



Empoderando vidas.
Fortalecendo nações.

Country: Angola

Project Title: Programme Support for Sustainable Development and Inclusive Growth

Project ID (Atlas): 00087942

UNDAF/CPD Outcome: By 2019, Angola has put into place and is implementing policies and strategies to promote inclusive and sustainable growth, leading to graduation from the least developed countries group

Strategic Plan Outcome: Inclusive and sustainable growth, leading to 'graduation' from the least developed countries group (SP Outcome 1 with linkages to economic cooperation and diversification)

Modality: DIM

Reporting period: Jan 2015-Dec 2015

I. BACKGROUND

The year of 2015 was marked by increase in of No-Oil Sector contributing to the national economic growth. The government is estimating around 21.2 per cent. The positive trend in diversification of the economy has fostered by approval of other two legal instruments by the Government, the Investment Law and the Labour. Despite, Angola's GDP grew moderately at 4% in 2015 on account of the decline in crude oil prices. The main transmission mechanism in this regard relates to the impact of lower crude oil prices on government expenditure. Public investments on infrastructure development and agriculture, which are key drivers of non-oil growth, reduced significantly though insufficient to trigger an economic recession. Overall, real GDP growth will remain subdued at 3.3% in 2016, and 3.5% in 2017, based on the assumption of slow recovery of international oil prices.

With the continuous decline in the international market oil prices, the challenge for Angola is to shield and increase, in an efficient way, the social government expending. During 2015, the Angolan Government led the elaboration process of the National Millennium Development Goals Report. According to this source, the country has made relevant progress on MDG 2, 3, 7 and 8.

However more efforts are needed on MDG 1, 4, 5 and 6.

Poverty rate in Angola was a 36.6% in 2008 (US\$ 1 PPP), with higher incidence in the rural areas. The World Bank estimate for Angola's Gini Index shows a reduction from 58.6% in 2000 to 42.7% in 2008. UNDP 2015 Human Development Report, ranked Angola as low human development country (149/188) with an HDI of 0.532, higher than the 0.390 of 2000. , Life expectancy at birth is of 52.3 years, expected years of schooling of 11.4, mean years of schooling of 4.7 and a gross national income per-capita of 6,822 (2011 PPP USD) in 2014.

Angola participated in the Post-2015 Development Agenda/UN Summit in New York in September 2015, and has made public the commitment to pursue the SDGs. Government hosted a launching workshop of MDG Report and SDGs on December 21, 2015.

The Government continued the implementation LDC graduation road-map through training, information and exchange visits. Angola is eligible for graduation from LDC status by virtue of the exceptional ("income only") graduation criterion. The Human Asset Criteria and the Economic Vulnerability Criteria were not met by the country. This would have implied, that Angola would, in principle, qualify for graduation from LDC status in the end-2015 and that will have a transition period until 2018. However, at the end of last year, Angolan Government requested to the UN an extension of the graduation transition period, from 2018 to 2020, based on the downfall of the international prices of oil.

The project was designed to contribute to the implementation of CPAP, Priority Area 1: *Inclusive and sustainable growth, leading to 'graduation' from the least developed countries group (SP Outcome 1 with linkages to economic cooperation and diversification)*

This will involve contributing specifically to: i) promote innovative development solutions and partnerships in support of Angola goal of graduating to a middle-income status, and expanding its economic and political leadership role at regional and global levels, ii) strengthened national systems and institutions to achieve economic diversification, increase domestic and microenterprise entrepreneurial development and sustainable livelihood approaches and opportunities which promote greater access to financial assets and productive resources, iii) reinforce national capacities for robust evidence-based policy making and planning using disaggregated census, and survey data for implementation, coordination and monitoring to better understand, advocate, and plan for future development priorities iv) contribute to inclusive and sustainable social protection systems, including strengthening national institutions, laws and policies for equitable delivery of HIV and related services which are gender and youth responsive.

II. RESULTS

Under the first focus area, UNDP support has contributed to the effective mainstreaming of the MDGs in the national planning processes, high level advocacy for poverty reduction and effective tracking of progress towards achieving the Government of Angola. During 2015, the Angolan Government, with financial and technical support from UNDP, led the elaboration process of the National Millennium Development Goals Report. According to this source, the country has made relevant progress on MDG 2, 3, 7 and 8. However more efforts are needed on MDG 1, 4, 5 and 6.

