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**ANNEX 1**

to the Commission Implementing Decision on the financing of the annual action plan in favour of Angola for 2024

**Action Document for Promoting Trade and Investment in Angola**

**ANNUAL ACTION PLAN**

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

## 1. SYNOPSIS

### 1.1 Action Summary Table

<b>1. Title</b> <b>CRIS/OPSYS</b> <b>business reference</b> <b>Basic Act</b>	Promoting Trade and Investment in Angola OPSYS number: ACT-62523 Financed under the Neighbourhood, Development and International Cooperation Instrument ( <u>NDICI-Global Europe</u> )
<b>2. Team Europe Initiative</b>	Yes TEI Diversification of Economy and Public Financial Management Angola <sup>1</sup>
<b>3. Zone benefiting from the action</b>	The Action shall be carried out in Angola
<b>4. Programming document</b>	2021-2027 Multi-annual Indicative Programme (MIP) Angola <sup>2</sup>
<b>5. Link with relevant MIP(s) objectives / expected results</b>	Priority Area 1: Sustainable Economic Diversification Specific Objective 1: Improved competitiveness and sustainability of the local private sector in Angola Result d): Environment for innovation and entrepreneurship ecosystem, especially for youth and women, improved. Specific Objective 2: Trade integration of Angola and diversification of exports Result a): Enhanced trade integration at regional and continental level while promoting effective implementation of internationally agreed social and environmental standards relevant in such contexts (e.g., fundamental UN/ILO conventions). Result b): Increased diversification of exports in goods and services. Result c): Improved access for European investments and commercial relations in strategic sectors.
<b>PRIORITY AREAS AND SECTOR INFORMATION</b>	
<b>6. Priority Area(s), sectors</b>	Priority Area 1: Sustainable economic diversification

<sup>1</sup> [Angola | Team Europe Initiative and Joint Programming tracker \(europa.eu\)](#)

<sup>2</sup> Commission Decision on the adoption of the National Indicative Programme between the European Union and Angola C(2021) 9359 final of 15.12.2021.

	Sectors: Improved competitiveness and sustainability of the local private sector in Angola (DAC Code 250); Trade integration of Angola and diversification of exports (DAC Code 330)			
<b>7. Sustainable Development Goals (SDGs)</b>	Main SDG: SDG 8 (Decent Work and Economic Growth) Other significant SDGs: SDG 5 (Gender Equality), SDG 13 (Climate Action)			
<b>8 a) DAC code(s)</b>	25010 - Business policy and administration - 50% 33110 - Trade policy and administrative management - 50%			
<b>8 b) Main Delivery Channel</b>	40000 - Multilateral Organisation 60000 - Private sector institution			
<b>9. Targets</b>	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
<b>10. Markers (from DAC form)</b>	<b>General policy objective @</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>Policy objectives</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
<b>11. Internal markers and Tags</b>	Digitalisation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	digital connectivity	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	

	digital governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	digital entrepreneurship	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	digital skills/literacy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	digital services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	Connectivity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>	
	energy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	transport	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	health	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	education and research	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	Migration @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>BUDGET INFORMATION</b>				
<b>12. Amounts concerned</b>	Budget line: 14.020122 Total estimated cost: EUR 8 500 000 Total amount of EU budget contribution EUR 8 500 000 The Action is part of the Team Europe Initiative ‘Diversification of Economy and Public Financial Management Angola’ which includes the participation of the European Investment Bank (EIB), France/AFD Group, the Netherlands and Portugal <sup>3</sup> .			
<b>MANAGEMENT AND IMPLEMENTATION</b>				
<b>13. Type of financing</b>	<b>Direct management</b> through: - Procurement			

## 1.2 Summary of the Action

Since 2018, Angola has implemented reforms, including legislative and regulatory updates, to promote public institutions dynamism, increase private sector competition, and attract Foreign Direct Investment (FDI) in non-oil sectors. Firstly, the Private Investment and Export Promotion Agency of Angola (Agência de Investimento Privado e Promoção das Exportações - AIPEX) was established in 2018, resulting from the merger of the former Technical Unit for Private Investment and the Agency for the Promotion of Investment and Exports of Angola, aiming to increase investment attraction and exports promotion. Secondly, the Private Investment Law (Lei nº 10/18) was sanctioned to establish and update benefits and stimulate private investment in non-oil sectors.

However, the promotion of investment, trade and exports still presents weaknesses for the achievement of the objectives advocated in the National Development Plan (NDP) 2023-2027 of Angola<sup>4</sup> and in the Production Support, Export Diversification, and Import Substitution Program (Programa de Apoio à Produção, Diversificação das Exportações e Substituição das Importações - PRODESI) 2.0<sup>5</sup>. Investment, trade, and exports are constrained by restrictions in public institutional procedures, deriving from weak technical capacities, lack of inter-service coordination and inexistent interoperability of digital platforms, crucial to improve the efficiency and transparency needed to increase in FDI and trade.

The Angola-EU dialogue mechanism identified three priority areas, aligned with the NDP 2023-2027 and the Team Europe Initiative (TEI): (i) Sustainable economic diversification, including agriculture and agro-logistics; (ii) Good

<sup>3</sup> There are no MS indicative contributions available

<sup>4</sup> [20231030\(3\) layout Final Angola PDN 2023-2027-1.pdf \(gov.ao\)](#)

<sup>5</sup> [MEP - PRODESI 2.0 Pretende garantir maior escala na produção nacional \(gov.ao\)](#)

governance and social inclusion with emphasis on rule of law, institutional strengthening, digital and economic governance, and (iii) Human development, focusing on technical vocational education and training, among other aspects.

The Action aims to promote and increase inclusive and sustainable investment and trade that contribute to Angola's fair green transition. The specific objectives of the Action are: (1) Improve the business environment for inclusive and sustainable investments; (2) Enhance the regulatory and institutional framework for market access, sustainable export and domestic trade; (3) Increase the use of digital platforms and tools that support business development, trade and innovation by the public and private sector.

The Action contributes to Priority area 1 (Sustainable economic diversification), Specific objective 1 (Improved competitiveness and sustainability of the local private sector in Angola) and Specific objective 2 (Trade integration of Angola and diversification of exports), of the 2021-2027 Multiannual Indicative Programme (MIP) for Angola.

The Action builds on previous EU-funded interventions, namely: (i) the "Trade Support Programme (Apoio ao Comércio - ACOM)", implemented between 2016 and 2023, which had a relevant impact by improving administrative procedures, knowledge acquisition and institutional strengthening through components related to trade, investment, and exports, with tangible results in the development of skills of technicians of the Ministry of Industry and Trade (Ministério da Indústria e Comércio - MINDCOM) and AIPEX; (ii) the programme "Support to Business Friendly and Inclusive National and Regional Policies, and Strengthening Productive Capabilities and Value Chains in ACP Countries"; and (iii) the programme "Capacity building for international investment agreements and facilitation", through which a needs assessment for the implementation of the EU-Angola Sustainable Investment Facilitation Agreement (SIFA) was conducted and digital investment facilitation tools and related capacity will be provided to AIPEX.

