

USAID/Angola

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Strategy Update

FY 1998 -2001

*USAID/Angola
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USAID/Angola Strategy Update

Table Of Contents

Part 1. U.S. Concerns and Interests in Angola	1
Part 2. Summary of the 1995 Strategy	2
Part 3. Changes and Decisions Necessitate an Updated Strategy	3
A. Decision to Extend the Program	3
B. Decision to add Child Survival Activities to the Program	4
C. The Pace of the Peace Process Necessitates a Strategy Revision	4
D. Socio-economic Conditions Worsened for the Majority of Angolans	6
E. Improved Data on Angolan Women is now Available	6
F. Improved Data from Beneficiaries is now Available	7
G. Activities that will Mutually Reinforce both SOs are now Evident	7
Part 4. Development of the Strategy Update	7
A. The WIDTECH Study	7
B. The Child Survival Study	9
C. Other SO # 1 Process of Consultation	10
D. Democracy Sector Consultations	12
E. Economic Reform Analysis	13
Part 5. The Updated Strategy	14
A. Son of SO # 1	14
B. Daughters of Democracy: SO # 2 and SPO # 2	19
C. Economic Reform: SPO # 1 Proposed Elimination	22
Part 6. Linkages to USAID/W BHR, Global and Other Resources	22

Annex A: USAID/Angola Child Survival Strategy

Annex B: USAID/Angola Revised Results Framework

Part 1: U.S. Concerns and Interests in Angola

U.S. national interests in Angola are the promotion of peace, democracy, human rights, national reconciliation and economic development. These five objectives constitute the agenda for the U.S. Government's relations with Angola, including the central role of USAID. These objectives are also crucial to our commercial interests of expanding U.S. investment opportunities in Angola.

Africa's longest-running civil war, coupled with economic mismanagement, has left Angola ranked at or near the bottom of the human development indices. The country's physical and social infrastructure is badly decayed and the government has yet to adopt policies to channel the country's enormous mineral revenues to address Angolans' needs. It has also failed to liberalize adequately the private sector, which was banned outright for much of Angola's post-colonial history. Although the ruling MPLA received 49.7 percent of the votes in the 1992 elections -- an election in which over 90 percent of eligible voters participated -- Angolans do not enjoy the protections guaranteed under the 1991 Constitution. Women in Angola are particularly alienated from the few democratic fora that exist and are denied economic opportunities.

Through their superior technology and other competitive advantages, American companies have been major players in the Angolan oil industry. At present, seven percent of U.S. oil imports come from Angola and U.S. companies account for approximately two-thirds of Angola's current output of 720,000 barrels per day. It is projected that Angola's share of oil exports to the U.S. will rise to 15 percent by the year 2010 and American companies are well-positioned to participate in major new concession areas. Angola is the United States' third-largest trading partner and second-largest site of foreign investment in sub-Saharan Africa. U.S. trade and investment with Angola account for thousands of American jobs.

Angola is undergoing a multi-faceted transition which needs to be reflected in the bilateral relationship. With the conclusion of the Lusaka Protocol, Angola has an opportunity to take its economy off a war-time footing for the first time since independence. Though fragile and imperfect, the current peace in Angola is the base on which all future progress will rest. While some steps to move beyond discredited centrist policies have been made, Angola now needs to take real steps to secure an economic future that is conducive to peace. Angola has the potential to be an economic powerhouse that can drive regional integration and growth and be a magnet for U.S. private investment and trade rivalling South Africa and Nigeria.

Democracy and governance programs are also essential to the task of consolidating peace in Angola. Whether aimed at the political leadership within the National Assembly, indigenous NGOs and other civil society institutions, or local and provincial leaders, D/G programs are crucial to the buttressing of the democratic principles that will guarantee a lasting peace.

Although a return to conflict cannot, at this point, be ruled out, it is time for emergency humanitarian assistance to give way to rehabilitation and reconstruction. Angola's transition will require a gradually deepening partnership between USAID and other donors and the host government. Angola does not yet have the across-the-board institutional capacity to enter into a full partnership but targets of opportunity exist at various levels, and additional ways to involve the GRA in the USAID program will be sought.

It is in our interest to continue to engage in the transition challenges in Angola. A stable, peaceful, regionally-integrated and democratic Angola would provide a larger market for U.S. investment and help bring stability to southern and central Africa. Anything else would be deleterious to U.S. interests and possibly catastrophic for Angola's people.

Part 2: Summary of the 1995 Strategy

The 1995 Strategy authorized a five-year transition program to support the implementation of the Lusaka Protocol and begin the transition to sustainable development. It provided detailed programming parameters for the first 18 months, and more general direction for the follow-on period. It was envisaged that in mid-1996 the Mission would be constituted and develop concrete plans for the remainder of the five-year period. In mid-1996, the Mission commissioned three "sector" analyses: on resettlement and rehabilitation, democracy and economic reform. These and subsequent analyses led to the formulation of USAID/Angola's two strategic objectives and one special objective in June 1997.

SO # 1: Increased resettlement, rehabilitation and food-crop self reliance of war affected Angolan communities

SO # 2: Increased national reconciliation through strengthened civil society and political institutions

SPO#1: Facilitate Angola's preparation and implementation of economic structural adjustment and macro-economic programs

An important aspect of the 1995 strategy was that it envisaged funding from AFR, BHR/OFDA, BHR/FFP, BHR/OTI, Global Bureau and ESF. Indeed, the resources that each organization was expected to contribute were listed in detail for the initial 18 month period, and in more general terms for the follow-on period. It is clear that the intention of the framers was to mobilize resources from all appropriate sources, and gradually unify the management and strategic programming of those resources over the initial 24 month period.

The 1995 Strategy was especially well-suited to the exigencies of engaging in Angola. It provided clear strategic direction for the engagement, while retaining flexibility to respond to the evolving situation on the ground. Its central tenets - creating models for action, building capacity and leveraging resources - remain valid and flow through to the updated strategy. The reengineered approach to program management, combining financial, technical and human resources from various USAID/W offices, has been validated by the successes that have been achieved with a multi-source funding package and intra-Agency cooperation.

It was clearly stated in the strategy that the situation on the ground would remain fluid as the processes underway were dynamic. It was recognized that an update would likely be required before the end of the planned five-year period. At a November 1997 meeting in Washington, USAID/W and the Mission determined that the strategy did indeed need to be updated.

This strategy update is intended to be reviewed in conjunction with the Mission's FY 2000 Results Review and Resource Request. Accordingly, it does not contain an evaluation of results achieved to date. This update is intended to be:

- # a review of the internal and external changes impacting on the current strategy that necessitate the update;
- # descriptions of the analyses informing the update and the consultative processes undertaken;
- # a description of the proposed revised strategic objectives;
- # a description of programmatic and funding linkages that need to be highlighted to inform decision-making in the Central Bureaus.

Part 3: Changes in Angola and Washington Decisions Necessitate an Updated Strategy

A. Decision to Extend the Program.

In November 1997, the Africa Bureau, in full consultation with other Executive Branch Departments and Agencies, decided to extend the mandate of the USAID/Angola program to 2005. This decision was taken in recognition of the importance of the program to the furthering of U.S. interests. USAID/Angola was subsequently instructed to prepare a strategy update to cover the period 1998-2001, with the understanding that a full, new strategy would be prepared in the year 2000 to guide programming and results achievement during the final 2001-2005 leg of the program.

B. Decision to add Child Survival Activities to the Program.

Prior to the 1997 R4 Review, it had been the Mission's intention to phase out of the health and child survival activities funded by OFDA and transition these efforts to other donors and/or the GRA. At the April 1997 Review meetings, the decision was taken to add child survival activities to the USAID/Angola program. To operationalize this directive: [a] the Mission added Angola to the list of countries eligible for BHR's Child Survival Grants Program; [b] the Mission - in consultation with the GRA, other donors and its implementing partners - developed a child survival strategy for Angola; [c] the Mission was allocated \$5.5 million in Child Survival, Polio, Infectious Diseases and Other Health funds in FYs 1998 and 1999; and [d] The Mission requested a higher level of DA funds from the Child Survival and related accounts for FY 2000.

C. The Pace of the Peace Process Necessitates a Strategy Revision.

The Angolan peace process has been effective, and much has been accomplished since 1994 when over 1,000 people were dying daily. One million IDPs returned home and 340,000 no longer need USG-supplied food assistance. Seventy-thousand UNITA forces have been quartered and demobilized, and over 10,000 ex-UNITA soldiers and nine generals have joined the Angolan armed forces and the Angolan National Police. The Government of Unity and National Reconciliation (GURN) was formed in April 1997 when the four UNITA-appointed Ministers and seven Vice Ministers took up their cabinet portfolios. The 70 UNITA parliamentarians took their seats in the 220-seat National Assembly, which has shaken off some of its reputation as a rubber stamp body. The March 1998 legalization of UNITA as a political party and the promulgation of UNITA leader Jonas Savimbi's special status as leader of the largest opposition party cleared the way for legal UNITA political activity throughout the country. Three UNITA Governors and seven Vice-Governors were officially designated in March 1998. On March 6, the GRA and UNITA agreed to an ambitious timetable to complete all remaining actions under the Lusaka Protocol by April 1, 1998:

- # Special in-situ demobilization of residual UNITA forces (completed as of 3/23/98);
- # Demobilization of UNITA general officers (idem);
- # Extension of state administration to Sautar, Luquembo and Quirima (idem);
- # UNITA's declaration of complete demilitarization (idem);
- # Government legalization of UNITA as a political party (idem);
- # Agreement on the structure of Savimbi's bodyguard (idem);
- # Demobilization and integration into the ANP of Savimbi's 400-person bodyguard contingent (idem);
- # Government promulgation of the special status of UNITA leader's special status (idem);
- # Nomination of UNITA governors, vice-governors and ambassadors (governors and vice-governors nominated as of 3/23/98);

- # Cessation of Radio Vorgan broadcasting (pending);
- # Transfer of UNITA leadership to Luanda (pending);
- # Extension of state administration to Andulo, Bailundo, Mussende, Nharea, and Mungo (pending).

