environmental analysis may be broader than the specific requirement for 118/119. For example, in the course of examining whether a strategic objective in the environment should be undertaken or how environmental issues relate to other objectives and activities, it may be appropriate to conduct a broader analysis to examine other environmental issues, such as the environmental underpinnings of economic growth or preventing environmental threats to public health.

Water, sanitation, health, energy and food are considered to be Angola's most serious environmental problems against which other issues related to the environment seem almost insignificant by comparison. This does not mean that industrial pollution of water resources, the degradation of the coastal ecosystems, soil erosion, or loss of productive capacity of the land can simply be ignored. The same applies to management and protection of the nation's protected areas and remaining tropical forests. However, under current conditions, the GRA has neither the capacity nor the will to address these problems.

Thus the mission will continue to focus its attention on support to PVO and other partner activities which:

- improve water and sanitation, provide greater access to child and maternal health services and immunization;
- address problems associated with degradation of land resources through soil mining, soil erosion;
- prepare the way for the establishment of clear land tenure rights that provides ownership and responsibility over local natural resources.

USAID/Angola is concerned that the activities undertaken by our partners be designed and managed in an environmentally sound manner. In FY 2000 we are providing an environmental assessment training program, to ensure that our partners follow the requirements of USAID's Regulation 216 and incorporate a process of environmental review in the design of all USAID-supported new activities.

Wildlife and biological diversity

Minimal data are available on wildlife and biological diversity and virtually no survey work has been undertaken for years. However, the official position of the GRA is that no large-scale destruction of natural habitats has occurred. Even so, a number of animal and plant species require urgent protection such as the sable antelope (*Hippotagus niger variani*), the hippopotamus (*Hippopotamus amphibius*), the elephant (*Loxodonta africana*), the mountain zebra (*Equus zebra hartmann*) and the desert plant welwitschia (*Welwitschia mirabilis*). Regrettably, GRA services which used to monitor and manage these species and their habitats are no longer in place. Large-scale commercial exploitation of valuable timber in the tropical forests of Cabinda had a severe impact on the habitat and the future survival of primates such as the gorilla (*Gorilla gorilla*) and the chimpanzee (*Pan troglodytes*).

Since independence from Portugal in 1975, war has preoccupied the government, so that the relationship between environment and development remains largely unrecognized. The Ministry of Fisheries and the Environment focuses more on fishing and fishing resources than on environmental management. Even so, the government has little or no capacity to manage the severe overexploitation and depletion of its off-shore fishing resources by foreign nations, nor to protect its near shore coastal resources.

Neither Forestry nor Wildlife management has any record of note in post-independent Angola. They exist with a minimal staffing level and are based in the capital city. In 1991, only Quissama National Park, just south of Luanda, had any field staff and even so there were only four people based at the main camp. As Anstey points out in his book on southern Africa, this represents one staff person per 250 km² as opposed to a recommended level of one per 30 km². None of the remaining twelve parks or reserves has any operational field staff. At that time, existing funding was less than US\$20,000 per annum as opposed to the \$16 million Anstey estimated was needed, given the size of Angola's parks and reserves.

With very few exceptions, the parks and reserves cover the main biomes of the country. However, Angola is still without a park or reserve in the tropical forest /tropical savanna zone in the north of Angola, in the lowland tropical forest of Cabinda, and in the rare escarpment and mountain forests of west-central Angola.

In the near term, we will continue efforts to inculcate sounder environmental management practices (for health, water and sanitation, soil conservation, agroforestry, etc.) in the work USAID supports with communities and resettlements of internally displaced persons under our existing SOs. Some effort will also be made to introduce broader appreciation of basic ecological principles of interdependence, particularly among women and girls, who have the most direct connection and impact on the environment as farmers, gatherers of wood resources, and collectors and users of water.

In the near future a more detailed biodiversity analysis will be planned, drawing upon the resources of REDSO/ESA's Regional Environmental Officer and local ecological expertise such as that available through Agostinho Neto University's Faculty of Science. Other resources available through biodiversity and environmental IQCs may also be tapped. Such an analysis may help identify future actions that can be undertaken in cooperation with other donors and the private sector (including the oil industry) to pave the way for future protection and management of threatened and endangered species, coastal resources, and Angola's remaining, but rapidly declining, tropical forests.

Medical, biological and chemical waste

Some activities under the health SO (SO3) will give rise to medical and biological waste, the disposal of which meriting careful planning in accordance with Regulation 216. In particular the disposal of waste arising from the condom social marketing program is of special concern, as is environmental protection in connection to construction of latrines and rehabilitation of physical infrastructure.

Water Resources

The Mission does not anticipate large scale irrigation projects under its food security and agriculture SO (SO1), but will pay particular attention to the potential impact of each of its activities under this SO, both at the local level and at the regional level, seeking to contribute to the protection of important natural resources such as the Okavango watershed.