The Action is part of the TEI "Diversification of Economy and Public Financial Management", supporting key areas of the TEI such as the trade and investment frameworks to enhance transparency and efficiencies. Along the same lines, the Action contributes to the Global Gateway Africa - Europe Investment Package<sup>4</sup> by accelerating sustainable growth and decent and green job creation, through the expansion of investment and exports by fostering a more transparent, efficient, and business-friendly climate. The Action is aligned with the European Green deal, in line with the SIFA provisions which integrate environmental, labour and climate commitments in the EU-Angola relationship. The Action can lay the foundation for future (European Fund for Sustainable Development +) green investments in the private and public sector, contributing to the implementation of the Global Gateway in Angola. Investments will be facilitated notably by: (i) improving the regulatory framework and enabling business environment to attract investment in line with the Global Gateway 360 approach; (ii) greening of Small and Medium-sized Enterprises (SMEs); and (iii) public-private dialogues to open possible financing of new business and/or infrastructure projects. The Action is in line with the EU Gender Action Plan (III) 2021-2025<sup>6</sup>, in particular to the area "Promoting economic and social rights and empowering girls and women", and with its Country Level Implementation Plan for Angola<sup>7</sup> as one of the selected areas of engagement is "Strengthening economic and social rights and the empowerment of girls and women". The Action contributes to the 6th EU-AU Summit Joint Vision for 2030<sup>8</sup>.

The Action contributes to the 2030 Agenda for Sustainable Development Goals (SDGs), in particular Decent Work and Economic Growth (SDG 8), Gender Equality (SDG 5) and Climate Action (SDG 13).

### 1.3 Zone benefitting from the Action

The Action shall be carried out in Angola which is included in the list of ODA recipients.

## 2 RATIONALE

### 2.1 Context

Angola has a vast territory rich in agricultural, mineral, fish and water resources. It was one of the largest agricultural producers on the continent until the civil war, which plagued the country between 1975 and 2002, destroyed its main structures, and displaced more than a third of its population. The country depends mainly on oil and diamonds

<sup>6</sup> [Gender Action Plan III – a priority of EU external action \(europa.eu\)](#)

<sup>7</sup> [CLIP Angola | Capacity4dev \(europa.eu\)](#)

<sup>8</sup> [final declaration-en.pdf \(europa.eu\)](#)

exports and the end of the war did not revert this scenario. Despite the government's intense efforts to reverse the legacy of the war, the country's economy continues to depend excessively on imports, with low levels of productivity, weak qualifications of its technicians, lack of production and local value-addition in key value chains, storage and distribution infrastructure, weak application of new technologies, and consequently weak competitiveness. Unemployment remains high and the economy is not generating enough jobs to keep up with the growing working-age population<sup>9</sup>. Angola is considered very vulnerable to climate change impacts, particularly drought and floods, which negatively affect livelihoods, rural and urban areas, and the business environment.

Since the election of President Lourenço in 2017, Angola adopted a reform agenda to improve the business environment and make Angola more attractive for investment. For the last couple of years, several players were involved in promoting investment and exports in Angola. These include AIPLEX which has a mandate to connect foreign investors with opportunities across the private sector and state-owned enterprises. The Ministry of Economy and Planning was involved in organising Angola's trade fair and attracting investors for Public Private Partnerships (PPPs) to boost innovation and productivity of Angola's large state-owned enterprises. The Institute of Asset Management and State Holdings is responsible for the privatisation and restructuring policy of state-owned enterprises. Angola's infrastructure requires substantial improvement, which the government is seeking to address by attracting investment in PPPs to improve ports, railroads, and key energy infrastructure.

In December 2021, Angola completed the IMF's Extended Fund Facility<sup>10</sup>, demonstrating capacity to implement difficult fiscal and macroeconomic reforms. At the same time, it has taken steps to make the public procurement process more transparent and to simplify administrative process. However, administrative procedures remain bureaucratic and time-consuming and an overall weakness in the economic governance, a poorly diversified economy, mismatched skills and lack of infrastructure make the country uncompetitive and unattractive for investments.

Angola is the EU's 6th African investment destination, capturing 7% of EU foreign direct investments in the continent (EUD 14.1 billion stock in 2021). Angola's investment stock in the EU amounted to EUR 3.5 billion in 2021. The EU is Angola's main investment partner<sup>11</sup>. Private investment is highly regulated in Angola. Each investment project must first be approved by the government through AIPLEX which monitors the execution and grants benefits in some cases. The Private Investment Law applies to private investment of any value, carried out by domestic or foreign investors. Moreover, there are relevant provisions on investments included in four international treaties ratified by Angola (African Economic Community/African Union (AU, 1994), Economic Community of Central African States (ECCAS) Treaty (1984), Southern African Development Community (SADC) Treaty (1993), and SADC Investment Protocol (2010).

The 6th Angola-EU Ministerial Meeting Joint Communiqué<sup>12</sup>, issued on 10 December 2023 under the Angola-EU Joint Way Forward dialogue mechanism, highlights Angola's commitment to the implementation of the **Angola-EU Sustainable Investment Facilitation Agreement (SIFA)**, signed on November 2023. The Agreement is designed to foster a more transparent, efficient, and predictable business environment by focusing on practical measures to improve the attraction, expansion and retention of FDI<sup>13</sup> and to ensure more sustainable and responsible investments to Angola. The SIFA is expected to benefit all types of investors, especially small- and medium-sized enterprises, including both local and foreign investors.

Concerning trade, the EU is Angola's second trade partner considering exports and imports by continent<sup>14</sup>. In February 2020 Angola submitted a formal request to start accession negotiations to the EU-SADC Economic Partnership Agreement (EPA). On 26 July 2022, the EU-SADC EPA Joint Council adopted a decision approving Angola's request, and the EU is ready to start the negotiation as soon as Angola engages in the process. Concerning the African Continental Free Trade Area Agreement (AfCFTA), Angola deposited its ratification instrument. The

<sup>9</sup> Over 550 000 new workers joined the labour force between end-2022 and end-2023, but just 10 000 jobs were added. Urban and youth unemployment surged to 42% and 58% at end-2023, respectively, up from 39% and 53% a year earlier. Economic diversification remains elusive while oil production is in structural decline.

<sup>10</sup> <https://www.imf.org/en/Countries/AGO#whatsnew>

<sup>11</sup> Source: EC, November 2023.

<sup>12</sup> [Joint Communiqué: 6th Angola-EU Ministerial Meeting | EEAS \(europa.eu\)](#)

<sup>13</sup> Such as through increasing the transparency and predictability of investment-related measures, streamlining the administrative procedures that foreign investors have to go through to establish and carry out their activities, promoting digitalisation and e-government, and improving dialogue between the administration, investors, and other stakeholders.

<sup>14</sup> As per EC web gate data, EU exports to Angola amounted to EUR 3 445 000 000 in 2023 and EU imports from Angola amounted to EUR 9 400 000 in the same year. Considering continental percentages: (1) Exports: Asia 63%, Europe 28%, Americas 6%, Africa 3%. (2) Imports: Asia 45%, Europe 37%, Americas 12%, Africa 5%. Main EU exported categories to Angola are machinery and pharmaceutical products. Main EU imported category from Angola is mineral fuels. Source: United Nations COMTRADE database on international trade.



ratification made it the 30th country to become a State Party to the AfCFTA which, as of August 2023, had 47 of the 54 signatories (87%) with deposited ratification instruments. In addition, Angola submitted a tariff offer to join the SADC Free Trade Area.

The 6th Angola-EU Ministerial Meeting Joint Communiqué indicates that the EU would support the development of the Lobito Corridor in Angola into a strategic commercial hub in the continent and a catalyst for regional added value chains.

In terms of mitigating and adapting to climate change, the SIFA aims to promote sustainable development, including commitments to effectively implement international environmental agreements, such as the Paris Agreement, to promote responsible business conducts through the uptake of international standards in companies, and to strengthen bilateral cooperation on investment-related aspects of climate change policies. In addition, supporting Angola's exports to meet international environmental standards will not only facilitate access to the EU internal market but also encourage the adoption of eco-friendly practices. These initiatives are aligned with Angola's National Climate Change Strategy 2022-2035 (Estratégia Nacional para as Alterações Climáticas de Angola - ENAC), the Nationally Determined Contributions (NDC) and the broader goals of the Paris Agreement to support the transition to a low-carbon and resilience economy. Angola plans to unconditionally reduce greenhouse gases emissions up to 14% by 2025 as compared to 2015. The adaptation component identifies strategic measures in key sectors in order to improve adaptive capacity, enhance resilience, and reduce risks caused by climate change. By fostering green jobs, the Action will contribute to sustainable economic development and help preserve biodiversity and fertile land, further preventing deforestation and land degradation.