However, the pace of the peace process has been disappointingly slow. The critical assumption underlying the existing 1995 strategy was that the Lusaka Protocol would be implemented in a reasonable period of time. From the vantage point of 1998, that assumption was optimistic. More importantly, the time and energy that was consumed by the peace process made it impossible for USAID to implement certain components of its current strategy. Three critical processes have been held hostage to the slow implementation of the Lusaka Protocol:

Pan-Angolan consolidation of government sovereignty is only now being achieved, after a very lengthy period of negotiations. There are still hundreds of thousands of IDPs and refugees, and the country-side is showing signs of an instability that will take years to eradicate. Although sixty thousand people returned to their homes in 1997, a number of new IDPs fled instability in Benguela and Lunda Norte Provinces. Concessional assistance to keep people alive is still required, which has reduced USAID and donor funding available for the transition investments planned.

The political processes - formation of the Government of Unity and National Reconciliation, re-entry of the UNITA Deputies into the National Assembly, revision of the Angolan Constitution leading to elections - fell significantly behind schedule. The 1995 strategy and its down-stream activity programming envisaged a dual democracy focus: [1] on the central political apparatus of the National Assembly and the political parties, and [2] on civil society and local government. Although there are no indications that our democracy strategy cannot be implemented successfully, it is apparent that more time than originally estimated will be needed.

The unresolved military situation continues to lend credence to the GRA position that macro-economic reform [particularly expenditure control and transparency] cannot be undertaken until the country is stabilized and the internal threat eliminated. Although it is impossible to establish a cause-effect relationship, it is widely accepted that this is a strong politically-weighted argument on the side of those in the GRA who continue to resist pressure to undertake a comprehensive economic reform program. For this and other reasons [rent seeking, the flow of unearned benefits to those in decision-making positions], the GRA has not yet developed a commitment to economic reform, necessitating a revision of the strategy.

Equally importantly, the budgetary priority given to the security apparatus has severely reduced funding available for the functional ministries of health, agriculture, justice and public administration, which has likewise directly and severely reduced our ability to

move forward with GRA-capacity building as planned. Another critical assumption of the 1995 strategy was that Angola, with its mineral wealth, would be in a position to finance its future development, and that capacity building was the way to leverage those resources. This assumption remains valid. However, as budgetary resources available to the ministries to begin the capacity building effort are grossly insufficient, USAID/Angola is faced with the classic platform problem of no starting point.

Finally, as the peace process is not yet irreversible, USAID/Angola has the responsibility to maintain a certain level of emergency response capacity, even as it transitions its implementing partners to the rehabilitation sector of the spectrum. We have successfully maintained this capacity [witness the ability of CRS to assist 25,000 new IDPs in the Chongoroi area of Benguela Province] and need to maintain it for the time being. This need was likewise understandably unanticipated in the current strategy.

D. Socio-economic Conditions Worsened for the Majority of Angolans.

The Angolan peace remains to be fully consolidated, and no peace dividend has flowed through to the Angolan people. The GRA continues to consider military/security expenditures as its highest priority. Direct GRA investment in the interior and in Luanda continues to be neglected as a consequence. The lengthy quartering and demobilization phases of the peace process effectively let the donors off the hook of their Brussels Pledges of \$1.1 billion for the Community Rehabilitation Program during 1996-1997, which remains very sketchily funded. In the interior of the country, security and communications problems exacerbate the difficulties. The continued decline in non-oil sector GDP combined with little public or private sector investment has meant that the majority of Angolans are economically no better off than they were four years ago, and the situation of many has actually worsened. This unfortunate trend was likewise unanticipated by the current strategy. The bottom-line impact is that the communities' transition to stability has taken significantly longer than anticipated, necessitating a scaling down of expectations for short-term impact and a lengthening of the transition phase.

E. Improved data on Angolan women's participation in and as beneficiaries of donor assistance in Angola is now available.

In April 1997, USAID commissioned a study on "Women's Participation in Angola's Reconstruction and in its Political Institutions and Processes." This study made a number of recommendations at the strategic objective and activity levels on ways the USAID program can maximize both the benefits accruing to women and program impact. The 1995 strategy did not benefit from such analysis on this critical subject, and the existence of this analysis is by itself a necessary and sufficient reason for the Mission to update its strategy.

F. Improved data from beneficiaries on what is important to them is now available.

USAID now has two years of experience on the ground in Angola, and its understanding of the constraints, opportunities and (particularly) customers needs is significantly greater than it was in 1995. The Mission has gathered information both in structured and unstructured fora from a large number of Angolans on their perceived needs. It is clear from analysis of this information that strategy revisions in the areas of civil society organization development, food security activities in rural areas and increased participation of women in the program are indicated.

G. Opportunities to select activities that will mutually reinforce both SOs are now evident.

The 1995 strategy did not take into account or articulate the various ways that activities under the resettlement and rehabilitation and democracy and governance rubrics could be mutually supportive. It has become clear that the service delivery networks of the SO # 1 NGOs can and should be used as a conduit for reaching large numbers of people with civic education. The approach taken by certain implementing partners to create community action groups centered around project activities likewise has linkages to our democracy efforts, particularly as these are redefined in this strategy update. These and other related issues are articulated in this update as a guide to promote synergy and leverage results.

Part 4: Analyses that Informed the Strategy Update

A. Gender Analysis. In April 1997, USAID/Angola commissioned the WIDTECH project to study the constraints to women's full participation in the USAID program. The underlying hypothesis was that greater women's participation at all levels was needed. The WIDTECH report entitled "Women's Participation in Angola's Reconstruction and in its Political Institutions and Processes" confirmed the above and the related hypothesis that Angolan women if more meaningfully involved have the capacity to contribute to the achievement of the over-arching U.S. objectives in Angola. A four-person expert team of two Angolan and two American women worked in Angola for five weeks, conducting research in the provinces of Bie, Huambo, Luanda, Kwanza Sul and Malange. The team conducted 300 interviews [one-on-one and small groups] and reached another 200 people in larger sessions. Six focus group meetings were held, and the team had loosely structured meetings with women in the shanty towns of Luanda. The team met with groups of project beneficiaries, with male and female employees of the NGOs, and with local leaders. The team also met with all identifiable women's groups, and with representatives of the pertinent government ministries. This major effort identified a number of areas where USAID could make improvements in its program at the strategic objective and activity levels.

The study team concluded that the nature of USAID's engagement in Angola [emergency response and relief] unintentionally excluded women at all levels other than the beneficiary level. The emergency response mindset [appropriate for the circumstances] did not envisage including women in intervention planning or in the desired staffing patterns of the implementing organizations (as the original objective was to get the job done with the most readily accessible resources.) Further, institutionalization of the unintended gender bias has occurred, and an affirmative action effort is needed in a number of areas to redress the bias.

The team came to a parallel conclusion with respect to women's positions and ability to participate in Angolan political processes. Customary Angolan practices, overlaid with colonial practices, followed by the exigencies of the war, marginalized women to non-decision making roles. Although in certain cases women gained more responsibility during the war years as they were often female heads of household, in general terms Angolan women have very few opportunities to participate in the economic and democratic arenas.

The team identified a number of strategic objective level issues or recommendations that have been incorporated into this strategy.

Mandated affirmative action programs to increase the number of female: [a] NGO agricultural research and extension employees; [b] leader farmers; [c] Seeds of Freedom test farmers to 50%.

A parallel, mandated effort to identify ways to facilitate employment at various levels, including: [a] hiring less-skilled women and training them up, [b] instituting a practice of hiring female extension agents to work in their own villages.

A mandated participation of women in the conceptualization and design of activities, using the best practices of two existing Angolan organizations.

Support to community-based organization development, as an effective vehicle for capturing women's participation (as they are often excluded from the more formal structures.)

Support to lower-level civil society organizations [e.g., village-based organizations] that have been constituted by women.

Promoting women as candidates for political office.

Ensuring that women have the opportunity to participate in the development of the new constitution.

B. Child Survival Sector Analysis.

In November 1997, USAID developed a child survival "sector" strategy, with technical assistance provided by BHR/PVC. USAID convened a series of meetings over a three-week period to collect baseline data, to analyze the child survival situation in Angola and to develop criteria for programming USAID (Mission and BHR/PVC) child survival funds. This event afforded USAID a unique first opportunity to develop a strategy with the full input of UN Agencies, other donors, and most importantly the Government of Angola. The GRA evinced a high level of interest in the strategy development process: High-level representatives from the Ministry of Women, the Ministry of Health and the Ministry of Assistance and Social Reintegration participated fully in all the sessions. All U.S.-funded and non-U.S.-funded NGOs working in the health sector collaborated to demonstrate an outstanding technical ability to translate the overall child survival precepts into the Angolan context. The three-week process involved in-depth study of various child-survival related factors:

- # common diseases
- # maternal care and reproductive health
- # nutrition and economic factors
- # food security
- # medicine supply
- # breast-feeding
- # access to health services
- # immunization
- # rehabilitation of health infrastructure
- # water and sanitation
- # integrated health care management

The UNICEF/MOH situation analysis of children in Angola (November 1997 draft) provided the statistics on which were based the rankings, by province, of the most critical causes of child mortality. This report is the most comprehensive situational analysis on the subject available in Angola, and was used throughout the strategy development process.

Angola has the third-highest child mortality rate in the world, following Niger and Mozambique. Child mortality declined from 345/1,000 in 1960 to 261/1,000 in 1980, but has risen since then to 295/1,000 in 1995. The leading causes of death among children under five years of age are:

- # malaria [38%]
- # diarrheal diseases [14%]
- # measles [10%]
- # anemia [10%], followed by

malnutrition, acute respiratory and other infections

The leading causes of death among children under one year of age are:

malaria [27%]

perinatal causes [23%], followed by

diarrheal diseases

The situation analysis performed by the MOH/UNICEF, after prioritization of the needs by the process described above, led to the identification of the following risk-specific intervention areas as appropriate ones for USAID/Angola's child survival engagement:

malaria

diarrheal diseases

pneumonia and other acute respiratory infections

nutrition/maternal-child care

immunization

NGOs will be encouraged to propose the types of interventions most appropriate to implement this strategy. With information gained over the next two years, USAID will be in a position to make any refinements of its child survival strategy.

Priority will be accorded to those child survival interventions planned for where there is the greatest need and the greatest population concentration to obtain the greatest impact. Furthermore, the child survival engagement to be supported by USAID will be through NGOs which have already established implementation capacity, in conjunction with the GRA authorities at both the local level [for coordination and technical training] and at the national level [for normative policy setting].

C. Analysis to Inform Revisions to Strategic Objective # 1.

Following the November 1997 Child Survival Workshops, the SO #1 Core Team met five times to discuss the impact of the draft Child Survival Strategy on SO 1. During these meetings, the SO #1 Core Team reviewed all projects presently funded to determine how the SO could be tightened and refocused to reflect changes in the Angolan environment. These discussions were reviewed with the Program Officer and the USAID Representative to reach agreement on the direction of the SO would take in FYs 1998-2001. Subsequent to those meetings, the Team decided to pursue the following process to update its strategy:

hold a series of roundtables in Luanda;

meet with local Angolan government officials in selected provinces;

review recent project progress reports;

deepen our understanding of current realities in the interior by conducting in-situ field surveys and intensifying the on-going dialogue with implementing NGO partners.

Following this process, the SO #1 Core Team invited representatives from BHR/OTI, BHR/FFP and BHR/OFDA to participate in strategy update roundtables held in Luanda and the interior of the country during the month of February. (The BHR/OFDA representative was not able to travel to Angola until March, and thus was not able to participate in the roundtables.)

Three roundtables were held in Luanda. The first two were attended primarily by representatives of USAID/Angola's implementing partners. They focused on analyzing:

- # critical assumptions re the anticipated conditions in 2000/01;
- # beneficiaries to be targeted and geographic location;
- # possible agricultural sector interventions.

The concept of focusing activities on communities instead of specific groups emerged from these consultations, as did the need to expand the present focus from food-crop self-reliance to food security. The third roundtable focused on the role of community revitalization. Representatives from the Angolan Government, other donors, UN agencies and NGOs attended this meeting. After analyzing the results of this stakeholders meeting, the Core Team concluded that community revitalization should become a process for the two sectors (food security and child survival) rather than be a third sector for the SO.

Meetings were then held with Angolan Government representatives in the four provinces of Benguela, Huila, Malange and Moxico. In all provinces, the Agricultural Delegate was interviewed; in some provinces, representatives from the Ministries of Women and Assistance and Social Reinsertion also participated. (These meetings did not target the Ministry of Health, as the process for Child Survival had been conducted previously.) During this period, The SO #1 Core Team made numerous field trips and talked directly with beneficiaries to discuss their preferences. These meetings corroborated the Team's conclusion that it would be appropriate for USAID to transition into food security interventions.

In recognition of the special needs and special category funding available for displaced children and victims of war, the Mission decided to retain a specific programmatic focus on these vulnerable groups.

D. Democracy Sector Consultations and Analysis.

In the spirit of re-engineering and respecting the democratic principles of participation, the Mission organized a series of meetings and workshops to inform the democracy

section of the strategy update. This process commenced with a Team Planning Meeting with SO #2's seven core partners, i.e., the existing grantees and contractors of SO #2. At a January 15, 1998 meeting, these core partners brainstormed on the most crucial components/issues for Angolan democratic development: civil society, media, political parties, government institutions, women in politics, and human rights. The participants were requested to identify those Angolans the Mission should consider as stakeholders to participate in the planned stakeholders' analysis.

On February 5, a stakeholders' analysis was conducted. Four two-hour sessions were held on: civil society, media, human rights and women in politics. The goals of these meetings were: to have Angolans define the basic components of democracy in Angola; to identify whose interests should be taken into account in the design and implementation of our activities; and to recommend topics and participants for the proposed strategic planning workshop. A total of 43 Angolans [53% women] of divergent political views and from different institutions participated in this process.

Four regional workshops were then organized with the objective of reinforcing USAID's strategic planning process and building partnership for SO #2's future activities. The workshops were designed to enable the Mission to talk directly with its intermediate and ultimate customers from all of Angola's 18 provinces.

The four cities chosen for customer outreach were Luanda [February 16-17]; Lubango [February 19-20]; Huambo [February 26-27]; and Ndalatando [March 13-14]. About 200 [40% women] representatives from 13 provinces and from all sectors of the Angolan political spectrum participated: NGOs, political parties, Government Agencies, professional associations, journalists, Members of the National Assembly, academics, and human rights activists. The thematic focus of the workshops was on: civil society, political parties, human rights, women in politics, media, and government.

The methodology designed for these two-day workshops was both diagnostic and prescriptive. The first day was for participants to identify the problems affecting the development of democracy in Angola and the underlying causes thereof. The second day of the workshops was devoted to working on solutions to the problems identified the previous day. In addition to solutions, participants were also requested to come up with recommendations on the areas considered as priorities for USAID's possible assistance. The entire outreach effort was an Angolan process and it clearly enriched the strategy update process. This process received extensive media coverage and gained the Mission incalculable good will: many of the participants stated that this was the first time any donor had come to the provinces to find out, from Angolans, what kind of assistance they needed and wanted. The participants -both from civil society and from government - clearly appreciated the opportunity to participate in a direct way in such a process, and clearly have expectations that the views they expressed will be taken into account in Mission strategy and programming. The Mission is confident that

the new strategy reflects the reality of the country with Angolan ownership built-in to ensure success and sustainability.