The implementation of the Graduation Road Map continued by Government. A joint workshop on LDG graduation was held in 2015 with leadership of Ministry of Foreign Affairs and in collaboration with United Nations Conference on Trade and Development (UNCTAD) and UNDP, to facilitate the transmission of the results of the Country Vulnerability Profile and Ex-Ante Graduation Assessments. Furthermore, UNDP facilitated study tours and learning experience for

government officials from Ministries of Planning, Finance, Trade, Economy and Foreign Affairs in Mauritius, Benin and Botswana.

The total contribution of the Agriculture sector to the national economy is estimated about 10%. UNDP contribution in 2015 was mainly concentrated on linking small farmer to the market through value chain mechanisms. The No-Oil Value Chain Study conducted by UNDP in 2015 contributed to understand the role small of farmer in really economy. The average size of smallholders' land plots is about 1.6 Contributed in hectares¹. The productivity is generally lower than the African average; for example, yields of crops such as maize, millet and beans are 50% below the African average. Smallholder's productivity is affected by low levels of instruction, very limited access to improved seeds, fertilizers and financial resources, as well as restricted access to market due to absence of infrastructures. Even when they have access to the market, smallholders often face lower bargaining power against better-informed traders and other processors. Their productivity is also constrained by the fact that they usually have no access to most public utilities.

UNDP is supporting the implementation of a project called "Kukula Ku Moxi" for agribusiness supply development with SODEPAC, for a period of 3 years, a partner that manage the Agro-Industrial Pole of Capanda covering an area of 411,000 hectares, 270,000 of which are used for dry farming, 18,000 for the irrigated perimeter, 70,000 of environmental reserve and 10,000 for traditional farming. There are 29 rural communities represented in the Kukula Ku Moxi program, including over 750 families benefiting from increased income through family farming and over 10,000 people that have benefitted from the program's health, education and clean-water actions. Over 60% of the program's producers are women, strengthening their role not only in the household but also in the community as a whole. The partnership inserted this group of producers competitively into the Angolan market, as well as bettering their agricultural productivity and uniting the farmers through a cooperative to guarantee the sustainability of their increased income generation. Its aim is to implement a rural development model that is sustainable, economically viable and environmentally intelligent. A similar project on strengthening sustainable livelihood is supported in Huila Province in partnership with the Provincial Government and the local NGO ADRA. This project is promoting income generation activities for more than 1000 people in 3 rural Municipalities of Huila Province.

¹ Source: "UNDP, No-Oil Value Chain Study, UNDP, 2015

On youth skill development UNDP is working with DOM BOSCO (a catholic organization for vocational training), strengthening the vocational training network and creating really opportunities for apprentice and job opportunities. The project is generating training on sewing, decoration, electricity, IT- Information Technology, confectionery and bakery. The project has supported the revision of Teacher training manual, provided for training for more than 30 trainer of trainers. More than 2000 youth are the beneficiaries therein 40% are young men and 60% for young women.

On social entrepreneurship UNDP supported the Angola Federation of Women Entrepreneurs (FMEA) and 213 women entrepreneurs benefited have increased their knowledge on basic accounting, leadership and negotiation skills. As result of intensive training women cooperative have obtained more access to the local micro credit markets and increased productivity for community associations and cooperatives.

In promoting Pro-Poor private sector development and economic diversification, UNDP carried out initiatives to promote domestic financing. The Corporate Social Responsibility Network was established in 2015 under UNDP and Global Compact guidance. Actually, more than 50 companies are registered, and companies are in process s adhesion for Global Compact principles is underway.

UNDP contributed to the government agenda for economic diversification by supporting the Ministry of Geology and Mines in carrying out two crucial studies: The impact of fiscal system and cost on mining activities and the comparative study on gold value chain sector. These studies have also facilitated the government to review policies and legal instruments on mining sector and align with African Mining Vision principles.

III. PARTNERSHIPS

Overall, the country office established strategic partnerships at the ministerial level (Planning, Environment, Territorial Administration, Women, Finance, Public Administration, Water and Energy). The primary impact of these relationships has been the ability of UNDP's programmes to demonstrate and advocate for best practices and helping to establish the enabling environment, institutions, and human skills need to move Angola towards middle-income status. UNDP also remained an active inter-agency partner participating in joint-programmes in the area of M&E, gender, food security with UNICEF, WHO, IOM, ILO ,FAO, AfDB and World Bank. We were successful in leveraging resources from the private sector to support of national development priorities. One of the biggest challenges facing the programme was the alignment with an official multi-year Government poverty reduction strategy, which remained *ad hoc* and loosely coordinated within the Government bureaucracy.

Approved by

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Date: