

# **Angola Peace Monitor**

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### **Poor response to UN aid appeal**

Despite recent donations from the European Commission and France to the United Nations joint appeal for Angola, the appeal remains woefully under-funded, with little prospect of aid flows matching donations given last year. Last year's UN Consolidated Inter Agency Appeal for Angola raised \$173 million, down from \$206 million in 2002. However, by 8 October, this year's appeal, which is supposed to bridge the period between emergency and recovery, has only raised \$104 million, or 58 percent of the total requested under the umbrella appeal.

Over the last month there have been donations valued at a further \$9.3 million given to the World Food Programme, which is feeding over a million people in Angola. The largest new donations were from the European Commission, which has pledged 9,410 tonnes of maize valued at \$6.2 million, and 4,797 tonnes of maize from France valued at \$3.1 million.

The only new donations outside of food aid also came from the European Commission, which gave \$3.6 million for transport and logistical assistance to refugees returning from Namibia and Zambia.

Much of the non-food aid has been focussed on refugees and internally displaced people, leaving many sectors of the appeal with meagre funding, such as water and sanitation, health, agriculture, economic recovery, demining, and protection of human rights.

An analysis of donations shows that out of 33 non-governmental organisations that put forward projects under the UN's umbrella appeal, only two (the Lutheran World Federation and GOAL) received any funding. Non-Governmental Organisations identified 72 projects in Angola with a budget of \$32 million. So far three projects have been supported with donations totalling \$1.5 million. This compares poorly with the \$2.4 million donated last year to NGOs in support of proposed projects totalling \$50.4 million.

The International Organisation for Migration has received \$7.4 million for its operations to assist refugees. The rest of this year's funding for the Appeal went to UN agencies, such as the World Food Programme. These major international organisations will continue to be engaged in Angola using their own machinery to raise funds.

Next year the UN will coordinate its activities through the UN Development Assistance Framework (UNDAF) for Angola, and the UN Development Programme will be the lead UN organisation inside the country. The United Nations Office for the Coordination of Humanitarian Affairs (OCHA) formally closed at the end of June with some of the functions carried out by OCHA transferred to a transitional coordination unit (TCU), until December 2005.

Donors have tended to channel funds to NGOs directly through bilateral relations rather than through the UN Consolidated Appeal. So far this year humanitarian assistance outside the framework of the Consolidated Appeal has totalled \$25.7 million, most of which was destined for NGOs, some of whom privately admit that they have never expected to receive funds through the Consolidated Appeal.

This will be the last UN Consolidated Inter Agency Appeal for Angola, and although it will not directly hit NGOs, the serious underfunding of projects in Angola looks likely to continue. The level of aid remains very low in comparison with the country's enormous poverty. According to Allan Cain, Director of the NGO Development Workshop, quoted by the UN News Agency IRIN, "post-war states are very vulnerable; civil society is fragile; the population is extremely weak - this time is much more complex than the emergency phase. Because it's a new phenomenon in Africa, most donors, and especially the UN, don't have the institutions, programmes or funds to deal with the post-war situation".

IRIN goes on to quote Sheilagh Henry of Goal, who said that "money that's being offered isn't yet appropriate for what needs to happen on the ground". She continued that "the government doesn't have the resources to ensure they [the projects] continue to operate, so they could collapse".

## **Bleak outlook for development assistance**

The continuing lack of support for humanitarian needs in Angola does not augur well for attempts to involve the international community in reconstruction and development. There are still no signs of the long-awaited international donors conference, although the high price of oil has enabled the government to go ahead with large scale infrastructure projects.

The lack of donor support has been condemned by the Angolan government, which accuses international donors of discriminating against the country. On 28 September Foreign Minister Joao Miranda on his return from the UN General Assembly told ANGOP that in identical situations, the international community has had one attitude relative to some countries and another in relation to Angola.

The Angolan government has done much to meet the demands of the IMF, and there are reports that the country is close to reaching a formal accord. According to the Chinese news agency, Xinhua, Deputy Minister of Finance Severim de Morais has stated that talks with the IMF on the management of oil revenues and the economy were "on good course".

However, he also indicated an area in which the government and the Bretton Woods Institution were still in conflict. The Angolan government is holding out against IMF demands that amount to "shock therapy". Morais stated that "we believe that 30 years of war were too high a price to pay by the people and that shock measures will add to the misery and poverty of Angolans".

The Angolan government has already taken some steps that will hit its people, such as the removal of some subsidies on food and fuel. However, it is balking at implementing measures that might lead to social unrest.

The government has also taken steps to solve serious management and accounting failures that have left it open to widespread allegations of high-level corruption that left donors questioning whether they should be giving anything other than the bare minimum to such an oil-rich country. Donors have openly argued that the government must do much more to alleviate poverty through the efficient and transparent use of its own funds. In particular, the demand that Angola enter into a formal agreement with the International Monetary Fund, through a Staff Monitored Programme (SMP) has been put forward as a benchmark for the country.