Through this process, USAID and its partners, stakeholders and customers arrived at a number of conclusions and recommendations for future USAID support in the democracy arena and modifications to the current strategy. The following precepts have been incorporated into this strategy update:

- # Approach should be significantly more bottom-up for achievement of sustainable impact.
- # The key to Angola's political/democratic problem is investment in civil society to apply legitimate pressure on government and its institutions.
- # An investment in political and civic education is the best guarantee of human rights observance.
- # The media has a special role and responsibility to inform and educate the populace.

E. Analysis of the GRA Position on Macro-Economic Reform.

USAID, the Embassy, the IBRD and the IMF monitor the GRA's economic reform intentions on a continuous basis. USAID and Embassy representatives meet periodically with the economic Ministers, the IMF and the World Bank to assess the situation. The Ambassador discusses the issues involved and GRA intentions regularly with the President and his advisors. The GRA and the IMF have made a series of overtures to each other over the past 15 months, but no progress has been made either on coming to an IMF-GRA agreement or on developing a macro-economic program that could receive the blessing of the IMF. The Government's economic plan and 1998 budget were approved in February, 1997. The GRA states publicly that the program is one deserving of IMF/World Bank approval and support, whereas the IFIs and USAID are of the opposite opinion. Neither the Economic Ministries (Ministry of Planning, Ministry of Finance, Central Bank) nor the Prime Minister make GRA economic policy; economic policy is made behind closed doors in the Presidency. Although certain GRA officials are supportive of various reform measures, there is no support yet at the presidential level for a comprehensive reform effort. The western diplomatic community, the donors and the IFIs are unanimous that there is as yet no GRA commitment to economic reform, but will continue to monitor the situation.

The conclusions reached at the April 1997 R4 meeting remain valid. USAID does not intend to invest additional resources in this area until a real commitment is expressed and acted upon by the GRA at the highest levels. This strategy update proposes

suspending Special Objective #1, with the understanding that a further revision to the strategy to revisit this issue will be made if the GRA makes a commitment to reform.

Part 5: Proposed Revised Strategic Objectives

A. Strategic Objective # 1

CURRENT: "Increased Resettlement, Rehabilitation and Food-Crop Self Reliance of War Affected Angolan Communities"

PROPOSED REVISION: "Promoting the transition of war-affected communities from requiring emergency assistance to rehabilitation support, emphasizing child survival, food security, and the special needs of vulnerable groups."

USAID/Angola proposes to revise Strategic Objective # 1 in four principal ways:

- 1] to include child survival activities;
- 2] to expand the scope of the interventions to include modest food security interventions;
- 3] to make explicit the decision to involve women more meaningfully in the efforts;
- 4] to exploit potential synergies that exist between SO # 1 and the Democracy Strategic Objective.

For ease of reference, following is a summary description of the current SO # 1:

Title: Increased Resettlement, Rehabilitation and Food Crop Self-Reliance of War-Affected Angolan Communities

Duration: 1996 - 1999

Follow-on envisaged: Undetermined, probably one-year extension on the agricultural side with continued assistance to unmet needs of vulnerable groups.

Geographic Location: Mostly Planalto Region: where most resettlement was to take place, where most of the non-Luanda people live, and which was most affected by the war.

Parameters: Largely focused on discrete groups: demobilized ex-FMU, IDPs, refugees, children, landmine victims; other activities were to benefit the population at large. Intent was to get the various groups back home, cure them as much as possible, make them self-sufficient, but not much more.

Activities:

Land-mine awareness

Land-mine mapping

Demining

Demobilization and return of ex-FMU

Reintegration assistance for ex-FMU

Emergency feeding programs

Assisted resettlement of IDPs

Basic recapitalization of returning IDPs

Tracing and reunifying children

Psycho-social reintegration of children

Psycho-social reintegration of child soldiers

Prosthetics

Vaccinations

Health care delivery in remote areas

Therapeutic and supplementary feeding for children

Rehabilitation of community infrastructure

Rehabilitation of ag infrastructure

Opening of roads and repairing of bridges

Seeds and tools

Food crop research

Seed multiplication

Agricultural extension

Farmer associations

Proposed Revision to SO # 1: Promoting the transition of war-affected communities from requiring emergency assistance to rehabilitation support, emphasizing child survival, food security, and the special needs of vulnerable groups.

Duration: 1998 - 2001

Follow-on Envisaged: This SO will be the transition vehicle to the new [and final] SO that the Mission will implement during the last five years of the program. The pilot activities begun here will bridge to sustainable development in child survival, food security and income/employment generation in the future.

Geographic Location: Priority given to the Planalto, where USAID has been working under the old SO # 1; choice is made not based on existence of the same groups, but to take advantage of existing infrastructure. Functional definition: To target upcountry areas of greatest need, highest population concentration, and greatest possibility for impact. For the vulnerable groups, the operating area is country-wide.

