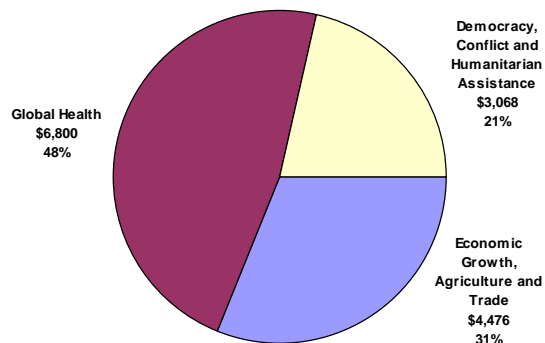
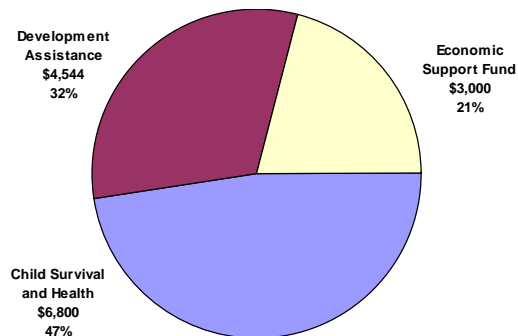


# Angola

**FY 2006 Assistance by Sector**



**FY 2006 Assistance by Account**



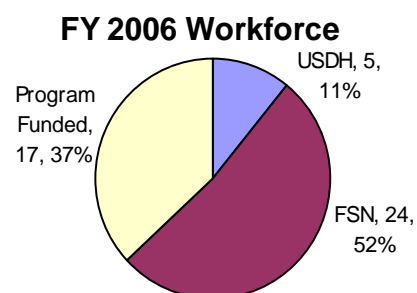
## Objectives and Budget

Objective	SO Number	FY 2004	FY 2005	FY 2006
Improved Food Security	654-005	3,111	1,388	800
Civil Society Strengthening	654-006	3,984	4,050	3,068
Maternal and Child Health and HIV/AIDS	654-007	10,100	8,086	7,300
Market-oriented Economic Analysis	654-008	555	1,778	3,176
<b>Total (in thousands of dollars)</b>		<b>17,750</b>	<b>15,302</b>	<b>14,344</b>

Excludes P.L. 480. See Program Annex.

## Administrative Expenses and Workforce

Administrative Expenses	FY 2004	FY 2005	FY 2006
Mission Allocation	2,118	2,039	2,089
USDH Salaries & Benefits	499	766	783
Program Funds	922	1,343	1,343
<b>Total (in thousands of dollars)</b>	<b>3,539</b>	<b>4,148</b>	<b>4,215</b>



**Mission Director:** Diana Swain

## Angola

**The Development Challenge:** Just two years after emerging from over a quarter century of civil war, Angola in FY 2004 continued its transition toward national reconciliation begun in earnest in 2002. Demobilization has been largely accomplished, while progress toward reintegration and reconstruction has been slowed by socioeconomic and political stresses that reflect the fragility of the post-war state. Further progress toward reintegration and reconstruction is required to consolidate early gains of the transition and shift national focus from emergency response toward comprehensive development. To that end, during 2005, the United States will work with the Government of Angola and other partners to further enhance agricultural production and food security in targeted communities, promote informed participatory relations between government and civil society, build local capacity for economic analysis and business expansion, and improve maternal and child health while reducing the transmission of HIV/AIDS.

Indicators for Angola underscore the scale of the development challenge. The country ranks 166th of 177 countries on the 2004 UNDP Human Development Index. National population exceeds 13 million, with 48% under age 15 and an annual population growth rate of 3%. The literacy rate among adults over age 15 is 42%, while roughly half of primary school age children are not enrolled in school. The average fertility rate is 7.2 births per woman, while average life expectancy is 40 years. Infant and child mortality rates are among the highest in the world (250 deaths per 1,000 under five years), and 41% of all children under five are chronically malnourished. Malaria, diarrhea, and other preventable diseases such as measles are common in both urban and rural areas. Poor health conditions are exacerbated by lack of access to safe water and health services; only 38% of the population has access to a protected water source, and just 2.6% of all communities have a health center. Restricted movement during the war years helped stem the spread of HIV/AIDS, and today Angola has an estimated prevalence rate of 3.4%. However, freedom of movement in the post-conflict period, combined with other socio-economic and demographic factors—including higher infection rates where Angolan military forces are stationed—sets the stage for a spike in the national HIV/AIDS rate.