The Mission strongly emphasizes water testing as a pre-requisite for the establishment of potable water supply systems so as to ensure adequate quality of water.

Wildlife and biodiversity

The Mission does not support activities other than rehabilitation of farm-to-market roads, hence no disruption of habitat is anticipated. In any event, appropriate mitigation measures are recommended, in accordance with the Environmental Guidelines for Small-Scale Activities in Africa

The Mission will plan the conduct of IEE reviews for all new program activities under SO1 and SO3, and will instruct implementing partners on required procedures.

Annex B: Conflict Vulnerability Assessment

In Angola, after over 25 years of continued civil war, the ongoing conflict will, undoubtedly, be the root cause and intertwined with any future social/political conflict. USAID/Angola has identified three potential conflict areas.

Land tenure

Land tenure issues could become a major social crisis because of the number of groups of people it will affect. IDPs who will want to return home or want to resettle elsewhere. The ownership of the land where they would resettle could be an issue. Not all landowners are living on land they own, especially in insecure areas. Once these areas become secure again, however, it is likely that these owners will want to either return to the land or, at a minimum, be compensated if the land is used by others. Lastly, there will probably be claims to land by the Portuguese who fled at the time of independence as well as by the squatters who occupy it now. Some resolution to overlapping claims and compensation will be required for all of these situations. The magnitude of the problem is less serious here than in countries which have larger populations and less fertile land available. One complicating factor, however, is that some of the land has been given to government officials and it is unclear the political ramifications of returning this land to others.

Ethnicity

Ethnic issues have been relatively insignificant in Angola's history. The major independence groups divided themselves along racial/tribal lines in the late 1960s and early 1970s. UNITA initially used this tactic as a means to attract support. If elections occur in 2001, ethnicity could become an issue if we take into account the traditional strongholds of some of the emerging political parties as well as the traditional ones of UNITA, MPLA and FNLA. Though many politicians do not openly admit the existence of tribal interests/agendas in Angolan politics, it is becoming more and more evident that most of the political parties in Angola have strong tribal allegiances. Some political parties are demanding a federation system for the political division based on regions (grouped by tribes). The proponents argue that certain regions/tribes should be controlled by parties that won the elections in those areas.

Mineral Wealth

Another potential crisis could be the way in which benefits from diamond and oil wealth are used and distributed. Most of the mineral wealth has been used to support the war effort. With this effort winding down, expectations are that more Angolans will benefit directly from this wealth. But the truth is that some government officials are benefiting greatly from the oil and diamond businesses where, presently, there is little public accountability. Most of the diamonds are controlled by generals who received mining rights as a reward for their service. Today, the diamond areas are the most militarized areas due to the presence of numerous troops and armed security personnel guarding the mines. Many villagers have been forced to evacuate because of the diamond mining and fighting between UNITA and government generals over the control of diamond areas. Diamonds will continue to be the source of conflict not only between government and

UNITA but also with the traditional inhabitants whose communities and livelihoods are being affected because they lack the authority to keep outsiders from exploiting the diamonds in their regions.

Oil will continue to be a source of great social and economic differences between Angolans. Oil and diamonds do not only represent wealth but also power. Social and economic disparities will continue to widen. Families and individuals who are connected with control of oil business will benefit from it more and more. The provinces that have oil exploration are benefiting from 10% of the total oil revenues. This on the one hand may create strong regional feelings, if not separatist expressions. On the other hand, this will create a situation whereby every province would claim a right of the mineral resources on its soil, thus losing the spirit of a "nation."

The unequal distribution of the country's wealth will most probably create some social conflict, due to the fact that a small number of people will control it leaving out the majority. To some extent oil and diamonds will also be sources of power conflict, because those who can control or benefit from it will have power leaving out the others. Probably as the country becomes politically and militarily stable, and the citizens become more aware of the way the oil business is conducted and who are benefiting mostly, some instability and unrest may take place.

USAID will closely track these potential crises throughout the strategy period and adjust interventions accordingly. Trying to avoid crises is one reason we are testing certain models which could benefit the most war affected parts of the country later. Our food security and health strategic objectives try to create more opportunities for Angolans and establish better systems. For example, we hope to have markets in place that farmers can use once they routinely produce surplus to reduce some economic pressures. In the area of health, we are being proactive, before HIV/AIDS reaches the epidemic levels. We have learned from other countries in the region that the time to act is now and not wait. The strategy includes the private sector and other non-governmental entities such as church groups from the beginning to support the GRA HIV/AIDS plan. USAID's support to the economic reform program is aimed at preventing disturbances that often occur when unpopular reform measures are taken without debate and without a rationale provided to citizens. We will also support the reform efforts to make the government's budget process more transparent and that encourage more GRA resources toward the social sectors. Lastly, a strong element of our DG program is how to advocate without being overly confrontational. We will also continue our work with government reformers to strengthen their ability to lobby for change from within. The above, it is hoped, will provide safety valves, to help prevent social and political crises.