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MID-TERM REVIEWS OF COUNTRY AND INTERCOUNTRY PROGRAMMES

Mid-term review of the second country programme for Angola

I. INTRODUCTION

1. The second country programme for Angola covers the period 1987-1991. The mid-term review was undertaken in February 1990. Angola, a least developed country (LDC), has a per capita gross national product (GNP) of \$470. The IPF at the time of the mid-term review was \$28.031 million (including third cycle carry over).

II. MAJOR FINDINGS

A. Impact of country programme

2. The mid-term review established that the central objectives of the country programme were closely in line with those established by the Government in the second congress of the MPLA Workers Party (1986). It recognized that the Government's objectives were broad, that only general policy lines had been issued and specific policy instruments were still undefined at the time of the country programme formulation and that neither time-frames nor priorities had been set for the achievement of the desired reforms. The programme objectives were, therefore, equally broad and were given approximately equal weights in terms of indicative planning figure (IPF) allocations except for human resources, which received small attention. The human resources development component in most projects under other objectives did, however, compensate for this fact. The review established that the country programme had anticipated the needs generated during the implementation of the economic and finance reform programme and, as it expanded, the number of projects under the first objective, dealing with policy development and economic and financial management increased. At the same time, programming in relation to agriculture and industry had been strengthened in a manner consistent with the policy assistance thrust of the overall programme.

3. In particular, the economic review undertaken by the World Bank and UNDP has been regarded as a very useful exercise in promoting economic policy dialogue and co-operation between Angola and the Bretton Woods Institutions as well as in enhancing government departments and aid partner's knowledge of the economic situation of Angola.

**B. Effectiveness of technical co-operation modalities used**

4. With respect to execution modalities the effectiveness of the United Nations Volunteers (UNV) programme for Angola was recognized. It was also recognized that the use of Angolan experts should be encouraged, but that government execution would be at present limited by insufficient managerial capability in the public service. Better linkage should be established with the university.

**C. Programme adjustments**

5. The review did not identify programme adjustments that would require the approval of the Governing Council. The programme was found to be consistent with Government stated policy and supportive of its further development.

**D. Continued validity of original programme objectives**

6. The second country programme for Angola focused on the strengthening of the links between the technical co-operation needs and the vital needs of the country and with emphasis on economic management. Four central objectives were identified, which are commented on below.

**1. Effective economic management and resource mobilization for reconstruction and development**

7. The review established that several of the new projects approved under the first objective of the country programme constituted strategic actions not only to assist in the implementation of the Government's economic reform programme, but to promote new policy developments. It was concluded that the programme objective was adequately supported at present.

**2. Reactivation and promotion of food and export crop production by the small-holder sector**

8. The Government pointed out during the review that it saw the current priority for small-holder agriculture as a means to achieve self-sufficiency in basic foodstuffs and to guarantee provision of raw materials to industry. New lines of assistance would be required for the development of credit for marketing of agricultural products, for the development of a network of experimental stations linked to the rural extension service and for reintroducing traditional alternatives to modern irrigation and small agricultural industries.

9. The development of new project lines would be facilitated by the co-ordination of industrial and agricultural programmes and should be taken into account in the development of strategies for both sectors. The country programme should be used as a frame of reference for mobilizing resources. The review underlined that the main focus on small-holder food production not only permitted but required that projects explicitly include women in development objectives and components. No new projects had been added, but existing ones had been extended.

3. Rehabilitation of industrial plant, combined with improved management systems

10. The definition of this objective suffered from the absence of a national strategy and policy at the time of programme formulation. Later, as economic reform was launched and initiated, the lack of definition of the specific reforms and policy instruments to carry them out continued to be an obstacle. Thus, the programme developed in a somewhat untargeted manner towards direct support. There is a need to identify those industries which are of priority concern for rehabilitation.

11. The review also acknowledged that industrial policy could only be developed once the major macro-economic reforms are in place, particularly with respect to prices, the exchange rate, privatization, and restrictions that limit economic activity. In the interim, UNDP and other sources, with the country programme as frame of reference, should be directed to undertake studies of the regulatory framework for industrial activity; to developing transitional strategies for limited but effective concrete actions; and to improving human resources along two fronts - training and incentives - through wages and benefits, participation in decisions, and delegation of authority.