Angola's low level of human development is at odds with its potential for economic prosperity—evident in the country's wealth of natural resources, including oil, diamonds, fertile arable land (much yet to be tilled), substantial fisheries, and plentiful water available for crops and hydropower. The economy, heavily dependent on trade, is dominated by the oil sector, which should account for two-thirds of government revenue in 2005. Developments in the oil sector will determine Angola's growth for the foreseeable future. Real GDP growth is predicted to reach 11.6% in 2005, due principally to large increases in oil production. However, overall economic performance remains below potential due to limited linkages between productive sectors (notably oil) and the rest of the economy, deplorable infrastructure, weak economic policy and management, and pervasive corruption. Angola's tumultuous history has contributed to the development of a weak culture of accountability and fiscal discipline. Average annual inflation, forecast to fall to 30% in 2005 from 44% in 2004, contributes to macroeconomic instability that is further fed by a large fiscal deficit, a misaligned exchange rate, underinvestment by the government in social sectors, and vast unrecorded expenditures in a shadow economy. To address these fiscal and monetary issues, the Government will need to implement a series of economic, fiscal, and budgetary policy reforms.

Systemic flaws in state institutions and the nascent condition of political parties and civil society organizations stymie the country's establishment of democratic governance. Such constraints contribute to repeated delays in national elections, with legislative elections now expected in 2006 and the presidential election (last held in 1992) in 2007. Constitutional reform, essential to election plans, continues to stimulate public debate, but has been slowed by disputes over procedures, timing, and content. Despite efforts to promote laws governing land and property, current reforms have failed to address the needs of large segments of the population, although the economic interests of powerful elites continue to be protected. Angola continues to exhibit a disjointed social order, limited effectiveness of civil and commercial law, and a persistent gap between formal rules of the state and de facto "rules of the game" exploited by power holders, all of which erode democratic principles of governance and contribute to a national budget that fails to reflect the country's true wealth.

U.S. national interests in Angola are commercial, political, and humanitarian. Angola, sub-Saharan Africa's second largest oil producer, is the seventh largest supplier of crude oil to the United States, and eighth in terms of total petroleum imports, providing 4%-5% of total U.S. petroleum imports. As of 2004, Angola is eligible to benefit from more open access to U.S. markets under the African Growth and Opportunity Act. As a potential powerhouse for regional trade and investment, the country could play an important role in Southern Africa's regional stability. In a region wracked by HIV/AIDS, addressing the epidemic before infection rates explode in Angola is a critical development challenge.

**The USAID Program:** USAID is requesting FY 2005 and FY 2006 funds for four objectives. These four objectives address issues of food security, democratic governance, improved maternal/child health, and economic reform. The food security objective, focused on smallholder agriculture, promotes access to inputs, extension services and training; market linkages; and revitalized agricultural productivity in Angola. The democracy objective strengthens constituencies and institutions required for democratic governance by promoting civil society coalitions, an independent media, government transparency and accountability, and the groundwork for free and fair elections. The health objective aims to improve maternal and child health and prevent the spread of HIV/AIDS and other infectious diseases by helping communities and institutions to provide necessary health services and to conduct HIV/AIDS prevention programs. The economic reform objective fosters economic policy and financial sector reform, business development services, and credit access for micro-, small, and medium enterprises. USAID works with a number of international and local nongovernmental organizations (NGOs) in public-private partnerships.

**Other Program Elements:** In addition to resources requested in the data sheets, in FY 2005 USAID's Bureau for Democracy, Conflict, and Humanitarian Assistance will support activities in Angola including a development relief program with P.L. 480 Title II food commodities. The program will promote food-for-work activities for smallholder agriculture and the resettlement and reintegration of internally displaced persons (IDPs), and NGO strengthening and capacity building for service delivery. USAID's Bureau for Economic Growth, Agriculture, and Trade will promote adult literacy in Luanda and Malanje Provinces. USAID funds from the Africa Education Initiative will support four organizations assisting girls with school-related costs, while the Displaced Children and Orphans Fund will support child-friendly networks, adolescent life skills training, and child/family tracing. USAID's Bureau for Africa's Conflict Fund supports local level conflict mitigation and management activities. The Leahy War Victims Fund will continue to support provision of prostheses, crutches, and therapeutic services for disabled persons.

USAID works with international and local NGOs in public-private partnerships, including ongoing work with ChevronTexaco and ExxonMobil in a broad range of activities related to economic research, business development support, the provision of small, medium and micro-credit, HIV/AIDS and malaria prevention, youth development, food security, and agriculture business development. In FY 2004, USAID leveraged a total of \$3,365,000 from private sector partnerships and alliances, with a cumulative total of \$14,065,000 from 2002 to 2004.

**Other Donors:** The United States is the leading bilateral donor to Angola, followed by Norway (democracy and governance, energy, water), the United Kingdom (poverty reduction, microfinance, humanitarian assistance), Spain (health, education, agriculture, civil society, humanitarian assistance), Sweden (humanitarian assistance), France (education, agriculture, humanitarian assistance, health and HIV/AIDS), Portugal (agriculture, education, health, democracy and governance, private sector development, water and sanitation), Japan (health), and the Netherlands (humanitarian assistance, demining, and democracy and governance). China has signed a financial agreement with the Government of Angola to address the budget deficit and to rebuild facilities destroyed during the war. Leading multilateral donors include the European Union and the World Bank, which supports three International Development Association (concessionary credit) -financed operations: Emergency Demobilization and Reintegration; Economic Management Technical Assistance; and the Third Social Action Fund (FASIII). Leadership related to humanitarian assistance is provided by the United Nations' Office for the Coordination of Humanitarian Assistance, the World Food Program, and the United Nations Development Program, with other services provided by UNAIDS, FAO, UNICEF, UNFPA, and WHO. The Government of Angola continues to seek agreement on a Staff Monitored Program with the International Monetary Fund and has expressed interest in a donors conference.

## Angola PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2003 Actual	FY 2004 Actual	FY 2005 Current	FY 2006 Request
Child Survival and Health Programs Fund	7,797	8,100	7,586	6,800
Development Assistance	4,568	6,171	4,740	4,544
Economic Support Fund	3,750	3,479	2,976	3,000
PL 480 Title II	104,545	68,395	33,252	10,000
<b>Total Program Funds</b>	<b>120,660</b>	<b>86,145</b>	<b>48,554</b>	<b>24,344</b>

### STRATEGIC OBJECTIVE SUMMARY

654-005 Improved Food Security				
DA	2,568	3,111	1,388	800
ESF	1,000	0	0	0
654-006 Civil Society Strengthening				
DA	2,000	2,060	1,074	1,068
ESF	2,750	1,924	2,976	2,000
654-007 Maternal and Child Health and HIV/AIDS				
CSH	7,797	8,100	7,586	6,800
DA	0	1,000	500	500
ESF	0	1,000	0	0
654-008 Market-oriented Economic Analysis				
DA	0	0	1,778	2,176
ESF	0	555	0	1,000

Mission Director,  
Diana Swain

## Data Sheet

<b>USAID Mission:</b>	Angola
<b>Program Title:</b>	Improved Food Security
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	654-005
<b>Status:</b>	Continuing
<b>Planned FY 2005 Obligation:</b>	\$1,388,000 DA
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2006 Obligation:</b>	\$800,000 DA
<b>Year of Initial Obligation:</b>	2001
<b>Estimated Year of Final Obligation:</b>	2006

**Summary:** To increase food security among vulnerable populations in Angola, USAID supports two components. The first component provides vulnerable households with essential recovery assistance such as direct food aid, food for work (FFW), tools, seeds and other key inputs on a declining scale. The second component complements those contributions with interventions designed to increase agricultural productivity by facilitating better access to credit, agricultural inputs (such as seed and fertilizer), relevant market information and improved, environmentally-friendly agricultural practices.

### Inputs, Outputs, Activities:

**FY 2005 Program:** Increase Food Security of Vulnerable Populations. Under this component, P.L. 480 food aid resources (both commodities and cash) are supporting two food programs to reach different communities in Angola. In FY 2005, one USAID program is supporting over 210,000 resettling and food-insecure families, or approximately 1,000,000 people, including ex-combatants, returning internally displaced people and refugees, with an emphasis on mothers and children. The second program targets other needy groups, i.e., roughly 1.2 million beneficiaries in nine provinces, with general distributions and social nutritional programs.