### *Development continues as IMF leverage reduced*

The leverage that the IMF has over Angola to make it undergo economic "shock therapy" has been largely undermined by the recent rise of oil prices to nearly \$50 a barrel. Angola is currently expanding its oil production to around a million barrels a day.

However the Angolan government will not immediately benefit fully from the oil price rises due to the way oil production is financed. The cost of opening new oil fields is enormous, and foreign oil companies are entitled to cover those costs by taking an increased share of production revenues until the costs are repaid. The huge investment costs were highlighted on 28 September when ChevronTexaco, the largest oil producer in Angola, announced that it will be investing \$11 billion in Angola in the period from 2003 to 2008. Once these investments in oil and gas come on stream it will be several years before the government receives its share of revenues.

Despite this, the government has been able to use these future earnings as collateral for loans to fund its reconstruction efforts. These loans are structured in such a way that increases in oil prices speed up the repayment of loans.

Earlier this year the Chinese state's Eximbank agreed to an oil-backed loan worth \$2 billion for the government's public investment programme. On 23 September the President of Eximbank arrived in Angola, stating that "in the framework of the reinforcement of solidarity and co-operation between the two countries, we are ready to strengthen more and more our economic co-operation".

While in Angola he signed a \$72 million loan facility with Finance Minister Jose Pedro de Moraes for the purchase of cars, transmission line equipment, and agriculture equipment.

Talks are also underway between China and Angola over a \$2 billion loan to fund the rebuilding of the Benguela railway, that runs from the port of Lobito right across the country to Zambia and the Democratic Republic of Congo. Due to decades of war the railway is in a state of almost total disrepair.

Work has already begun, and trains are running for the first time in a dozen years over the 120 kilometres between Lobito and Caimbambo. In total the Benguela railway covers 1,347 kilometres. According to an article in The Times of Zambia (Ndola) on 7 October, the Zambian government has identified the Lobito Corridor as "a major lifeline for Zambia's exports".

Work is also taking place on the 900-kilometre Mocamedes railway, with four new engines purchased from India. The Indian company RITES has been awarded the \$40 million contract to rehabilitate the railway, which runs between the port of Namibe (formerly known as Mocamedes) and the town of Menongue in Cuando Cubango province.

Several other major infrastructure projects are underway.

According to the September issue of Angola News, the Bie provincial government has spent \$720,000 on repairing the power supply and public lighting systems in four of the nine municipalities. A further \$700,000 is to be spent on the water treatment and supply system in three of the municipalities.

In Cuvango and Jamba districts in Huila province the local government is investing \$405,000 on the rehabilitation of the water and electricity supply in the east of the province.

## Repatriations speed up as rainy season arrives

The United Nations High Commission for Refugees (UNHCR) has stepped up its efforts to repatriate Angolan refugees as the country enters its rainy season. Most returnees are coming from Zambia and the Democratic Republic of Congo, but it is now certain that the UNHCR will miss its target of repatriating 40,000 from Zambia and 32,000 from DRC.

The UNHCR has blamed the slow pace of returns on the bad condition of roads, with broken bridges and the danger of landmines. UNHCR had hoped to return 40,000 people from Zambia by November, when the seasonal rains will make many roads impassable. However, only 16,000 refugees had returned this year out of a total of 71,420 Angolan refugees living in camps and settlements in Zambia.

In response to the slow pace, the International Organisation for Migration in conjunction with UNHCR started an airlift from Mongu to Lumbala N'Guimbo in the east of Angola, and from Mongu to Huambo in the central plateau. The number of flights out of Zambia has now tripled from three a week to 18, and UNHCR hopes to repatriate 32,245 Angolans by the end of this year, with 12,218 people travelling by land and 20,027 by air.

### *Shortages in the land of plenty*

For those left in the camps in Zambia, things are getting harder, with the UN's World Food Programme announcing that those remaining are being put on half rations due to a lack of donor support. On 30 September WFP stated that it needed \$3.2 million to cover the immediate food needs of Angolan and Congolese refugees in Zambia. Already the rations for pulses have been halved and in November the cereal rations will also be halved if there are no further donations. WFP needs 1,500 tonnes of pulses and 4,000 tonnes of maize.

It is ironic that there should be a shortage of maize in a country that has just had its second bumper harvest, with farmers worried that their crops will rot by the roadside due to a lack of markets. The Zambian government estimates that this year's harvest was 1.2 million tonnes, with a surplus of 210,160 tonnes. However, the government's Food Reserve Agency (FRA), does not have the resources to buy all the harvest.

If WFP was given a cash donation to purchase maize from the FRA it could not only provide full rations for the remaining refugees in Zambia, but could also provide much needed income for some of the farmers currently unable to sell their harvest. It would also prove to be the quickest and cheapest way of providing the necessary grain for the refugees.

Food aid donations are commonly overvalued to improve figures relating to aid budgets. For example, France recently donated 2,345 tonnes of maize at an official cost of \$1.5 million, which comes out at \$643 a tonne. This does not compare favourably with the recent purchase of Zambian maize by the company Equator Nuts, who bought 50,000 tonnes for \$8 million - which is \$160 a tonne.

