



ANGOLA

MID-TERM REVIEW OF THE BRUSSELS PROGRAM OF ACTION – LEAST DEVELOPED COUNTRIES

Progress Report 2005
(Final Version)

FEBRUARY 2006

Introduction

The present report has as its fundamental objective to identify the progress achieved in economic and social development, and consequently to assess the implementation of the Brussels Programme of Action. However, this report is hindered by difficulties associated with the quality of the available statistical information, which does not allow us to evaluate the impacts of policies executed in the last 4 years corresponding to the peace period. One of these problems is that the preparation of the current report precedes the conclusion of the survey of family expenses and income, whose results would in all certainty allow this assessment to better encompass our current economic and social reality.

Angola is a post-conflict country, since it has lived through 3 decades of war, resulting in an economic and social situation which translates in precarious social indicators. Poverty in Angola affects around 68% of the population, 2/3 of whom were displaced persons; moreover, economic and social infrastructures are destroyed, and an inflation rate of approximately 106%. As such, the challenges required the mobilization of the population and institutions. As a result, The Government of Angola approved a Strategy to Combat Poverty aimed at improving the social and economic conditions of the population. Its preparation counted on the active participation of the civil society.

Taking into account the existing poverty levels in the country, according to the results of the last survey of incomes and expenses carried out in 2000, the Government elaborated the Strategy to Combat Poverty, which is currently under implementation, and which has elected the social domain as its most important allocation in the budgets for 2002, 2003, and 2004. Based on international commitments and in line with the national objectives and targets, the Government selected the following areas of intervention: (i) Social Reintegration; (ii) Demining; (iii) Rural Development and Food Security; (iv) HIV/AIDS; (v) Education; (vi) Health; (vii) Rehabilitation of Basic Infrastructures; (viii) Employment and Professional Training; (ix) Governance; and (x) Macroeconomic Management.

However, the implementation of policies and measures contained in the country's Development Program faces constraints, particularly due to the fact that the country relies essentially on its own resources, given that international commitments to increase and reinforce aid once peace was achieved have not been implemented.

With regards to the Strategy to Combat Poverty and the Development Programs, many accomplishments have been reached whose results encourage the Government to continue.

Experience and Constraints Encountered by Angola in the Implementation of the Brussels Plan of Action.

Angola, like many other African countries, faces a very difficult phase in its journey towards sustained economic growth, sustainable development and integration in the world economy.

Although the efforts made by the Government have been successful, the country is confronted by insufficient human resources for the reconstruction and rehabilitation of the Angolan economy. Another significant factor is the need to strengthen the institutional capacity in the public and private sectors. It is important to note that Official Development Assistance has been very limited; consequently the Government has been financing the majority of the expenses required for reconstruction and re-launching the national economy.

The time elapsed since April of 2002 (Peace Agreement) is still relatively short in the context of a post-conflict situation, which accounts for the fact that in spite of the progress achieved, the degree of achievement of the measures contained in the Brussels Programme of Action and in the Millennium Objectives still have a relatively long road to travel.

Synthesis of Statistical Information

Population	
Resident Population (2004) (millions)	14.7
Population Density, residents per km ²	11.8
Youth index (2004) (% of population with ≤ 20 years of age)	60

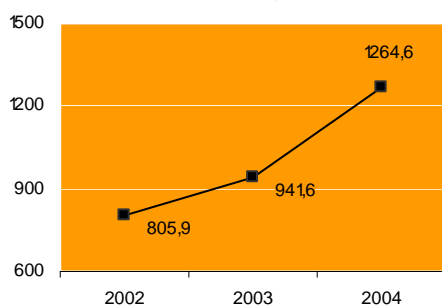
General Development Level	
Per capita GDP (2004), (USD)	1264.6
Human Development Index (2005)	0.445
Population below the Poverty Line (2001), (%)	68
Population in extreme Poverty (2001), (%)	26

Economic Indicators	
GDP (2004), (thousand millions USD)	18.5
Average Inflation Rate (2004), (%)	31
Exports (2004), (thousand millions USD)	12.2
Public Investment per Capita (2004), (USD)	26.25
Foreign Debt (2004), (thousand millions USD)	7.9
Fiscal balance (2004), (% do PIB)	0.6

Social Indicators	
Life Expectancy at Birth (2004), (N° of years)	42.4
Gross Schooling Rate in Primary School (2003), (%)	91.1
Gross Growing Rate of Students Enrolled in Primary School (2000-2003)	24.3
Under five Mortality Rate (2003) (death rate of children below 5 years of age per 1000 born alive)	260
Maternal mortality rate (2003), (death rate per 100 000 born alive)	1400 a 1700
Population with access to Sources of Clean Water (2003) (%)	68.5
Population with access to Better Sanitation (2003) (%)	78

Results accomplished

Evolution of GDP per resident

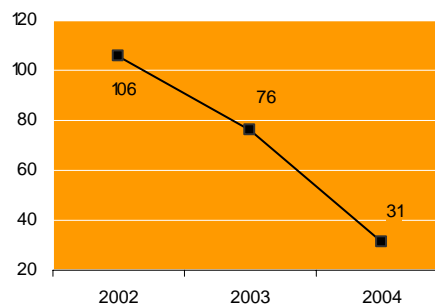


Evolution of GDP per resident

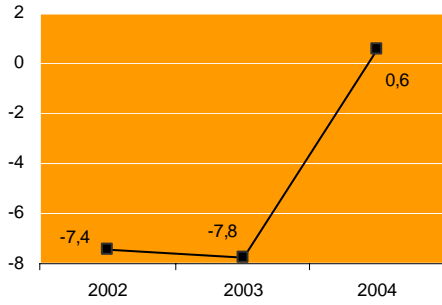
In the last three years, GDP has grown at high rates, superior to 10%, enabling per capita GDP to reach 1.247 USD in 2004, surpassing the threshold GDP of HIPC countries (1.000 USD), this reflects the increases in the output and the price of the barrel of petroleum. Inflation rates went from 106% in 2002 to 31% in 2004.

The balance of payments of the current account has gone from a deficit of 6.4% in 2003 to a credit of 4.5% in 2004. The fiscal balance went from -7.4% of the GDP in 2004 to a credit of 0.6% in 2004. The national currency has remained stable in relation to the dollar for more than 2 years, reflecting broad and courageous macroeconomic stabilization policies.

Evolution of Inflation rate

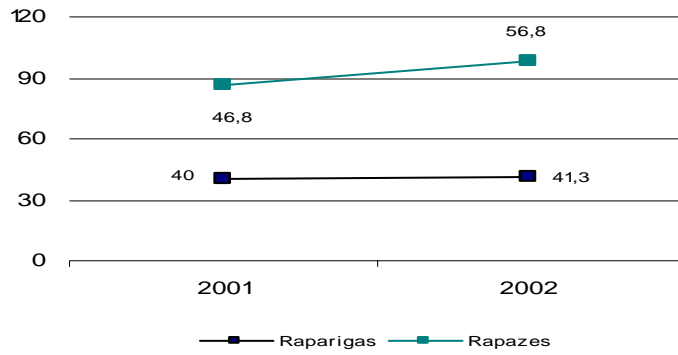


Fiscal Balance as a Percentage of the GDP

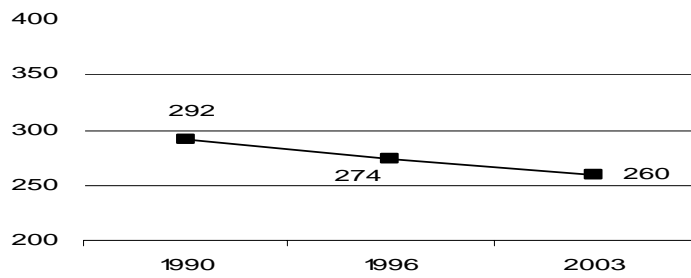


Around 1 million children returned to school in 2003. More than 29 thousand teachers have been recruited. In the same year, 5,2 million children vaccinated against polio, a measure which did not prevent the discovery of new polio cases after the eradication of the disease, by imported contamination.

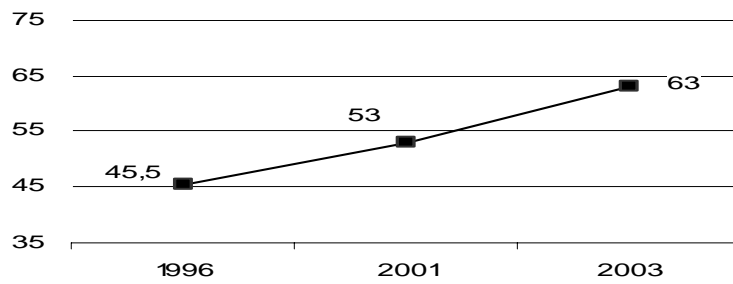
Gross Schooling Rate in Primary School



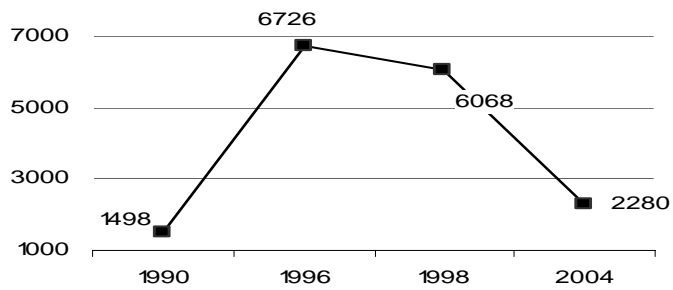
Number of under 5 deaths



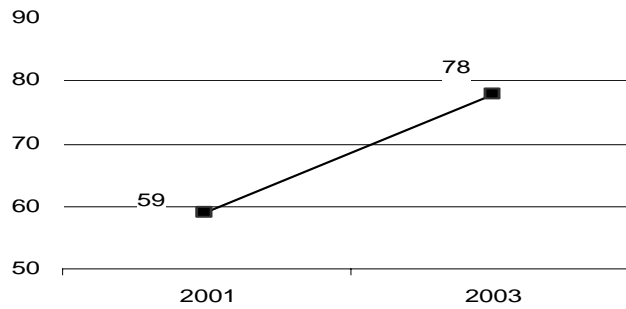
Children below 1 Year of Age Immunized against Measles



New Trypanosomes Cases



Population with access to Better Sanitation



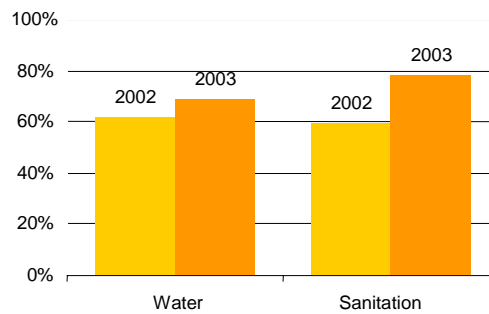
Some indicators of access to water and sanitation

Indicators	2001	2002	2003
Population with access to Sources of Clean Water	ND	62	68,5
Population with access to Better Sanitation	ND	59	78

Source: Ministry of Energy and Water, Ministry of Environment and Urbanization

For a better interpretation, the indicators in the above table are illustrated in the graph below.

Indicators of Progress, % of Population with access to clean sources of water and sanitation



Enclosure

**MATRIX OF OBJECTIVES AND GOALS,
MEASURES AND ACTIONS ADOPTED IN LINE
WITH THE MID-TERM REVIEW OF THE BRUSSELS
PROGRAM OF ACTION – LEAST DEVELOPED
COUNTRIES**