Parameters:

- # No large steps into uncharted territory; modest steps to build bridges to future activities, retaining the focus on results.
- # With the exception of displaced children and victims of war, no longer focused on discrete groups, rather focussed on the communities. [Note that "community" focus has a high likelihood of capturing many members of the discrete groups of demobilized soldiers, IDPs and refugees.]
- # Retention of the special focus on traumatized or displaced children and victims of landmines in response to special needs.
- # Where possible, include the "vulnerable groups" in the child survival and food security assistance activities; ensure that they are not unintentionally marginalized.
- # Retention of a limited emergency response capability on the ground.
- # Food for Work will be limited and be used only in ways that will produce results intended per the results framework.
- # All food needed for Cooperating Sponsor's FFW programs to come from WFP.
- # No DAPs [Development Assistance Food Aid Programs] will be supported by the Mission during this period.

Monetization may or may not be supported as a means to obtain additional funds for the program. If so, it will be budgeted in the Resource Request. Third country monetization would be preferred over monetization in Angola.

Activities should include specific interventions to promote community empowerment, participation and ownership.

Increase the GRA's involvement in the program to the maximum possible, consistent with accountability and results achievement, in the areas of: [a] planning, [b] evaluation and monitoring, [c] training GRA technical people in conjunction with our assistance efforts, focusing on capacity building at regional and municipal levels and seek additional ways to get the GRA involved in and committed to our programs at all possible levels.

Special focus on women - affirmative action throughout the program consistent with the WIDTECH report.

Deepening our understanding of the constraints facing Angolan women by institutionalizing our engagement on the gender issues.

Child Survival activities will build on the CS-type activities supported by OFDA, making use of existing NGO personnel, equipment, infrastructure [i.e., capacity] applying a more rigorous screen [i.e., the focus diseases] for selection.

The Food Security activities will include modest animal husbandry and micro-credit pilot activities that will bridge to the more developmental effort to begin in 2001.

This updated SO is what USAID/Angola will be implementing in the year 2001; from 1998 to 2001 the Mission will transition assistance activities from those currently existing to those described below. This transition will be gradual.

Activities of New SO #1

<u>Activity</u>	FY 1998-2001	
	<u>Current SO # 1</u>	<u>Transition SO #1</u>
Land-mine awareness	yes	yes
Land-mine mapping	yes	yes
Demining	yes	yes
Institutional support to INAROOE	yes	no
Tracing and reunifying children	yes	yes
Psycho-social reintegration of children	yes	yes
Psycho-social reintegration of child soldiers	yes	no
Prosthetics	yes	yes
Child survival activities: Attacking malaria, diarrheal diseases, acute respiratory infections, improving mother/child health, nutrition, and immunization coverage	yes	yes
Food security activities: Mine action; rehabilitation of ag infrastructure; food crop research; seed multiplication; agricultural extension; opening of roads and repairing of bridges; improved access to markets, small-animal husbandry; support to farmers associations; and micro-credit	yes	yes
Assisted resettlement of IDPs	yes	no
Basic recapitalization of returning IDPS	yes	no
Rehabilitation of community infrastructure	yes	no

Retain emergency response capacity yes no

B. Strategic Objective # 2

CURRENT: "Increased National Reconciliation through Strengthening Civil Society and Political Institutions"

PROPOSED REVISION: "Strengthened Citizen's Participation in the Political Processes"

SPO #2: "Parliamentary and Political Process Support"

USAID/Angola proposes to revise Strategic Objective # 2 in four principal ways:

- 1] to provide support to lower-level civil society organizations;
- 2] to make explicit the decision to involve women more meaningfully in the efforts;
- 3] To split the SO into two different SOs to differentiate between political imperatives and future democracy-building directions;
- 4] to capture synergies that exist between SO # 2 and the Child Survival/Food Security Strategic Objective.

For ease of reference, following is a summary description of the current SO # 2:

Title: Increased National Reconciliation through Strengthened Civil Society and Political Institutions

Duration: 1996 - 2000

Follow-on: None had been planned after FY 2000

Geographic Location: Country Wide

Parameters: Dual focus on civil society and political institutions; leverage of resources

Activities:

- # Existing World Learning Contract*
- # Existing PACT Cooperative Agreement*
- # Existing NDI Cooperative Agreement*
- # Existing IRI Cooperative Agreement*
- # Existing VOA Interagency Agreement*
- # Existing AFL/CIO Grant*
- # Existing Embassy Democracy and Human Rights Fund*
- # Existing RCSA SARDF Program*
- # Expired SCG and CMG Grants*
- # Expired civic education in QAs*

Proposed Revision to SO # 2: USAID/Angola proposes to split SO #2 into:

A revised Strategic Objective [SO #2] "Strengthened Citizen's Participation in the Political Processes"

A new Special Objective [SPO #2] "Parliamentary and Political Process Support"

Proposed Revised Strategic Objective # 2: Strengthened Citizen's Participation in the Political Processes

Duration: 1998-2001

Follow-on: Leads into the 2001-2005 D/G strategy

Geographic Location: Western Half of the Country; Eastern half if organizations are already set up and operational

Parameters:

Lowest full-absorption cost of reaching beneficiaries.

pan-SO affirmative action outreach to women; special targeted affirmative action for women in politics.