France is in fact typical in posting these high prices. The European Commission has just donated 9,170 tonnes at a cost of \$6.1 million (\$666 a tonne). Meanwhile, the IMF has reported that the world price of maize is lying at around \$100 a tonne

([www.imf.org/external/np/res/commod/table4.pdf](http://www.imf.org/external/np/res/commod/table4.pdf)). In Maputo, Mozambique, the market price for small quantities of maize is around \$215 a tonne, although it would be much cheaper in bulk.

Meanwhile, Equator Nuts has already paid for and taken possession of the first 40,000 tonnes of maize, which it is going to send by rail to Angola. Some of the maize is being milled in Ndola before being exported.

#### *Airlift from Namibia*

On 23 September UNHCR began its airlift of Angolan refugees from Namibia, with over a hundred refugees being flown from Windhoek to Huambo city. In total, UNHCR hopes to repatriate up to 7,000 people from Namibia by air. There are to be four flights per week until the end of November. These flights are funded by the European Union's humanitarian agency ECHO, and the United States.

By 23 September UNHCR had repatriated 2,615 refugees by road, and had completed repatriation from Namibia to Cunene province. Convoys to Cuando Cubango province are still underway, with another route to Huila province expected to open in October.

It is hoped that the 10,000 refugees currently in the Osire camp and Kasava settlement can be returned to Angola by the end of the year.

Meanwhile, the UNHCR has begun registering Angolan refugees in Botswana. Around 1,200 Angolans are still in the Dukwe refugee camp.

### **Congolese miners expelled**

The Angolan government has announced that over 300,000 people were expelled from Angola during a military operation to cut illegal diamond production and exportation.

The Deputy Commander of the National Police, Paulo de Almeida, announced on television on 29 September that "a total of 300,000 migrants who were involved in illegal diamond exploitation have been repatriated during the two first phases of Operation Diamond and 4,877 in the third phase".

### **Future of Constitutional Commission raised**

Opposition parties have put forward their perspective on forthcoming elections, with several parties on 29 September jointly submitting to the office of the Speaker of the Angolan Parliament - the National Assembly - their version of a legislative package comprising six draft laws and a code of conduct for the next elections. The parties involved were UNITA, PRS, FNLA, PLD, PAJOCA, PDP-ANA, FpD and the Civil Opposition Parties (POC).

Among the draft laws presented were laws on political parties and electoral funding, the Social Communication Council (CNCS), regulations on electoral observation and monitoring, and the right to access to the mass media of political parties and civil society organisation's.

Following a stand-off between the largest party, the MPLA, and opposition parties, the National Assembly's Standing Commission decided on 1 October that the future of the Constitutional Commission - the body set up to draft a new constitution for the country - will be debated by the National Assembly in plenary during the second half of October.

The MPLA argues that elections cannot take place before September 2006 due to the large number of tasks that need to be completed before elections can be run properly. However, opposition parties have argued that elections can and should take place in 2005.

## **PDP-ANA selects new leader**

The Democratic Party for Progress and National Alliance (PDP-ANA) on 5 October appointed its secretary-general Sediangani Mbimbi as interim leader until the next congress in March 2005.

The leading position became vacant when gunmen murdered Mfulumpinga Landu Victor on 2 July as he left his party's headquarters in Luanda. According to the police, he was approached by three men, one of whom shot him with an AK-47 assault rifle.

So far there have been no arrests.

## **Angola joins Great Lakes conference**

Angola has joined the International Conference on the Great Lakes Region, an initiative started by the United Nations to tackle the problems facing central Africa. The Central African Republic, Republic of Congo and Sudan have also recently decided to take part, along with Burundi, the Democratic Republic of the Congo, Kenya, Rwanda, Tanzania, Uganda and Zambia. The Conference was established by the United Nations Security Council and is co-sponsored by the African Union.

The first of the Conference's two summits on "Peace, Security, Democracy and Development in the Great Lakes Region" is to take place in Dar-es-Salaam in November.

Angola has been deeply involved in the region, having used its military in the former Zaire and in Neighbouring Congo-Brazzaville. Angola was directly involved in supporting the overthrow of President Mobutu Sese Seko in Zaire in 1997, in retaliation for support given by the despot to UNITA guerrillas. They later sent troops to defend President Laurent Kabila of the renamed Democratic Republic of Congo from an invasion by soldiers from Uganda and Rwanda who were poised to overrun the capital, Kinshasa.

Angola was also involved in 1997 in supporting the toppling of Republic of Congo President Pascal Lissouba by Denis Sassou-Nguesso. Once again, the reason given was state support to UNITA fighters who used Congo-Brazzaville as a base for attacks on Angola.

The inclusion in the Conference is recognition that Angola now plays an important role in central Africa. It continues to play a significant role in Southern Africa as part of the Southern African Development Community, SADC, and in West Africa due to its role as a major oil producer, as well as its linguistic and historical links with Sao Tome and Guinea Bissau.

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