In terms of decent work promotion, the SIFA foresees that each Party shall respect, promote and effectively implement throughout its territory the internationally recognised core labour standards as defined in the fundamental ILO Conventions. The Parties shall also promote investment policies which advance the objectives of the ILO Decent Work Agenda, and in particular maintain an effective labour inspection system for all economic sectors.

In relation to gender, the expected improvement in business environment, notably procedures related to setting up and running a formal business in non-oil related sectors, encourage formal employment, which will contribute to reducing the gender gap, in complementarity with the ongoing EU Budget Support, through reducing the informal economy where 80% of informal operators are women.

Simultaneously, consideration should be given to the set of initiatives created and implemented by the government that aim to enhance governance, transparency, and predictability, thus contributing to improve the business environment, simplify public administrative acts and procedures, stimulate exports diversification, attract domestic and foreign investors to increase formal employment and economic growth. However, to give greater robustness in the implementation of these initiatives there are some gaps and limitations currently identified concerning trade and investment facilitation which this Action will help overcome.

## 2.2 Problem Analysis

Despite diverse and abundant natural resources and sustained efforts by national authorities to stimulate economic diversification, Angola remains heavily dependent on oil and the economy is characterised by little competitiveness, high dependence on imports, and limited productive capacity. The oil sector accounts for one-third of Gross Domestic Product (GDP) and more than 90% of exports, while the agricultural sector is underdeveloped contributing 6.7% of GDP but employing 50% of the population<sup>15</sup>.

To tackle the development of non-oil productive sectors, this Action addresses various specific problems:

### (I) ATTRACTIVENESS TO INVESTMENTS

Angola faces the challenges of increasing investment, diversifying its source and making them sustainable. Although government measures brought some improvements in relevant indicators, such as the time needed to start a business, simplification and reduction of paperwork, granting entry visas, among other measures, these efforts have not had a sufficient impact on level of investments.

### (II) INCREASING TRADE AND EXPORTS

Angola has vast production potential to achieve food self-sufficiency and to compete internationally in products such as coffee, tropical fruits, cotton, corn and several others. However, less than 5% of its arable land is cultivated and imports more than 70% of the products it consumes. Agriculture is essentially family and subsistence, with little modern technological integration, although in recent years commercial agriculture has grown significantly.

<sup>15</sup> <https://erc.undp.org/evaluation/documents/download/19518>

Agroindustry, despite its high production potential, remains dormant, with very low production, insufficient productivity, and weak competitiveness.

There is incipient industrial production outside oil and diamonds, characterised by little advanced technology, insufficient quality of products and services which are concentrated mainly in urban areas. Supply of energy and water has made important progress. However, it continues to represent a challenge, along with the transport network, especially for the interior regions of the country.

Low exports of non-oil sector products remain a major obstacle to Angola's diversified participation in international trade. In addition to low production capacity and productivity, the country's transport and trade logistics frameworks and infrastructure significantly influence the outcomes of production processes and its contribution to development as well as Angola's integration into global value chains. Despite its advantageous location, railways linking to the Southern Africa region and significant deep-sea ports, the country's Logistics Performance Index (LPI) is 2.10 on 5, classified as low, underlining the pressing challenges<sup>16</sup>.

The implementation of regional and plurilateral trade and logistics integration agreements (i.e.: AfCFTA, Lobito Corridor Transit Transport Facilitation Agency (LCTTFA) Agreement, EU-SADC EPA, WTO Trade Facilitation Agreement) offers an opportunity to boost exports and strengthen selected value chains.

To increase trade with the EU internal market, producers must be better equipped to meet EU standards, both for quality and for social and environmental criteria. Despite improvements in the policy framework for the environment and climate change, gaps persist and the implementation and enforcement of regulations remain weak. The regulatory framework poses a burden for the private sector, hindering compliance with international and EU export standards and slowing down the necessary preparations of SMEs for upcoming green directives and regulations of the EU and other countries. Key stakeholders in Angola have a basic knowledge of EU environmental requirements for important products and about its implementation and enforcement. Additionally, awareness and understanding of the EU Green Deal and the Circular Economy Action Plan<sup>17</sup> amongst ministries and authorities needs to improve. Information relating to climate change or compliance is either not available or not systematically assessed. Most SMEs in Angola have a limited understanding of the evolving European environmental requirements and lack in-house capacities to keep track of international policy developments. As such, there is a need for meaningful exchange between public and private sector on how to encounter these challenges, considering the perspective and needs of companies adequately. Lastly, academia and other organisations are not coordinated with the private sector in the research of adaptive and innovative solutions in the green sector and how to complement the aim of building a more competitive and productive private sector.

### (III) DIGITAL PLATFORMS CONNECTIVITY

Economic operators and potential investors are confronted with limited and dispersed information on productive sectors' statistics, administrative procedures and applicable fiscal regimes to facilitate investment and trade. In addition, administrative procedures in the government can be complex and lengthy.

Although the provision of digital services for registration and licensing has improved, there is little interoperability capacity between the government's institutional digital platforms with key official data and administrative procedures. This is the case between AIPEX, the Ministry of Industry and Trade (MINDCOM), the MSMEs Support Institute (Instituto Nacional de Apoio às Micro, Pequenas e Médias Empresas - INAPEM) programme "Made in Angola" ("Feito em Angola", with 4 000 registered businesses) and the Ministry of Planning's "Business Angola" incipient initiative. This makes access to information about local business' production capacity and suppliers, limited, slow and incomplete.

The on-going Simplifica 2.0 programme, led by the Minister of State/Head of the Civil House of the President of the Republic, is in the process of identifying and eliminating certain licenses and requirements. However, digital literacy is still limited and there is the risk of increasing the digital divide and social exclusion particularly between the coastal areas, where there is better and more reliable connectivity, and the interior of the country.

### (IV) PARTICIPATION IN MARKET-INTEGRATED VALUE CHAINS

The lack of farmer participation in market-integrated value chains in Angola is attributed to limited knowledge of market dynamics and value chains, alongside a lack of market incentives for sustainable products such as fair pricing and consumer labelling. Additionally, weak linkages among the various actors in the value chain, both horizontally and vertically, impede effective collaboration and coordination. Furthermore, the inclusion of women and youth in downstream activities of the agrifood value chains, such as aggregation, marketing, and value addition is limited.

<sup>16</sup> <https://data.worldbank.org/indicator/LP.LPI.OVRL.XQ?locations=AO>

<sup>17</sup> [https://environment.ec.europa.eu/strategy/circular-economy-action-plan\\_en](https://environment.ec.europa.eu/strategy/circular-economy-action-plan_en)

The system often favours men with capital or resources, further marginalising women and youth from actively participating in market-driven value chains. Inadequate provision of business development services and trading infrastructure limits farmers' ability to access lucrative markets and improve their economic standing, thereby constraining the growth and competitiveness of the agricultural sector. Farmers and cooperatives often have a low understanding of financial services, tend to sell close to home due to the lack and/or cost of transportation options or storage facilities, and face post-harvest management challenges that contribute to losses.