P.L. 480 resources are being used for the distribution of post-war resettlement food rations and for FFW activities to prepare land for cultivation and to rebuild critical rural infrastructure such as irrigation, storage facilities, and market roads. Non-P.L. 480 resources--from USAID funds and private resources--are being used for conflict prevention and civil society building activities with farmers associations; seed multiplication and agriculture demonstration efforts with farmers groups and associations; and polio promotion surveillance activities by grantee partners. Principal grantees: the private voluntary organization-managed Consortium for Developmental Relief (CDRA), including CARE (prime); and Catholic Relief Services (CRS), Save the Children/US (SC/US), Africare, and World Vision (WV) (all subs).

P.L. 480 contributions are also channeled to approximately 1.2 million beneficiaries in nutritional and social welfare programs in nine provinces. Principal implementer: World Food Program (WFP)

Increase Agricultural Productivity (\$1,388,000 DA). In this component, three activities--the Rural Group Enterprises and Agriculture Marketing of Angola (RGE/AMOA), the Cabinda Agribusiness Development Alliance (CADA) and the ProPlanalto projects--continue to train and provide technical assistance through farmer associations in three provinces in Angola in support of agricultural marketing, seed multiplication, crop diversification and input distribution. Targeted farmers are gaining access to better market information and learning how to apply it to decision-making, and are gaining access to affordable credit programs for seeds, tools and other critical inputs. To reduce the high costs of seed imports, the ProPlanalto and RGE/AMOE projects help to establish local private seed production enterprises in the Planalto region. This component continues to be supported with funds previously provided by the local affiliate of ChevronTexaco, the Cabinda Gulf Oil Company. Principal grantees (all prime): Cooperative League of the USA (CLUSA); Agriculture Cooperatives Development International/Volunteers in Overseas Cooperative Assistance (ACDI/VOCA); and WV.

**FY 2006 Program:** Increase Food Security of Vulnerable Populations. Using P.L. 480, Title II resources in FY 2006, USAID expects partners to reach about 500,000 food-insecure beneficiaries through direct food distribution and social nutritional programs. Targeted beneficiaries will include widows, orphans, pregnant/lactating mothers, and vulnerable children under five years. The scope of USAID's assistance will reflect an almost 50% reduction from FY 2005, based on data that reflects an improving national food security. For FY 2006, P.L. 480 commodities and cash will continue to be required to support the program. Principal grantees: WFP; other grantees to be determined.

Increase Agricultural Productivity (\$800,000 DA). USAID will continue activities to promote linkages between farmers and input suppliers; strengthen credit facilitation mechanisms; and promote the evolution of farmers associations into agriculture cooperatives. In addition, USAID will continue to train small- and medium-scale farmers in business management, crop scheduling, and marketing strategy development to increase farmer incomes. Principal contractors and grantees: to be determined.

**Performance and Results:** In FY 2004, USAID supported agricultural and livelihood development for over 210,000 resettling families (ex-combatants, returning internally displaced and refugees). The majority of the families received agricultural kits (seeds and tools). A seed swap program (an exchange of a food ration for corn and bean seeds) helped nearly 70,000 families and recovered over 964 metric tons (MT) of seed in select provinces. Other key results: more than 670 hectares of land was used for seed multiplication activity in Bie Province; over 1,000 farmers associations formed and supported in the program area; rehabilitated bridges and farm-to-market roads as FFW activities in select areas. USAID support contributed to a 24% increase in the number of resettling families who cultivated crops and produced a surplus, as well as a 30% increase in aggregate production for target families. A recent nutritional assessment reported that acute malnutrition rates found in the most food insecure region, i.e., Central Angola, are now below emergency levels. The June 2004 WFP Vulnerability Assessment indicated that the number of food-insecure and highly-vulnerable individuals nationwide was reduced by 45% in FY 2004 (i.e., from 1.782 million in 2003 to 1.051 million). The improved food security situation is due, in part, to USAID and ChevronTexaco support.

