

Evaluation of EU External Action – Response of the Services



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Recommendations from the independent Evaluation Report		Response of the services	Follow-up (one year later)
R1	The EU should track performance in the four key areas of (i) political democratisation; (ii) macro-economic stability and predictability; (iii) transparent and competitive markets; (iv) improved administrative procedures and processes, to monitor to what extent the Government is improving the environment for long-term, predictable and broad-based collaboration.	<p>Partially accepted Explanations and what the targeted service(s) is/are planning to do. EUD response</p> <p>Political Democratisation The Delegation is following the political processes in the country. The basis of our partnership and cooperation with Angola is the respect and compliance with fundamental Human Rights and essential values such as democracy. The promotion of Human Rights and Democracy is done via a regular political dialogue with the country as well as a series of cooperation interventions that aim at promoting and protecting Human Rights and Democracy. The EU will pursue this line of work and in particular focus on governance, rule of law and democratic participation. The structural weaknesses of CSOs in Angola, which are not conducive to a</p>	

more dynamic civic participation, will be addressed via a consistent intervention on capacity building of CSOs.

Macro-economic stability and predictability - Angola has made important progress as a result of the government's ongoing macroeconomic stabilization reforms. Among the advances already achieved, we highlight the reform of the legal framework, the timely and frequent publication of reports on the use of budget resources, at the level of Audits of national accounts by the Court of Auditors, the measures to rationalize Public Expenditure, with important gains relative to non-oil tax revenue and a notable decrease in non-essential expenditure. We also underline the fiscal policy measures that allowed, even in 2021, a significant reduction in the ratio of public debt in relation to Gross Domestic Product. The IMF estimates a positive growth for the national economy from the year 2022 onwards, with the non-oil sector playing a key role in the country's overall growth rate. The field of Public Finance has been one of the privileged areas of cooperation between the European Union and Angola, both at the bilateral level and at the level of regional cooperation with the PALOP and East Timor. This area will continue to be supported within the framework of both regional and bilateral programming, for the period from 2021 to 2027, through support for the adoption of internationally recommended best practices and investment in new technologies, in particular, in Digitization, as tools and instruments. overcoming technological stages

Transparent and competitive markets - Angola's economy remains unclear and very uncompetitive, mainly due to deep structural problems. However, the European Union, but also other development partners such as the IMF and the World Bank, provide support for the technical capacity building of the responsible bodies and the adoption of measures to reinforce the Doing Business indicators. The EUD is funding the Support to Trade project – ACOM, which includes UNCTAD's Train For Trade program that works to support government and private sector efforts to make the economy more competitive and transparent.

For the next MIP, Sustainable economic diversification will be the main support area, with an estimated budget of 137.5 M€, corresponding to 50% of the Budget for the period 2021 - 2027.

Improved administrative procedures and processes to monitor the extent to which the Government is improving the environment for long-term, predictable and broad collaboration. – Public Administration in

		<p>Angola continues to be heavy, gigantic, inefficient and extremely bureaucratic. However, the Government is making some effort to make it more efficient and simplified, despite these measures being considered insufficient and unambitious. The Government needs to develop a strategy for a deep reform of the Public Administration. Without a well-defined strategy and political will, EU support faces a high risk of not being successful and having no impact on results. However, within the scope of the next MIP, the EUD intends to continue supporting the Government to improve Doping Business indicators, transparency and the management of public resources in coordination with the interventions of the IMF and World Bank.</p>	
R2	<p>The EU should focus on agricultural-led development as a core concern under MIP Priority Area 1 and expand this engagement with the Member States with the Team Europe Initiative.</p>	<p>Partially accepted</p> <p>Considering productive potential of the country and number of people working in the sector, agriculture should contribute substantially to the diversification of Angolan economy and attracts foreign investments. However, 90% of agriculture in Angola is made of subsistence practices and low productivity family farms. It is not realistic to transform this 90% of agriculture to lead economic diversification in Angola in the period of the MIP.</p> <p>Nevertheless, MIP Priority area 1 contribute to agriculture development by upgrading sustainable value chains to increase productivity, and promote climate smart agriculture. Furthermore, EU approach to sustainable economic diversification (MIP Area 1) does not come only from agriculture, but also from the blue economy, circular economy and investments in clean energy.</p> <p>Focus of the MIP is on agribusiness, in the first instance, which represents only 10% of agriculture production in Angola. However, efforts should be made to transform low productivity family farming to better contribute to agriculture diversification.</p>	
R2.1	<p>While the natural resources base is considered very good, the institutional, legal, infrastructure, skills and basic social services foundations are generally poor, which is what the EU should focus on.</p>	<p>Partially accepted</p> <p>Our understanding of this recommendation is that the EU should focus on restructuring the whole agricultural sector such as institutional, legal, infrastructure, skills and basic social services foundations (for farmers). The EU cannot approach the whole restructuration of the sector with provisions of the MIP. However, contribution shall be to increase skills of farmers, economic players and infrastructures in agriculture value chains, reinforce governance and services of the sector, through policy dialogue and capacity building.</p>	

		<p>In any case, EU cooperation has been largely focused on strengthening capacities, not only human but also institutional, for most of the institutional sectors addressed, including legal and regulatory frameworks.</p> <p>Within the framework of the next MIP Human Development is one of the priority sectors with a € 55 M budget, corresponding to around 20% of the total MIP. Education will be therefore, the most privileged subsector and there will be an attempt to respond to the labor market needs. There is an ambition of creating a virtuous circle between better education and improved educational outcomes thus contributing to higher incomes and to improvement in living standards.</p>	
<i>R2.2</i>	Working with the appropriate stakeholder groups, the EU should support the development of a politically owned, technically solid and financially viable sector strategy as the foundation for its support to an agriculture-led development programme	<p>Partially accepted</p> <p>The support can focus around stakeholders groups involved in the implementation and governance of specific interventions in agriculture value chains. However, broader support to encompass the whole agricultural sector strategy is beyond the scope of the MIP. Despite recognizing the importance of the Agriculture sector for Angola and the reasons given by the consultant, the position of the EU Delegation is that other sectors should be intervened, especially where the participation of the European Union can have an added value. EU-funded interventions should take into account real-life experiences on the ground, lessons learned and the government's strategy and priorities, but also the European Union's cooperation priorities</p>	
<i>R2.3</i>	Based on an agricultural sector development strategy, the EU should support the identification of a “minimum needs” public sector capacity with a 5–10-year master plan for improving the situation.	<p>Rejected</p> <p>The MIP does not provide for this “public sector master plan” which require a comprehensive approach with public institutions. As mentioned above, the intervention is focused on agriculture value chains including with participation of private sector. However, the idea of identifying a “minimum needs” public sector capacity with a 5–10-year master plan for improving the situation could be an initial talking point for a broader, long-term approach with the authorities.</p>	
<i>R2.4</i>	The EU might offer to finance a comprehensive land review with the objective of updating land laws; establish principles of land titling, usufruct rights, land as collateral; support the development of a land cadastre with a focus on high-productive areas but that includes the various land holding schemes under which current users are exploiting agricultural land.	<p>Partially accepted</p> <p>Despite the recommendation goes beyond MIP scope, the land review may be useful to foster private investments and agribusiness development, including value chains. Therefore, actions can be undertaken, through policy dialogue and provision of technical assistance, to support land review in the country.</p>	