#### **(V) LACK OF ACCESS TO SUSTAINABLE AND GREEN FINANCE FOR SMEs**

For businesses, especially SMEs, limited access to sustainable finance is a significant concern. Improving products and processes to meet better compliance standards requires investment in areas such as water management, energy conservation, wastewater treatment, and reducing chemical use. While commercial banks can provide financing products, the availability of finance for firm-level action on green and circular business transformation is still quite limited. Solutions need to be developed to offer preferential terms for SMEs, such as concessional loans, collaterals, and grants, potentially in cooperation with Development Finance Institutions (DFIs) or other international donors. Microfinance institutions must also be supported to build the capacity for financing of small-scale farmers. In addition, the underutilisation of digital technologies to improve competitiveness and commercialisation and the lack of full exploitation of regional and continental integration are notable gaps. Catalysing private investment remains urgent for Angola's economic development, particularly beyond the oil and mining sector.

Linking trade development with international requirements for environmental standards, will require the government to be committed to modernising the agricultural sector. At the same time, it must improve climate resilience while still managing to increase agricultural production, efficiency and productivity in priority agriculture value chains, in line with its NDC to 'Sustainable Agriculture' and 'Sustainable Forest Management'.

#### **(VI) INADEQUATE PACE OF GREEN TRANSFORMATION AND CLIMATE ADAPTATION**

The slow pace of transformation towards green, climate-smart, circular, and more sustainable food systems in Angola stems from several factors. These include difficulty accessing financing for sustainable practices due to perceived risks or lack of knowledge by financial institutions, difficulties in coordinating across different actors in the agri-food system, lack of transparency and traceability throughout the supply chain, and incoherent government support for sustainable agriculture. These challenges inhibit the sector's ability to adapt to environmental challenges and meet global sustainability standards in trade.

Climate change will have a significant impact on agriculture in Angola. Modelling under future climate conditions shows that the combination of reduced rainfall, increased temperature, and drought events is likely to cause insufficient soil moisture, crop loss, and reduction in agricultural production. It is also projected to affect forest cover, livestock populations, and the length of the growing season, as well as increase water stress. The situation is aggravated by the current rate of deforestation, which is compromising the country's climate change mitigation potential and important ecosystems. Angola has large areas of miombo forest remaining. These were preserved and even expanded slightly during the long civil war, but are now being converted on a large scale, mainly for subsistence agriculture but also larger-scale cropping and charcoal making.

On the other hand, the transition to more sustainable systems that are better adapted to climate change is still very slow and must be supported by an effective aid system. There is a clear need for mobilising financial instruments that can at least partially remove the economic obstacles slowing down the adoption of long-term, sustainable solutions. These solutions can rapidly replace the short-term but unsustainable practices currently adopted by the majority of smallholder farmers and agribusinesses. Additionally, improving environmental compliance through sustainable practices will enhance conditions for trade and exports, facilitating better integration into international markets. This will not only boost the competitiveness of Angola's agricultural sector but also align it with global sustainability standards. By continuing strengthening the capacity of farmers on green skills and circular business models in agri-food systems, this action can equip them with the competencies required to implement innovative agricultural practices, thus fulfilling the objective of developing sustainable and productive agrifood systems and at the same time, increasing productivity without decreasing the health of ecosystems, biodiversity or climate change resilience.

#### **(VII) DECENT WORK DEFICITS**



While Angola has already ratified eight of the ten fundamental ILO conventions and one of the two priority governance conventions dealing with the labour inspections system, its track record of practical implementation of these conventions should be much further improved.<sup>18 19 20 21</sup>

**Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:**

Ministry of Industry and Trade (Ministério da Indústria e Comércio - MINDCOM)

Mandate: (i) Develop and implement policies to support and expand transformative industry while improving business environment, (ii) Develop and promote sustained trade development, including transportation and logistics, through investment promotion; and (iii) Coordinate international trade relations and regional integration to promote exports increase and diversification. Other attributions are detailed in Presidential Decree 99/24.

Potential Role: Main beneficiary of technical assistance and training to implement indicative activities included in the three specific objectives, in coordination with AIPEX and the Lobito Corridor Transit Transport Facilitation Agency (LCTTFA).

Capacities relevant to this Action: Due to the elimination of the Ministry of Economy, MINDCOM recently captured several related areas. Three key National Directions are (i) Industry, (ii) Trade; and (iii) Integration and Economic Development. Three specific support cabinets: Information Technology, Legal; and Institutional Communications & Image. Also, implementation coordination with the National Quality Infrastructure Institute (INIQ) is subject to MINDCOM, as per Presidential Decree 95/21, art 5.

Investment and Export Promotion Agency (Agência de Investimento Privado e Promoção das Exportações - AIPEX)

Mandate: (i) Increase non-oil private sector participation in economic development through promoting and capturing FDI, (ii) Local business competitiveness development and internationalisation; and (iii) Support policies and programmes to increase exports while substituting imports. The Agency responds to the President's Office.

Potential Role: SIFA implementation coordination, enhancement of the existing Investors' Single Window.

Capacities relevant to this Action: Two key departments (Investment Promotion Department and Exports and International Business Department).

Regulatory Agency for Cargo and Logistics Certification (Agência Reguladora de Certificação de Carga e Logística de Angola - ARCCLA)

Mandate: Oversee the implementation of the Angola logistic network projects.

Potential Role: Strengthen logistics regulation coordination.

Capacities relevant to this Action: Grant interoperability of LCTTFA within the strategic programme for developing six logistics infrastructures in Angola.

Lobito Corridor Transit Transport Facilitation Agency (LCTTFA)

Mandate: Created in December 2023, responsible for the coordination of roads, railway, airway, ports; and maritime infrastructures.

Potential Role: Coordinate implementation of the LCTTFA Agreement with several international financing institutions and donors to achieve a strategic commercial hub in the region and a catalyst for setting up regional added value chains.

<sup>18</sup> Opportunities to improve implementation of ILO Convention 98 on freedom of association and collective bargaining: [https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100\\_COMMENT\\_ID,P13100\\_COUNTRY\\_ID:4366037,102999](https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4366037,102999)

<sup>19</sup> Opportunities to improve implementation of ILO Convention 100 on equal pay for work of equal value: [https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100\\_COMMENT\\_ID,P13100\\_COUNTRY\\_ID:4308454,102999](https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4308454,102999)

<sup>20</sup> Opportunities to improve implementation of ILO Convention 111 on non-discrimination on the labour market: [https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100\\_COMMENT\\_ID,P13100\\_COUNTRY\\_ID:4308448,102999](https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4308448,102999)

<sup>21</sup> Opportunities to improve implementation of ILO Convention 182 on worst forms of child labour: [https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100\\_COMMENT\\_ID,P13100\\_COUNTRY\\_ID:4115746,102999](https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4115746,102999)

Capacities relevant to this Action: To participate in the identification of the Agreement implementation priorities according to a mapping initiative currently underway.

Ministry of Planning (Ministério do Planeamento - MINPLAN)

Mandate: Territorial development and planning, as per the National Planning System, macroeconomic and public investment policy, public-private partnerships and international cooperation for development.

Potential Role: EU cooperation coordination with different ministries.

Capacities relevant to this Action: Oversees action implementation and facilitates access to information related to public-private partnerships and their Business Angola platform.

In addition, key stakeholders include other sectoral ministries and agencies, including and not limited to Ministry of Finance, tax authority, Ministry of Agriculture, Ministry of Mineral Resources, Ministry of Tourism, Ministry of Environment, Ministry of Social Action, Family and Women's Promotion, INAPEM, private sector entities and businesses (producers, traders, and services providers), private sector representations like the Angola Associations of Industry, relevant chambers of commerce of EU Member States, other sectoral chambers of commerce and related non-governmental organisations (NGOs), media, civil society representatives (including women's and underserved groups such as people with disabilities) and academic institutions which actively participate in economic diversification programs. To ensure adequate donors' coordination, the EU will coordinate with the World Bank, MINPLAN, the International Finance Corporation (IFC) and Agence Française de Développement (AFD).

Ministry of Public Administration, Labour and Social Security:

Mandate: promotion, design, elaboration, implementation and control of policies linked to labour legislation.

Potential role: Lead role for implementing **Article 30 of the SIFA (“Multilateral labour standards and agreements”)**, in close cooperation with the labour inspection system and social partners (employer organisations and trade unions) and possibly associations of informal workers/traders.

### 3 DESCRIPTION OF THE ACTION

#### 3.1 Objectives and Expected Outputs

The Overall Objective of this Action is to promote and increase inclusive and sustainable investment and trade that contribute to Angola's green transition.

The Specific Objectives of this Action are to:

1. Improve the business environment for inclusive and sustainable investments.
2. Enhance the regulatory and institutional framework for market access, sustainable export and domestic trade.
3. Increase the use of digital platforms and tools that support business development, trade and innovation by the public and private sector.

The Outputs to be delivered by this Action contributing to the corresponding Specific Objectives are:

1.1 contributing to Outcome 1 (or Specific Objective 1): SIFA implementation, including enhancing stakeholders' capacities for streamlining FDI administrative procedures..

1.2 contributing to Outcome 1 (or Specific Objective 1): Strengthened competent authorities and private sector stakeholders' capacities on Responsible Conduct of Business and multilateral environment, labour and gender equity agreements.

2.1 contributing to Outcome 2 (or Specific Objective 2): Strengthened stakeholders' capacities for accession negotiations and implementation of regional and plurilateral trade agreements.

2.2 contributing to Outcome 2 (or Specific Objective 2): Improved capacities and resources of private sector stakeholders in certifying, branding and marketing of Lobito Corridor products and opportunities.

2.3 contributing to Outcome 2 (or Specific Objective 2): Increased knowledge and expertise of businesses linked to selected value chains in meeting quality certifications, norms, and logistic requirements.

3.1 contributing to Outcome 3 (or Specific Objective 3): Improved capacities of key national platforms linked in the integration and interconnection of their existing systems.

3.2 contributing to Outcome 3 (or Specific Objective 3): Increased availability of technology solutions and expertise around the development of interoperability functions and an integrated digital trade and investment platform.

### 3.2 Indicative Activities

#### Activities relating to Output 1.1:

1. Update of the Assessment of Investment Facilitation Options developed by the United Nations Conference on Trade and Development (UNCTAD) to develop a complete mapping of the government's implementation needs for the SIFA and to establish a monitoring of SIFA commitments (including commitments to effectively implement international labour and environmental agreements, such as the Paris Agreement) and benefits.
2. Provide technical assistance to support the fulfilment of SIFA commitments, including those related to digitalisation as the basis for the harmonisation of systems to facilitate investment.
3. Provide technical assistance and training to stakeholders relevant to the implementation of the SIFA and to the proper functioning of the SIFA institutional framework (committee, dialogues), including where relevant civil society and business organisations.
4. Provide technical assistance for the simplification and increased transparency of administrative processes for foreign investors.
5. Provide technical support to improve investment processes, laws, and regulations on key issues to facilitate FDI, including through the use of stakeholder consultations and impact assessments.
6. Provide technical assistance to improve transparency of investment incentives.
7. Facilitate the establishment/reinforcement of mechanisms set out in the SIFA, notably to deal with grievances by investors or to reinforce strengthen linkages between foreign investors and domestic suppliers.

#### Activities relating to Output 1.2:

8. Organise and carry out seminars and workshops related to promoting formal, decent and green employment, including safe working conditions, preventing human trafficking, and addressing other human rights-related risks.
9. Encourage the dissemination and adoption of rules and assist with awareness campaigns about Responsible Conduct of Business, including compliance with international agreements / environmental standards, labour legislation, climate change, environmental biodiversity protection, gender equality, and social protection for persons with disabilities.
10. Encourage dialogues between all key stakeholders for improving compliance to national and international commitments.
11. Provide technical assistance and training on implementation and mutual cooperation regarding multilateral labour standards, multilateral environment agreements (including the Paris Agreement) and other international instruments relating to sustainable development.

#### Activities relating to Output 2.1:

12. Support studies to identify potential sectorial benefits from SADC-EU EPA and, based upon academic recommendations, including universities and research centres, suggest strategies to mitigate impact, identified in EPA Report.
13. Continue support for implementation of the WTO Trade Facilitation Agreement.
14. Provide technical assistance and training to relevant stakeholders for negotiation and implementation of regional and plurilateral agreements.
15. Facilitate training and development of inclusive decision-making groups (including public sector, private sector, academic representatives, civil society, and NGOs) to strengthen consensus dialogue mechanisms and participate in trade or investment facilitation and regional integration agreements negotiations monitoring.

#### Activities relating to Output 2.2:

16. Support the harmonisation of related laws and regulations to implement the LCTTFA Agreement in coordination with ARCCLA.

17. Support the identification and mapping of potential laboratories to be accredited in the provinces along the Lobito corridor.
18. Provide training for trainers in international branding and market access to benefit local private sector with export potential, thus providing visibility to local products, including but not limited to participants in the “Feito em Angola” programme.
19. Initiate dialogues between key stakeholders for improving compliance to national and international commitments, including a focus on access to green finance for SMEs to invest in sustainable production practices.
20. Promote the participation or organisation of national and international fairs and roadshows to include private sector, confederations and associations to strengthen logistics knowledge and prepare local business to reap the benefits of the Lobito Corridor.

#### Activities relating to Output 2.3:

21. Provide technical assistance to support the update of existing AIPEX survey of exporters and potential exporters, including green exports and gender aspects.
22. Provide training and technical assistance on market access, certifications (including environmental certifications), norms, export procedures based upon a training needs assessment, including gender and persons with disabilities participation.
23. Organise and carry out seminars and workshops related to climate change mitigation and adaptation, cleaner production and promotion of green exports, aiming stimulate environmentally friendly products in selected value chains, including gender and persons with disabilities participation.

#### Activities relating to Output 3.1:

24. Support connectivity among “Janela Única do Investidor”, “Feito em Angola”, “Business Angola”, “Angola Hoje” and other relevant platforms to improve business environment.
25. Support the process of creation of a single exporter window to be integrated with other platforms.

#### Activities relating to Output 3.2:

26. Provide technical assistance to support the development of a trade and investment integrated digital platform (including and not limited to statistical data and business registration administrative procedures) to be integrated with other platforms.
27. Provide continuous on-the-job training on statistical data production, data update, data analysis and production of dynamic reports to monitor trade and investment flows.
28. Develop dedicated training materials for stakeholders to achieve interconnectivity of digital platforms.
29. Promote and support workshops and ongoing mentoring for stakeholders’ systems technicians to improve their skills.
30. Carry out workshops, with the participation of academic institutions, on matters related to systems innovation, data science, and sustainable interoperability applicable to local context.

The commitment of the EU’s contribution to the Team Europe Initiative (TEI) to which this action refers, will be complemented by other contributions from Team Europe members. It is subject to the formal confirmation of each respective member’s meaningful contribution as early as possible. In case the TEIs and/or these contributions do not materialise, the EU action may continue outside a TEI framework.

### 3.3 Mainstreaming

#### **Environmental Protection & Climate Change**

The Action will complement green and just interventions from the private and public sectors side and support a sustainable and inclusive economy recovery and low-carbon resilient development. Furthermore, environmental protection and climate change mitigation and adaptation are key aspects of the transition towards a green and circular economy and will be a mainstreamed focus of the Action. Increased production and trade may have certain negative or positive impacts on environment and climate change. On the one hand, more trade and investment activities that do not follow green technologies and net-zero principles can put more pressure on the environment (land, air, water, coastal area, fisheries, etc) and contribute to further GHG emissions. On the other, with the revenue and income generated from the increased trade and investment in resource-efficient production and circular

economy, governments and industry can dedicate more financial resources to tackle environmental problems and promote the agenda for investments in sustainable development.