During FY 2004, nearly 1,350 farmers from target communities accessed affordable credit to purchase improved varieties of seeds and fertilizers, representing a 194.3% increase over the previous year. This increase resulted from the addition of a new credit arrangement with the commercial bank, Banco Keve. Also in FY 2004, a project partner, BancoSol, increased its maximum lending rate from \$500 to \$5,000. The new policy helped two thirds of the project's borrowers to significantly expand their cultivated areas of land. Because of better access to credit, availability of improved varieties of seeds, and technical assistance, farmer producers marketed 16,790 MT of vegetables and realized over \$6 million in revenues. USAID-supported local seed production activities yielded 3,162 MT of corn seed, generating an additional \$1,281,000 in revenues, with some cost savings compared to the cost of imported seed. By the end of the objective, the program will help create an environment necessary to achieving sustainable livelihood for resettled small farmers transitioning from emergency assistance toward small business marketing of surplus produce and improving national food security.

## US Financing in Thousands of Dollars

Angola

	DA	ESF
654-005 Improved Food Security		
<b>Through September 30, 2003</b>		
Obligations	6,822	700
Expenditures	2,821	0
Unliquidated	4,001	700
<b>Fiscal Year 2004</b>		
Obligations	4,111	300
Expenditures	4,022	538
<b>Through September 30, 2004</b>		
Obligations	10,933	1,000
Expenditures	6,843	538
Unliquidated	4,090	462
<b>Prior Year Unobligated Funds</b>		
Obligations	0	0
<b>Planned Fiscal Year 2005 NOA</b>		
Obligations	1,388	0
<b>Total Planned Fiscal Year 2005</b>		
Obligations	1,388	0
<b>Proposed Fiscal Year 2006 NOA</b>		
Obligations	800	0
Future Obligations	0	0
Est. Total Cost	13,121	1,000

## Data Sheet

<b>USAID Mission:</b>	Angola
<b>Program Title:</b>	Civil Society Strengthening
<b>Pillar:</b>	Democracy, Conflict and Humanitarian Assistance
<b>Strategic Objective:</b>	654-006
<b>Status:</b>	Continuing
<b>Planned FY 2005 Obligation:</b>	\$1,074,000 DA; \$2,976,000 ESF
<b>Prior Year Unobligated:</b>	\$650,000 ESF
<b>Proposed FY 2006 Obligation:</b>	\$1,068,000 DA; \$2,000,000 ESF
<b>Year of Initial Obligation:</b>	2001
<b>Estimated Year of Final Obligation:</b>	2006

**Summary:** USAID's civil society strengthening goal focuses on improving the capacity of civil society organizations (CSOs) and local communities to advocate for democratic reforms, and on increasing government responsiveness to citizen priorities. The strategy emphasizes demand-side strengthening, with activities intended to help Angolans participate and advocate more effectively. Target groups include political parties, nongovernmental organizations (NGOs) and CSO coalitions, and the media. Government institutions, such as the National Assembly, other electoral bodies, and the Ministry of Education, also actively participate in USAID-supported activities. Activities include: support to CSO advocacy coalitions; civic education and information dissemination; community-based conflict prevention; and broad-based support for the electoral process. USAID also contributes to justice sector reform, focusing technical assistance on case tracking and management procedures to the judicial sector.

### Inputs, Outputs, Activities:

**FY 2005 Program:** Strengthen Civil Society (\$222,000 DA; \$476,000 ESF). USAID continues to provide technical assistance and training to CSO coalitions engaged in advocacy and information dissemination. CSO-led advocacy campaigns stay focused on rights to education, land rights, and rights of people living with HIV/AIDS. Principal grantee: World Learning (WL, prime).

Promote and Support Free and Fair Elections (\$2,000,000 ESF; \$200,000 DA). USAID continues to strengthen civil society and political parties, and provide technical assistance for electoral administration as Angola prepares for legislative and presidential elections. Principal grantees (all prime): National Democratic Institute (NDI), and the International Republican Institute (IRI).

Establish and Ensure Media Freedom and Freedom of Information (\$300,000 ESF; \$325,000 prior year ESF). USAID is increasing dissemination of objective and timely information by building the capacity of a local media organization to produce and broadcast radio news programming. Principal grantee: Multipress (prime).

Improve Justice Sector/Legal Framework (\$200,000 ESF; \$325,000 prior year ESF). With ESF funds managed by USAID, the U.S. Department of Commerce (DOC) continues to promote justice sector improvements under a commercial law development activity focused on case management, commercial code reform, and technical assistance to improve Angola's investment environment. Principal implementing agency: DOC.