4. Universal basic education and training for managerial, administrative and technical functions

12. The strategy adopted for teacher training - distance training - was considered the best possible immediate response for maximum impact, given the magnitude of the training gap. The first vocational training project had organized direct training and developed the basic infrastructure at one centre. The second expanded the training focus to the national level and sought to develop a system for permanent training. The review found that this broad developmental goal was consistent with national objectives and that the implementation of the second project had catalyzed the organization of an interministerial body to guide the development of the national training system. In this context, debate has been generated by the project Skills Development: Management/Vocational Training (ANG/89/001).

13. A point of departure for possible programme redirection and future programming is the recently approved reform of the educational system. This aims to increase school attendance, developing the programme of training in professional skills as an option starting after the fourth grade. It will establish a system of continuous adult education after attainment of the basic level of schooling and

obligatory basic schooling up to the sixth grade. The Government stressed that its capacity to implement the new system was limited, given the size of the school age population, which has tripled since independence, and the present low rate of schooling - 52 per cent - which leaves around 900,000 children outside the system. Thus, there will be a transition period. Against this background, the following adjustments to it were proposed: division of the teacher training assistance between distance training and regular teacher training; revision of the institutional framework for professional training to facilitate multisectoral co-ordination and implementation, linked to the administrative reform programme; and linking of national languages to rural development and other programmes.

#### E. Operational problems

14. The scarcity of qualified human resources was repeatedly identified as a major constraint to policy and programme development and implementation. The need for commitment on the part of the Government for the provision of counterpart personnel was emphasized. Project design should indicate a component for the advanced training of national personnel. The review also highlighted serious implementation difficulties, particularly in agriculture, the result of a lack of security and disruption to production storage and of the war. The prolonged delays in the provision of adequate housing for international experts were admitted as a major cause of delays and diminished quality of the programme.

#### F. Linkage of programme to larger exercises

15. Several projects constitute strategic actions to assist in complementing the Government's economic reform programme. Assistance is being provided in the preparation of a round-table meeting to be held in 1991.

16. The IPF funds for the present cycle have been fully allocated and delivery is considered as satisfactory.

### III. CONCLUSIONS

17. The review established that UNDP was indeed actively engaged in meeting the priority needs of the Government, and that its assistance in the area of public resource management and economic reform should continue to be expanded and reinforced. It was already contributing significantly to the current efforts of the Government to bring about a reverse in the economic and social decline, both rural and urban, that has resulted largely from external destabilization and insecurity in a large part of Angola's sovereign territory, as well as fluctuations in the price of crude oil, which accounts for over 90 per cent of GNP.

18. The need to develop the macro-economic framework and create planning and sectoral analysis capacities at the Ministry of Planning and sectoral ministries was emphasized.

19. The meeting emphasized the need to establish linkages between the emergency programme and development programmes. Co-operation between the Government and all the donors and co-ordination by the Government needed to be improved to convert emergency assistance to development assistance on the basis of a government-defined strategy.

20. Rural development continues to be hampered everywhere by a multitude of constraints, although rehabilitation of food production has been accorded top priority. The aims of assistance are based on longer-term sustainable perspectives and pilot initiatives in support of extension services, the co-ordination of multi-donor assistance, the involvement of the private sector in improved seed production, and environmental protection.

21. The review also underlined that the main focus on small-holder food production required that projects explicitly include women in development objectives and components.

22. The meeting recommended an in-depth study of the human resources situation in the country to allow for the planning of human resources development. It was stressed that human resources development should be closely linked to employment policy.

23. The mid-term review did not recommend major changes in the country programme, which will continue to support the economic reform process. It was decided that, in order to have clearer view of the implications of the Government's structural adjustment policy, the current country programme should be extended for one year, to 1992.

Annex

## FINANCIAL SUMMARY AS OF FEBRUARY 1990

I. RESOURCES TAKEN INTO ACCOUNT	<u>At start of country programme</u>	<u>At time of MTR</u>
IPF allocations (including third cycle carry-over)	24 509 000	28 031 000
Government cost-sharing	335 000	331 000
Third-party cost-sharing	201 000	261 000
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Subtotal of IPF-linked resources	25 045 000	28 623 000
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Other funds under authority of Administrator	2 095 000	7 062 000
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Total resources taken into account	27 140 000	35 685 000
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II. USE OF RESOURCES <u>a/</u>	<u>At start of country programme</u>	<u>At time of MTR</u>
Approved projects	9 927 000	29 448 000
Pipeline projects	13 711 000	7 768 000
Unprogrammed resources	1 407 000	-
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Total	25 045 000	37 216 000
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a/ IPF plus cost-sharing.

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