**Outcomes of the Strategic Environmental Assessment (SEA) screening** (relevant for budget support and strategic-level interventions)

The SEA screening concluded that no further action was required.

**Outcomes of the Environmental Impact Assessment (EIA) screening** (relevant for projects and/or specific interventions within a project)

The EIA screening classified the Action Category C; no need for further assessment.

**Outcome of the Climate Risk Assessment (CRA) screening** (relevant for projects and/or specific interventions within a project)

The CRA screening concluded that this action is no or low risk (no need for further assessment).

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### **Gender equality and empowerment of women and girls**

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This means that Gender Equality is a significant objective of the Action. A gender analysis, able to inform the proposal will be conducted in the inception phase and one explicit gender equality objective is included. Particular attention will be given to gender participation in all activities included in this Action. Considerations on gender are relevant in the investment and trade sector in Angola, since lack of economic diversification due to a high concentration on oil-production has a significant negative impact on women, who do not participate on equal terms in that sector's employment. Several studies indicate that oil production correlates negatively with female labour force participation<sup>22</sup>.

Sensitisation and awareness activities will be developed, in parallel and in complementarity with the technical assistance and training activities which will be integrated in the Action Plan, giving specific attention to women's participation, including workers, businesswomen and entrepreneurs. In the monitoring and evaluation processes, the gender issue will be addressed whenever possible and relevant, including participation of related civil society organisations and non-State actors.

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### **Human Rights**

The Action will integrate the principles of the human rights-based approach: applying all human rights for all, meaningful and inclusive participation and access to decision-making, non-discrimination and equality, accountability, and rule of law for all, and transparency and access to information. To this end, a consultation processes to right-holders about their needs and aspirations will be carried out along the different stages of the project's cycle. The consultations will promote and ensure the participation and voice of women, including more vulnerable groups such as widows, single women, the elderly and young women, LGBTQI+ and persons with disabilities. An accountability mechanism will be in place for people and communities who believe that they have been, or are likely to be, harmed by the Action, and access to information will be ensured.

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### **Disability**

As per OECD Disability DAC codes identified in section 1.1, this Action is labelled as D0. Nevertheless, to the extent possible, people with disabilities will be given priority in the selection of right-holders participating in the Action, and the Action will ensure their specific needs are not overlooked. To this end, activities related to gathering data on needs of persons with disabilities will be included.

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### **Reduction of inequalities**

As per the Inequality Marker, this Action has been labelled marked as an I0 since inequality reduction is not targeted.

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### **Democracy and Good Governance**

This Action includes technical assistance and training to implement provisions included in the SIFA that are relevant for democracy and good governance. Notably, the enhancement of official digital platforms and their interoperability to facilitate access to information, statistics, and administrative procedures to facilitate investment and trade improve transparency, thereby strengthening good governance. The SIFA also encourages good practices in policymaking, such as consultations and impact assessments. Moreover, the implementation of the SIFA will

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<sup>22</sup> For example: [AfDB WomenEconomicsEmpowerment\\_V15.pdf](#)



involve the promotion and application of Responsible Business Conduct practices. The technical assistance and training will benefit public sector stakeholders and private sector representatives participating in the activities.

#### **Conflict sensitivity, peace, and resilience**

Not relevant for this Action.

#### **Disaster Risk Reduction**

Not relevant for this Action.

#### **Other considerations if relevant**

N/A

### 3.4 Risks and Lessons Learnt

<b>Category</b>	<b>Risks</b>	<b>Likelihood (High/ Medium/ Low)</b>	<b>Impact (High/ Medium/ Low)</b>	<b>Mitigating measures</b>
People and organisations	Lack of clear responsibilities and functions and, in some cases, overlapping responsibilities regarding investment and trade-related matters.	<b>M</b>	<b>M</b>	Inception Report including a Work Plan with clear responsibilities and functions to be supported.
People and organisations	Lack of well-defined collaboration and coordination rules and practices, limited means and capacity of public institutions.	<b>L</b>	<b>L</b>	Clear definition of Work Plan and Terms of Reference in consensus with beneficiaries' authorities.
External environment	Vested economic and political interests, which benefit from the status quo.	<b>L</b>	<b>L</b>	Document Technical Committee analysis and recommendations in minutes.
People and organisations	Weak administrative systems	<b>H</b>	<b>L</b>	Identification of weaknesses to be addressed them in activities/work plan activities.
External organisations	A very centralised policy making process	<b>L</b>	<b>L</b>	Achievement of stakeholders' consensus over participatory decision-making process.
People and organisations	Limited commitment to gender equality and women's empowerment, Human Rights Based Approach (HRBA) and Disabilities inclusion by the targeted institutions and non-state actors.	<b>H</b>	<b>H</b>	Provision of sufficient means to work with institutions and non-State actors on the importance of mainstreaming Gender Equality, HRBA and rights of People with Disabilities.

#### **Lessons Learnt:**

The EU-financed Trade Support Programme (Apoio ao Comércio - ACOM) 2016-2023, which included technical assistance, capacity building and training for seven years, provide lessons. The Programme had three components, each with a different implementing team, and the one implemented by a UN agency started two years later than the embedded technical assistance and the communication components. This resulted in reduced synergies and efficiency.

For this Action, the following lessons are relevant:

- **Direct/Indirect Management.** Implement all components with a unique team with direct management to ensure greater internal coherence and coordination in the implementation. However, if need be, Indirect Management with an entrusted entity could be considered.

- Internal procedures. Improve efficiency by adopting simplified procedures to select, hire and mobilise non-key experts in a timelier manner.
- Tailor-made capacity building. Conduct surveys and questionnaires to determine institutional technical needs, and use the ones already carried out under the ACP Private Sector Development Business Friendly Programme, specifically on facilitation of investment entry and client retention services, to contribute to appropriation of improvements and greater sustainability of the technical assistance investment.
- Flexibility. Plan activities with flexibility and capacity to absorb changes in local context, authorities, institutional structures, mandates, and conditions that may occur during implementation. Close and regular coordination between key stakeholders, mainly through the Technical Committee, will be an integral part of the action to resolve difficulties.

### 3.5 The Intervention Logic

The underlying intervention logic for this Action is that:

#### For **Specific Objective 1**,

IF stakeholders' capacities for streamlining FDI administrative procedures, including SIFA implementation, are enhanced, AND competent authorities and private sector stakeholders' capacities on Responsible Conduct of Business and multilateral environment, labour and gender equity agreements are strengthened;

ASSUMING THAT beneficiary institutions demonstrate interest and commitment; AND technical and physical capacity are available;

THEN Specific Objective 1 (Improve the business environment for inclusive and sustainable investments) can be achieved.

#### For **Specific Objective 2**,

IF stakeholders' capacities for accession negotiations and implementation of regional and plurilateral trade agreements are strengthened, AND the capacities and resources of private sector stakeholders in certifying, branding and marketing of Lobito Corridor products and opportunities are improved, AND knowledge and expertise of businesses linked to selected value chains in meeting quality certifications, norms, and logistic requirements are increased;

ASSUMING THAT beneficiary institutions are available and committed; AND technical and physical means are available;

THEN Specific Objective 2 (Enhance the regulatory and institutional framework for market access, sustainable export and domestic trade) can be achieved.

#### For **Specific Objective 3**,

IF the capacities of key national platforms linked in the integration and interconnection of their existing systems are improved, AND the availability of technology solutions and expertise around the development of interoperability functions and an integrated digital trade and investment platform is increased;

ASSUMING THAT beneficiary institutions are available and committed; AND technical and physical means are available;

THEN Specific Objective 3 (Increase the use of digital platforms and tools that support business development, trade and innovation by the public and private sector) can be achieved.