Support to War Victims (\$652,000 DA). USAID is continuing its program to ensure victims of war and land mines become fully active through the provision of orthopedics and other assistive devices as well as using sports, as vehicle for promoting rehabilitation, rights and reintegration.

**FY 2006 Program:** Strengthen Civil Society (\$1,068,000 DA). Through technical assistance and training, USAID will continue strengthening the capacity of selected CSOs to lobby and engage government institutions. Principal grantees: to be determined.

Promote and Support Free and Fair Elections (\$2,000,000 ESF). USAID will continue to strengthen civil



society and political parties and to provide technical assistance for successful administration of legislative elections expected in 2006 and presidential elections in 2007. Principal grantees: NDI and IRI.

**Performance and Results:** In FY 2004, progress was made toward key democratic reforms. USAID-supported CSO advocacy coalitions improved their capacity to engage and collaborate with government institutions, through more than 1,300 members during FY 2004. The Angolan government increasingly recognized the value of these CSO coalition contributions, inviting them for consultations on various issues, including 113 discussions, workshops and community meetings. The National Assembly, for instance, sought input from a USAID-supported CSO coalition in drafting a new law on the rights of people living with HIV/AIDS, incorporating some of this input into the law, which was subsequently adopted in June 2004. CSOs also contributed to the adoption of a new law on land rights; the new law incorporates some of the key recommendations made by Angolan CSOs, including addressing for the first time the often contentious issue of community land rights under customary law. USAID activities helped further increase people's access to information nationwide, thereby enabling citizens to participate in policy discussions. News articles were published and distributed nationwide in independent newspapers, and radio programs were broadcast on both state and independent radio stations (1,358 news articles and radio programs). Programs focused on key issues such as HIV/AIDS, land rights, rights to education, women's rights, transparency, and elections. Citizens demonstrated improved knowledge, interest, and ability to advocate for their rights and concerns by actively participating in USAID-supported radio debates and advocacy efforts. Based on grantee reporting, more than 2.3 million people were reached by these USAID-supported efforts. USAID also initiated conflict transitional initiatives by providing over 20 training sessions to CSOs, members of the National Assembly, and local government officials on conflict prevention techniques. Although these activities have only recently begun, the government has publicly recognized the value of CSO-led training and media campaigns in encouraging reconciliation in communities vulnerable to conflict. In light of the upcoming national elections, USAID provided technical support to strengthen political parties and government electoral bodies, and continued to build Angolan civil society capacity. As a result, all 11 political parties represented in the National Assembly have received training in political campaigning, reinforced by materials provided with USAID support. A civil society election network established in FY 2003 is now present in eight provinces, and an additional provincial network has been established in one of Angola's largest provinces. A resource center was also established to provide information and outreach to both political parties as well as to members of a number of CSOs. By program completion, through a combination of its activities, USAID anticipates the establishment of a politically active civil society engaged in civic advocacy and collaborating with government institutions to promote democratic reform in key areas such as land, rights of people living with HIV/AIDS, children's rights to education, and elections.

## US Financing in Thousands of Dollars

Angola

654-006 Civil Society Strengthening	DA	DFA	ESF
<b>Through September 30, 2003</b>			
Obligations	3,678	480	5,941
Expenditures	2,308	338	2,653
Unliquidated	1,370	142	3,288
<b>Fiscal Year 2004</b>			
Obligations	3,061	0	1,199
Expenditures	1,263	107	2,816
<b>Through September 30, 2004</b>			
Obligations	6,739	480	7,140
Expenditures	3,571	445	5,469
Unliquidated	3,168	35	1,671
<b>Prior Year Unobligated Funds</b>			
Obligations	0	0	650
<b>Planned Fiscal Year 2005 NOA</b>			
Obligations	1,074	0	2,976
<b>Total Planned Fiscal Year 2005</b>			
Obligations	1,074	0	3,626
<b>Proposed Fiscal Year 2006 NOA</b>			
Obligations	1,068	0	2,000
Future Obligations	0	0	0
Est. Total Cost	8,881	480	12,766

