

Data Sheet

USAID Mission:	Angola
Program Title:	Market-oriented Economic Analysis
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	654-008
Status:	Continuing
Planned FY 2005 Obligation:	\$1,778,000 DA
Prior Year Unobligated:	\$500,000 ESF
Proposed FY 2006 Obligation:	\$2,176,000 DA; \$1,000,000 ESF
Year of Initial Obligation:	2003
Estimated Year of Final Obligation:	2006

Summary: USAID's economic growth program is broadly focused on strengthening the enabling environment for private enterprise as an engine for Angola's future development, and on promoting increased trade and investment. Program activities include training and technical assistance to improve governance; support regulatory, policy, and legal reforms; stimulate private-public dialogue; enhance the efficiency of the financial sector; and improve the availability of financial services to entrepreneurs. The program also engages the private sector--local and multinational--in public-private alliances as a principal business model for economic growth.

Inputs, Outputs, Activities:

FY 2005 Program: Improve Economic Policy and Governance (\$300,000 DA, \$500,000 prior year ESF). USAID continues to promote development of national capacity in the area of public policy research, as well as public-private dialogue and debate on economic growth concerns, through support to institutions like the Center for Economic Studies and Scientific Research (CESSR), an independent think-tank affiliated with a local university. To improve the availability of timely and reliable data, and to increase institutional capacity to manage and control expenditures, USAID continues to provide capacity building support for a new Fiscal Programming Unit (FPU) within the Ministry of Finance (MOF). The FPU is compiling and presenting information to help the Angolan government monitor and evaluate fiscal revenues as well as to measure compliance with International Monetary Fund programs. Principal contractors: Development Alternatives, Inc. and Angola Educational Assistance Fund (both prime).

Increase Private Sector Growth (\$400,000 DA). To foster and stimulate the growth of export-oriented private enterprises and create trade opportunities for agro-businesses, USAID supports efforts to reduce market, regulatory, and policy constraints and to improve entrepreneurs' operational capacity to benefit from commercial opportunities. USAID plans to provide limited technical assistance and training to public and private institutions such as the Ministry of Industry and Commerce, CESSR, or business associations to maintain and support Angola's AGOA eligibility. Principal contractor: Development Alternatives, Inc. (prime).

Strengthen the Financial Sector's Contribution to Economic Growth (\$1,078,000 DA). USAID is supporting an activity to enhance the efficiency and transparency of the financial sector, and to expand the availability and diversity of financial services, including enhanced access to credit. USAID plans to work on strengthening the regulatory environment and legal framework, especially commercial law, and the development and dissemination of regulations related to land reform, in order to promote increased investments in Angola. Principal contractor: To be determined.

FY 2006 Program: Improve Economic Policy and Governance (\$500,000 DA, \$500,000 ESF). USAID will continue support to the Ministry of Finance to improve transparency and build institutional capacity. Support will also continue for CESSR, the independent think-tank, to further stimulate informed private-public dialogue and foster policy reform that encourages private sector growth. Principal contractors: Development Alternatives, Inc. (prime) and Angola Educational Assistance Fund (sub).

Strengthen Financial Sector's Contribution to Economic Growth (\$1,676,000 DA, \$500,000 ESF). USAID

will continue to fund activities that improve transparency and will strengthen the financial sector's operational capacity to offer financial services that benefit entrepreneurs and farmers. USAID may continue to work on strengthening the regulatory environment and legal framework especially commercial law to promote increased investments in Angola. Principal contractor: to be determined.

Performance and Results: In FY 2004, USAID supported selected activities to improve the Angolan government's economic policy and governance. USAID assisted the MOF to define the roles and responsibilities for its newly established FPU. The FPU represents a critical step in promoting greater transparency, institutional capacity, and the availability of information, according to the World Bank and other donors. Excellent progress was made by engaging technical experts to work with the MOF to develop a draft plan that describes the FPU's structure, staffing, related responsibilities, interface with other government departments, and draft job descriptions for key FPU personnel. The MOF is already implementing the plan and has signaled its interest in USAID support for capacity strengthening in other areas as well.

In FY 2004, USAID fostered informed public debate on economic policy issues, as a result of better, demand-driven research. CESSR published the first-ever locally produced Annual Report on the Angolan Economy and maintains a quarterly economic barometer, the first readily available source of economic data and analysis. In partnership with ExxonMobil, the quality of CESSR's research has been upgraded and has begun to reach out to a broader market in order to improve the relevance of its research

In 2004, USAID, in partnership with ChevronTexaco, established a new commercial bank, BancoNovo. This bank focuses on small and medium sized borrowers, and after only one month of operations, the bank had a total of 119 loans to small- and medium-sized enterprises, an outstanding credit portfolio of \$562,060, and 1,919 savings accounts totaling \$460,848 in deposits. The bank also established a new savings product, i.e., a deposit account with no minimum requirements. While it is still early to assess sustainability of impact, these are very good initial results.

An international NGO, Development Workshop, runs one of the biggest microfinance programs in Angola with support from USAID. In FY 2004, Development Workshop showed a 64.1% increase in clients, reaching 980 people, mostly women in the regions of Huambo and Luanda. The NGO reported a credit portfolio of \$642,112, with repayment rates of 97%.

By the end of the objective up to three public and private sector institutions will be strengthened to better support the development and implementation of economic, fiscal, and financial sector reforms needed for a flourishing market-oriented economy.

US Financing in Thousands of Dollars

Angola

654-008 Market-oriented Economic Analysis	DA	ESF
Through September 30, 2003		
Obligations	0	500
Expenditures	0	0
Unliquidated	0	500
Fiscal Year 2004		
Obligations	500	200
Expenditures	0	243
Through September 30, 2004		
Obligations	500	700
Expenditures	0	243
Unliquidated	500	457
Prior Year Unobligated Funds		
Obligations	0	500
Planned Fiscal Year 2005 NOA		
Obligations	1,778	0
Total Planned Fiscal Year 2005		
Obligations	1,778	500
Proposed Fiscal Year 2006 NOA		
Obligations	2,176	1,000
Future Obligations	0	0
Est. Total Cost	4,454	2,200