#### AND ASSUMING THAT:

- The government remains committed to implementing SIFA with new measures to attract FDI;
- Trade facilitation and non-oil exports remain among the government's priorities;
- The government is committed to achieve official digital platforms interoperability;

THEN the **Impact** (To promote and increase inclusive and sustainable investment and trade that contribute to Angola's green transition n) can be achieved.

### 3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

Based on this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g., including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

PROJECT MODALITY (3 levels of results / indicators / Source of Data / Assumptions - no activities)

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	To promote and increase inclusive and sustainable investment and trade that contribute to Angola's green transition	1 Non-oil FDI to Angola	1 1% of non-oil GDP (2023)	1 To be determined during the 1 <sup>st</sup> Progress Report period	1. IMF	Not applicable
		2 Share of non-oil/extractive good and services in the GDP	2 3.1% (projected 2024)	2 To be determined during the 1st Progress Report period	2 World Bank based on National Statistics	
Outcome 1	1 Improved business environment for inclusive and sustainable investments	1.1 % of implementation of the Sustainable Investment Facilitation Agreement (SIFA) commitments	1.1 0 (2024)	1.1 To be determined during inception	1.1 Annual reports from the Ministry of Industry and Trade, the Ministry of Planning and AIPEX	Competent institutions and decision-makers keep committed to the implementation of SIFA and other key policies related to inclusive and sustainable trade and exports.
		1.2 Angola's score in the Investment Facilitation Index	1.2 0.744 (2024)	1.2 To be determined during inception	1.2 Investment Facilitation Index, German Institute of Development and Sustainability (IDOS)	
		1.3 Number of policy, regulatory or legal reforms adopted to support women's employment and entrepreneurship, such as in terms of ownership and land rights, inheritance, mobility, access to identification (GAP III indicator)	1.3 To be determined during inception	1.3 To be determined during inception	1.3 Institutional strategies and/or approved acts from the competent institutions	
Outcome 2	2 Enhanced regulatory and institutional framework for market access, sustainable export and domestic trade	2.1 % of progress in the negotiation of AfCFTA, SADC Trade Protocol and SADC-EU EPA	2.1 0 (2024)	2.1 To be determined during inception	2.1 Progress and Final Reports for the Action	Economic relations between Angola and foreign markets remain stable, ensuring free export of products and access to international customers.
		2.2 Extent to which Angolan legislation is compatible with World Trade Organisation (WTO) rules	2.2 To be determined during inception	2.2 To be determined during inception	2.2 Progress and Final Reports for the Action	
Outcome 3	3 Increase the use of digital platforms and tools that support business	3.1 Number of digital platforms and/or information systems that have been interconnected with the support of the EU Action	3.1 0 (2024)	3.1 At least 3	3.1 Progress and Final Reports for the Action	Access to fiscal policies and regimes information. Stakeholders' participation.

	development, trade and innovation by the public and private sector					
<b>Output 1 relating to Outcome 1</b>	1.1 SIFA implementation, including enhancing stakeholders' capacities for streamlining FDI administrative procedures	1.1.1 Number of SIFA's implementation stakeholders participating to the trainings provided with the support of the Action with increased knowledge of SIFA implementation (disaggregated by sex, age, type of staff, type of training and institution)	1.1.1 0 (2024)	1.1.1 To be determined in the first 6 months.	1.1.1 Progress Reports for the Action	
		1.1.2 Number of FDI-related pieces of legislations drafted with the support of the Action	1.1.2 0 (2024)	1.1.2 To be determined during first 6 months	1.1.2 Progress Reports for the Action	
		1.1.3 Number of administrative processes simplified with the support of the Action	1.1.3 0 (2024)	1.1.3 To be determined during first 6 months	1.1.3 Progress Reports for the Action	
<b>Output 2 relating to Outcome 1</b>	1.2. Strengthened competent authorities and private sector stakeholders' capacities on Responsible Conduct of Business and multilateral environment, labour and gender equity agreements	1.2.1 Number of decision-making groups with access to updated and relevant data and resources to revise the current regulatory framework.	1.2.1 To be determined during inception	1.2.1 To be determined during first 6 months.	1.2.1 Progress Reports for the Action	Government's interest in negotiating its participation.
		1.2.2 Number of public and private stakeholders (disaggregated by sex, age, type of staff, and institution) participating in the trainings carried out with the support of the Action who have obtained significantly increased knowledge on Responsible Conduct of Business and have obtained significantly increased knowledge of multilateral environment, labour and gender equity agreements.	1.2.2 To be determined during inception	1.2.2 To be determined during first 6 months.	1.2.2 Progress Reports for the Action	
<b>Output 1 relating to Outcome 2</b>	2.1 Strengthened stakeholders' capacities for accession negotiations and implementation of regional and plurilateral trade agreements	2.1.1 Number of studies and/or strategic documents on the benefit of accessing the EU-SADC EPA, SADC Trade Protocol and the AfCFTA produced with the support of the Action Stakeholders facilitate access to information	2.1.1 To be determined during inception	2.1.1 To be determined during the first 6 months	2.1.1 Inception and Progress Reports for the Action	
		2.1.2 Number of CSOs, private stakeholders and/or other key sectoral actors involved in the policy dialogues to improve the current trade/export procedures and/or regulatory framework	2.1.2 To be determined during inception	2.1.2 To be determined during the first 6 months	2.1.2 Progress Reports for the Action	



		2.1.3 Number of EPA and AfCFTA stakeholders (disaggregated by sex, age, type of staff, and institution) participating to the trainings carried out with the support of the Action with increased knowledge on trade agreements	2.1.3 To be determined during inception	2.1.3 To be determined during the first 6 months	2.1.3 Progress Reports for the Action	
<b>Output 2</b> <b>relating to Outcome 2</b>	2.2 Improved capacities and resources of private sector stakeholders in certifying, branding and marketing of Lobito Corridor products and opportunities	2.2.1 Number of proposals to harmonise laws and regulations to implement Lobito Corridor Transit Transport Facilitation Agency Agreement that have been drafted with the support of the Action	2.2.1 To be determined during inception	2.2.1 To be determined during first 6 months	2.2.1 Progress Reports for the Action	Broad public and private sector participation
		2.2.2 Number of laboratories, targeted in the provinces along the Lobito corridor, that have been identified to receive accreditation	2.2.2 To be determined during inception	2.2.2 To be determined during first 6 months.	2.2.2 Progress Reports for the Action	
		2.2.3 Number of companies with improved branding and market access tools with the support of the intervention	2.2.3 To be determined during inception	2.2.3 To be determined during first 6 months.	2.2.3 Progress Reports for the Action	
		2.2.4 Number of companies that have been involved in the fairs and roadshow organised with the support of the Action	2.2.4 To be determined during Inception	2.2.4 To be determined during first 6 months	2.2.4 Progress Reports for the Action	
<b>Output 3</b> <b>relating to Outcome 2</b>	2.3 Increased knowledge and expertise of businesses linked to selected value chains in meeting quality certifications, norms, and logistic requirements	2.3.1 Number of companies that have provided updated information to the existing AIPEX survey of exporters and potential exporters with the support of the EU	2.3.1 To be determined during Inception.	2.3.1 At least 3 digital platforms interconnected	2.3.1 Progress and Final Reports for the Action	AIPEX, MINDCOM and other stakeholders facilitate access to information and grant their technical staff participation.
		2.3.2 Number of people with improved access on market access, certifications, norms, export procedures with the support of the EU (disaggregated by sex, age, type of staff, type of training and institution)	2.3.2 To be determined during Inception	2.3.2 At least 3 digital platforms interconnected	2.3.2 Progress and Final Reports for the Action	
<b>Output 1</b> <b>relating to Outcome 3</b>	3.1 Improved capacities of key national platforms linked in the integration and interconnection of their existing systems	3.1.1 Number of platforms that have been revised and/or updated with the support of the Action to improve their interoperability functions	3.1.1 To be determined during Inception.	3.1.1 100%	3.1.1 Progress Reports for the Action	MINDCOM's commitment to develop its digital platform to be interconnected with other platforms. Digital platforms stakeholders actively participate.
		3.1.2 Number of procedures, included in the trade integrated digital platform, that have been integrated/connected with other governmental systems	3.1.2 To be determined during Inception	3.1.2 100%	3.1.2 Progress Reports for the Action	