## Data Sheet

<b>USAID Mission:</b>	Angola
<b>Program Title:</b>	Maternal and Child Health and HIV/AIDS
<b>Pillar:</b>	Global Health
<b>Strategic Objective:</b>	654-007
<b>Status:</b>	Continuing
<b>Planned FY 2005 Obligation:</b>	\$7,586,000 CSH; \$500,000 DA
<b>Prior Year Unobligated:</b>	\$390,000 CSH; \$400,000 ESF
<b>Proposed FY 2006 Obligation:</b>	\$6,800,000 CSH; \$500,000 DA
<b>Year of Initial Obligation:</b>	2001
<b>Estimated Year of Final Obligation:</b>	2006

**Summary:** USAID's health program focuses on increasing the use of maternal and child health (MCH) services and decreasing the spread of HIV/AIDS and other infectious diseases among the Angolan population, with an emphasis on prevention programs. The MCH program supports activities that build the capacity of the Angolan Ministry of Health (MOH) to provide quality maternal health care services, including pre- and postpartum care, tetanus immunizations and treatment of pregnant women for malaria, child health services, and family planning (FP) services, including identification and treatment of sexually-transmitted infections (STIs). The HIV/AIDS program supports information, education and communication (IEC) activities to change behavior; voluntary counseling and testing (VCT) centers for HIV/AIDS and STIs; and, distribution of HIV/AIDS rapid test kits and condoms. Some of USAID's MCH and HIV/AIDS activities also receive funding from ExxonMobil and Coca-Cola.

### Inputs, Outputs, Activities:

**FY 2005 Program:** Improve Child Survival, Health, and Nutrition (\$1,000,000 CSH). USAID is funding the first Demographic Health Survey (DHS) in Angola. USAID is training MOH personnel in the capital to improve the quality of care and to extend similar training for MOH personnel to two provinces. To maintain Angola's polio eradication efforts, USAID is assisting with the development of a surveillance system that tracks any cases of paralysis and to support the cadre of community-level volunteers. Principal contractors and grantees: World Health Organization (WHO), MACRO, Management Sciences for Health (MSH), and UNICEF (all prime); and Save the Children/US (SC/US) and CARE (both sub).

Improve Maternal Health and Nutrition (\$1,200,000 CSH). USAID is continuing to provide technical assistance to the MOH in the area of safe motherhood, including pre- and postpartum care, deliveries, treatment of pregnant women for malaria, infection control, and improving quality of care. Principal contractors and grantees: MSH (prime); and SC/US and CARE (both sub).

Support Reproductive Health and Family Planning Services (\$1,000,000 CSH). USAID is expanding support for natural and modern family planning services and quality of care by increasing the number of health centers providing these services from 14 to 17. Principal grantee: Advance Africa.

Prevent and Control Infectious Diseases of Major Importance (\$1,750,000 CSH; \$390,000 prior year CSH). USAID is continuing to assist the MOH to develop malaria treatment procedures, and monitoring and evaluation assistance for their Global Fund activities. This year, USAID supports the distribution of insecticide-treated bed nets to two markets, one for those that can pay and one targeting pregnant women. To reduce tuberculosis (TB) transmission, USAID promotes the integration of direct observed treatment, short-course strategy into the MOH's clinics. USAID is funding technical assistance to develop the MOH's Global Fund work plan to train government and nongovernmental organization (NGO) service providers on HIV/AIDS counseling and testing protocols, and on referral of TB-positive patients to VCT centers. Principal grantees: Catholic Relief Services (CRS), University College of Aspiring Medical Missionaries, and Population Services International (PSI) (all prime) and MENTOR (sub).

Reduce Transmission and Impact of HIV/AIDS (\$2,636,000 CSH, \$500,000 DA, \$400,000 prior year ESF). USAID's HIV/AIDS prevention program continues to expand VCT clinics in major urban areas and

to promote behavior change through the media, drama, and community-level activities. USAID provides technical assistance to the MOH and the Angolan military to implement HIV/AIDS prevention programs, as well as provide HIV/AIDS rapid-test kits and condoms. USAID is also supporting the use of media in the classroom setting to provide information and promote behavior change to address the issue of HIV/AIDS, and is supporting the educational component of the DHS. Principal grantees: PSI, CRS, Drew University, and GOAL (all prime), and the Portuguese Institute of Preventive Medicine (sub).

**FY 2006 Program:** Improve Child Survival, Health and Nutrition (\$1,100,000 CSH). USAID will complete the handover of the current MCH activity to the MOH, will work with the MOH and other stakeholders to develop and finalize the strategy for USAID's future assistance to the health sector, will fund the DHS, and will support activities that sustain polio eradication. Principal contractors and grantees: WHO, MACRO, MSH, and UNICEF (all prime); and SC/US and CARE (both subs).