Use of SO # 1 delivery networks to reach beneficiaries.

Increased focus on lower-level CSO development and support.

These activities will transition to the longer-term USAID democracy engagement during the period 2001 - 2005.

Activities of New SO # 2:

- # Technical journalist training
- # Alternative radio and free-press advocacy
- # Human rights advocacy and advocacy groups
- # Registration of Children without identity documents
- # Development of and support to advocacy NGOs and groups
- # Civic Education
- # Democracy and Human Rights Fund
- # SARDF, focussing on advocacy groups and media
- # A HBCU working on lower-level civil society development
- # A CSO development and strengthening effort
- # A targeted women in politics effort
- # Women's organization strengthening
- # Political party outreach to women
- # CSO participation in the constitution process
- # Generalized NGO strengthening [links with SO # 1]

Proposed New Special Objective # 2: Parliamentary and Political Process Support

Duration: 1998 - 2000

Follow-on: None planned

Geographic Location: Countrywide

Parameters:

- # Continued support to Lusaka protocol and post-Lusaka protocol political processes.
- # Limited in scope, pan-Angolan in scale.
- # High visibility tangible demonstration of political support for the GURN and the Angolan people.

Activities of SPO # 2:

- # political party training for elections
- # political party training for constituent relations
- # constitution development support
- # formal election preparation
- # election support

election monitoring
parliamentary strengthening

C. Proposed Suspension of SPO #1

"Facilitate Angola's preparation and implementation of economic structural adjustment and macro-economic programs"

The Mission proposes to suspend this special objective. The lack of GRA political will to undertake an economic reform program continues to frustrate our, other donors' and the IFIs' efforts to make progress on this issue.

Suspending the special objective does not diverge from U.S. policy to encourage and support economic reform. The Embassy and USAID fully recognize the importance of broad macro-economic reform to U.S. and Angolan national interests -- the promotion of U.S. trade and investment, and the consolidation of a lasting peace in Angola. The Embassy and USAID will continue to engage the GRA on this issue, through our bilateral relationship, in conjunction with the G-8 Embassies in Angola, and working with and in support of the IFIs. USAID will continue to remain engaged with the GRA through its contract with HIID. Finally, it is requested that Washington understand the possibility that USAID will re-engage in this area if/when the GRA makes a meaningful commitment to such a process. The importance of this issue to our national interests dictates that the decision should be revisited if the GRA position changes.

Suspending the special objective is a policy decision for Washington Agencies. The issues surrounding this proposal will be described in detail in USAID/Angola's issues paper for the strategy review to be transmitted separately.

Part 6: Linkages to BHR, Global and Other Resources

A. Linkages to USAID/W Resources. The continued involvement of BHR and the Global Bureau in the Angola Transition Program is needed. The situation in Angola remains unstable and the risk of returning to armed conflict persists. Achieving stability has been a slow process, and in certain cases the conditions on the ground have deteriorated. USAID must retain a significant emergency response capacity in Angola.

1. OFDA remains needed in Angola to assist us to maintain an emergency response capability and to assist with the transition of OFDA-funded activities to Mission and Global Child Survival activities. The Mission also requests the assistance of OFDA to arrange for procurement [execution of grants] under our child survival program.

2. The Office of Transition Initiatives continues to have an important role to play in Angola. Specifically, the Mission needs OTI's support to fund discrete parts of our democracy program and demining efforts, and recommends that OTI remain engaged in Angola throughout the strategy update period.
3. Global Bureau. The needs of certain vulnerable groups will require a rehabilitation response for many years into the future, and therefore continued funding from the DCOF and War Victims Funds is requested. The Global Bureau's Democracy Center continues to provide outstanding support to this effort, and the Mission anticipates field support assistance throughout the period from this latter office.
4. The Office of Food for Peace needs to remain engaged in Angola in three ways: [a] by continuing to provide food to WFP to serve as the front-line emergency response capacity, [b] to provide food to WFP for the limited NGO FFW activities envisaged under this strategy, and [c] to provide food for monetization if needed.
5. This strategy is unimplementable without the resources described above.

B. Linkages to Other Resources

As a matter of strategic priority, USAID/Angola will continue to focus efforts on leveraging resources, in particular from the U.S. oil and other companies operating in Angola. Angola is in the process of allocating deep-water offshore blocks and the signing bonuses anticipated are in the tens of millions of dollars. These resources far outstrip the amount of concessional assistance the U.S. Government will be in a position to provide to Angola in the future. USAID has developed cooperative working arrangements with Chevron and Amoco, and will continue to expand the scale and scope of this public-private partnership.

The cooperation envisaged between USAID and USIS and the DOD is another [albeit more modest but important] example of leverage. The current Interagency Agreement with USIS is a good example of making use of installed U.S.G capacity to further MPP goals. Finally, linking the Agostinho Neto University with an American HBCU is expected to help create a long-lasting cooperative relationship that will outlive the USAID engagement in Angola.

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