<b>Output 2 relating to Outcome 3</b>	3.2 Increased availability of technology solutions and expertise around the development of interoperability functions and an integrated digital trade and investment platform	3.2.1 Number of people, staff of competent institutions and/or other key stakeholders, with improved knowledge on data production, data update and data analysis through on-the-job training strategies.	3.2.1 To be determined during Inception.	3.2.1 To be determined during year 1	3.2.1 Progress and Final Reports for the Action	
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## 4 IMPLEMENTATION ARRANGEMENTS

### 4.1 Financing Agreement

In order to implement this Action, it is envisaged to conclude a financing agreement with the partner country.

### 4.2 Indicative Implementation Period

The indicative operational implementation period of this Action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

### 4.3 Implementation of the Budget Support Component

N/A

### 4.4 Implementation Modalities

The Commission will ensure that the EU rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures<sup>23</sup>.

#### 4.4.1 Direct Management (Procurement)

This Action may be implemented in direct management through procurement.

The implementation entails Specific Objectives 1 (Improve the business environment for inclusive and sustainable investments), 2 (Enhance the regulatory and institutional framework for market access, sustainable export and domestic trade), and 3 (Increase the use of digital platforms and tools that support business development, trade and innovation by the public and private sector).

#### 4.4.2 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

If implementation in direct management fail, this Action may also be implemented for the concerned Objectives in indirect management with one or more entities, which will be selected by the Commission's services using the following criteria:

- Knowledge of and experience with the historical, political and social context of Angola;
- Extensive operational and professional capacity in the fields of trade and investment;
- Established relationships with the institutions relevant to trade and investment in Angola;
- Recognised experience and expertise in enhancing trade promotion and investment facilitation, with focus on administrative simplification and tax regimes analysis to identify more conducive to FDI schemes;
- Recognised experience and expertise in providing support to e-governance, digital platforms inter-operativity, connectivity, data protection, privacy rights and cybersecurity.

The implementation by this entity(ies) entails Specific Objectives 1 (Improve the business environment for inclusive and sustainable investments), 2 (Enhance the regulatory and institutional framework for market access, sustainable export and domestic trade), and 3 (Increase the use of digital platforms and tools that support business development, trade and innovation by the public and private sector).

### 4.5 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply subject to the following provisions:

<sup>23</sup> [www.sanctionsmap.eu](http://www.sanctionsmap.eu). Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

#### 4.6. Indicative Budget

<b>Indicative Budget components</b>	<b>EU contribution (amount in EUR)</b>
<b>Implementation modalities – cf. section 4.4</b>	
<b>Specific Objective 1</b> “Improve the business environment for inclusive and sustainable investments” composed of	2 000 000
Direct management through procurement - cf. section 4.4.1	
<b>Specific Objective 2</b> “Enhance the regulatory and institutional framework for market access, sustainable export and domestic trade” composed of	3 800 000
Direct management through procurement - cf. section 4.4.1	
<b>Specific Objective 3</b> “Increase the use of digital platforms and tools that support business development, trade and innovation by the public and private sector” composed of	2 000 000
Direct management through procurement - cf. section 4.4.1	
<b>Procurement</b> – total envelope under section 4.4.1	8 100 000
<b>Evaluation</b> – cf. section 5.2	300 000
<b>Audit</b> – cf. section 5.3	
<b>Contingencies</b>	400 000
<b>Total</b>	8 500 000

#### 4.7 Organisational Set-up and Responsibilities

The Action will have a Management Unit which will be composed of a Team Leader (TL), responsible for the coordination, planning, management, and implementation of the activities. The TL will be supported by three senior experts, and an administrative assistant. Experts in specific domains relevant to the Action will be mobilised according to the needs of the project on a short-term basis.

The TL will ensure direct follow-up on the daily coordination and implementation of the project with the representatives of National Authorities and EU Delegation. These bodies will form the National Coordination Committee which will have as one of the main duties favouring the synergies among project components.

The Action will have a Steering Committee (SC). The SC members will be the focal points of the main national beneficiaries' institutions; i.e.: Ministry of Industry and Trade, Ministry of Planning; and the EU Delegation. Other stakeholders could be invited to participate in the SC, if necessary. The SC will be responsible to oversee the project results and activities and financial execution as well as to promote the political dialogue.

The SC will also provide a forum to discuss work plans and progress on results as well as policy development, collaboration, adjustments to previous 6-month work plan and information-sharing. It will ensure that the project remains on track, on time and within budget.

The Management Unit will also ensure project reporting to the SC as well as to the EU Delegation and will support donors' coordination. The SC will meet twice a year, indicatively, and extraordinarily at any time, at the request of any of its main representatives.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structure and may sign or enter into joint declarations or statements, for the purpose of enhancing the visibility of the EU and its contribution to this action and ensuring effective coordination.

#### 4.8 Pre-conditions (Only for project modality) - N/A

## 5 PERFORMANCE MEASUREMENT

### 5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this Action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring: The implementing partner will have specific responsibilities for monitoring and reporting under this action. Common quantitative and qualitative indicators will be used, as much as possible, to allow wide accurate and complete reporting. Indicator values will be measured, depending on the nature of the activities, including gender disaggregation. All monitoring and reporting shall assess how the action is taking into account the human rights based approach, gender equality and the reduction of inequalities.

All monitoring and reporting shall assess how the Action is considering the principle of gender equality, human rights-based approach, and rights of persons with disabilities including inclusion and diversity. Indicators shall be disaggregated at least by sex and disability.

### 5.2 Evaluation

Having regard to the nature of the Action, a mid-term and a final evaluation may be carried out for this Action or its components via independent consultants contracted by the Commission. The mid-term evaluation will be carried out for problem solving and learning purposes, in particular with respect to determining if the Action is on track and if any adaptation measures are required. The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the need to verify to which degree the Action may continue to be supported under any potential further phase.

All evaluations shall assess to what extent the Action is taking into account the human rights-based approach as well as how it contributes to gender equality and women's empowerment and disability inclusion expertise on human rights, disability and gender equality will be ensured in the evaluation teams.

The Commission shall inform the implementing partner at least two months in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

Evaluation services may be contracted under a framework contract.

### 5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this Action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

## 6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.



In line with the 2022 “[Communicating and Raising EU Visibility: Guidance for External Actions](#)”, it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union’s support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

## Appendix 1 REPORTING IN OPSYS

A Primary Intervention (project/programme) is a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Identifying the level of the primary intervention will allow for:

Articulating Actions or Contracts according to an expected chain of results and therefore allowing them to ensure efficient monitoring and reporting of performance;

Differentiating these Actions or Contracts from those that do not produce direct reportable development results, defined as support entities (i.e. audits, evaluations);

Having a complete and exhaustive mapping of all results-bearing Actions and Contracts.

Primary Interventions are identified during the design of each action by the responsible service (Delegation or Headquarters operational Unit).

The level of the Primary Intervention chosen can be modified (directly in OPSYS) and the modification does not constitute an amendment of the action document.

The intervention level for the present Action identifies as (tick one of the 4 following options);

Action level (i.e. Budget Support, blending)		
<input checked="" type="checkbox"/>	Single action	Present action: all contracts in the present action