Improve Maternal Health and Nutrition (\$1,100,000 CSH). USAID will continue to provide technical assistance to the MOH in the area of safe motherhood, including pre- and postpartum care, deliveries, treatment of pregnant women for malaria, infection control, and improving quality of care. Principal grantees: MSH (prime); and SC/US and CARE (both subs).

Support Reproductive Health and Family Planning Services (\$1,000,000 CSH). USAID will continue technical assistance to the MOH for family planning. Principal grantee: to be determined.

Prevent and Control Infectious Diseases of Major Importance (\$1,100,000 CSH). USAID will continue to integrate HIV/AIDS counseling into routine TB services and train government and NGO service providers. Support to promote and disseminate insecticide-treated bed nets will continue. Principal grantees: CRS, University College of Aspiring Medical Missionaries, and PSI (all prime), and MENTOR (sub).

Reduce Transmission and Impact of HIV/AIDS (\$2,500,000 CSH, \$500,000 DA). USAID will continue to focus on HIV/AIDS prevention, including behavior change activities and distribution of supplies. USAID will fund new VCT clinics, and turn over established VCT clinics to the MOH. USAID will also continue to build on using the media in the classroom to promote behavior change in high-risk areas to address the HIV/AIDS issue, and to support the educational component of the DHS. Principal grantees: PSI, CRS, Drew University, and GOAL (all prime), and the Portuguese Institute of Preventive Medicine (sub).

All family planning assistance agreements will incorporate clauses that implement the President's directive restoring the Mexico City policy.

**Performance and Results:** Activities continued to improve the quality of MCH and family planning services. Formal trainings were conducted in integrated management of childhood illnesses, malaria, obstetrics, family planning, pre- and postpartum care, infection control, and quality improvement techniques. The number of clients accessing the upgraded maternity clinics nearly doubled over the last year from 76,000 to 134,000. Within six months, the family planning pilot project, operating in fourteen health centers, had 14,505 new users of family planning methods.

With malaria as the number one cause of morbidity and mortality in Angola, USAID assisted the MOH to revise malaria treatment protocols by developing and conducting efficacy studies using different treatment regimes, to design a social marketing campaign for treated bed nets, and to introduce treatment of pregnant women for malaria at all USAID-funded health centers. USAID assisted the MOH to develop their successful TB Global Fund application. The number of and access to HIV/AIDS prevention activities expanded due to the launch of a weekly HIV/AIDS radio program targeted at youth, the "Trusted Partner Campaign," and financial and material support to more VCT centers. Three more VCT clinics now operate with USAID support, for a total number of clinics supported by USAID to eight out of the 15 operating nationally. With the new centers, longer hours and improved outreach, the number of patients tested and counseled at VCT clinics this year was 17,706, up almost 50% from 2003. By 2006, five percent of children under five will sleep under insecticide-treated bed nets. The number of clients tested at USAID-assisted voluntary counseling and testing centers will increase to 28,000 and the median age of sexual debut will drop to 15.6 for females 14-24 and 15.2 for males 14-24.

## US Financing in Thousands of Dollars

Angola

654-007 Maternal and Child Health and HIV/AIDS	CSH	DA	DFA	ESF
<b>Through September 30, 2003</b>				
Obligations	17,950	2,560	520	400
Expenditures	8,470	1,816	520	63
Unliquidated	9,480	744	0	337
<b>Fiscal Year 2004</b>				
Obligations	8,682	1,591	0	1,600
Expenditures	7,398	1,233	0	-261
<b>Through September 30, 2004</b>				
Obligations	26,632	4,151	520	2,000
Expenditures	15,868	3,049	520	-198
Unliquidated	10,764	1,102	0	2,198
<b>Prior Year Unobligated Funds</b>				
Obligations	390	0	0	400
<b>Planned Fiscal Year 2005 NOA</b>				
Obligations	7,586	500	0	0
<b>Total Planned Fiscal Year 2005</b>				
Obligations	7,976	500	0	400
<b>Proposed Fiscal Year 2006 NOA</b>				
Obligations	6,800	500	0	0
Future Obligations	0	0	0	0
Est. Total Cost	41,408	5,151	520	2,400

## Data Sheet

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

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