		However, it is necessary to be aware that this process is a huge challenge, taking into account that the land issue in Angola involves an extremely complex context, with an intersection of elements such as land ownership, customary law, litigation, access to land by tribal peoples, etc. Furthermore, this set of measures requires strong ownership and political will on the authorities side, who are responsible for conducting and taking decisions in this process.	
<i>R2.5</i>	The EU can assist local actors develop more integrated territorial /area-based approaches to rural development including public investment “packages” that will allow the rural population to remain in rural areas and attract youth to invest in agricultural production.	Accepted The Territorial/area based approach shall be used in developing value chains projects foresee in the MIP. Value chains are drivers for investment, with main focus to create jobs and attract youth to invest in rural areas. However, keep in mind that this process is a huge challenge. Areas outside Luanda, rural areas in particular, are highly underdeveloped and lacking social infrastructure. On the other hand, the attractive power of cities, especially Luanda, is very strong in young people’s minds, who are tired of hard rural life in the countryside. They aspire to an urban lifestyle and dreaming of a stereotypical view	
<i>R2.6</i>	The EU may assist the development of a long-term viable rural credit system through support to risk-sharing, insurance, first-loss and innovative approaches to rural lending.	Accepted In fact the weaknesses in the agricultural credit system is one of the biggest constraints to the development of this sector in Angola and which needs to be quickly intervened. This will be considered trough the mobilization of EU instruments (Agrifi, etc) for rural credit systems to facilitate investment in agriculture value chain development.	
<i>R2.7</i>	The EU should use this agricultural-led approach as the foundation for its support to the Team Europe Initiative , providing opportunities for Member States and other actors to develop complementary actions such as value-chain development through private investments.	Partially accepted As mentioned in R 2.2, support can focus around stakeholders groups involved in the implementation and governance of specific interventions in agriculture value chains. Collaboration and coordination with the member states actions has been discussed in regular meetings, both in the context of Team Europe Initiatives (TEIs) and in other types of initiatives. There are several interventions in the area of agriculture supported by some member states, for example in the honey sector, by France, and FRESAN who’s managed by Portugal. Within the scope of the TEIs, no agreement could be reached until now, mainly due to the unavailability of financial resources on the side of the MS. In any case, we will remain open to exploring the possibilities of cooperation with MS and other entities. However, this agricultural-led approach is beyond the scope of the MIP	

R2.8	The EU should ensure that a significant part of the PASCAL project is allocated to municipalities that are identified as important for agricultural-led development . The PASCAL project in these areas should include assistance to strengthening an enabling environment for local business and agricultural production and help combat all forms of barriers to competitive local markets.	<p>Accepted</p> <p>Several initiatives to strengthen an enabling environment for local business and agricultural production have been taken over the last two decades of EU cooperation with Angola. This has been done within the framework of budget lines as well as EDF projects. As part of the 11th EDF, within the scope of the ACOM - Trade Support project, several actions were planned and implemented in order to help Angola to combat barriers to competitive local markets.</p> <p>In the context of the next MIP, additional action will be directed to support local governance and municipalities to establish enabling environment for investments and services in all component of value chains.</p>	
R2.9	The EU should help strengthen local planning and , in particular, local public investment processes to ensure rural areas and agricultural-based activities are fully taken into consideration.	<p>Accepted</p> <p>As mentioned above, action shall be directed to support local planning processes, including budgeting to support the development of agriculture interventions promoted under the MIP.</p>	
R2.10	The EU should extend its on-going support to TVET and tertiary education to include primary sector relevant training, education and research , with particular attention to the needs of the smallholder sector.	<p>Accepted</p> <p>With the RETFOP programme, we are currently training around 50 teachers in the areas of farming and agriculture at the Agrarian Sciences Faculty at University Jose Eduardo dos Santos in Huambo. Their course will end in 2023 and afterwards they are supposed to be hired by the government to teach in agrarian technical schools. In addition, with the UNI.AO programme we are supporting five new postgraduate courses in the area of agriculture at the faculty mentioned above in Huambo. For the near future, we are preparing a blending with AFD to revitalize the Angolan agrarian technical schools. In particular, AFD will loan 35 million euros to the government and the DEU will grant 5 million euros to reinforce gender equality at those schools</p>	
R2.11	The EU should support Angolan authorities develop a capacity building programme for creating “minimum needs” organisations and skills for agricultural-led growth and development to be viable.	<p>Accepted</p> <p>Capacity Building has been a constant throughout the development cooperation program with Angola, taking into account that it is a structural weakness across all sectors. This support has also been given to the agriculture sector, within the scope of EDF projects and budget lines</p> <p>Under the MIP, Agriculture value chains intervention shall be implemented with strong components of capacity building.</p>	
R2.12	The EU should explore options for twinning arrangements to build sustainable capacities in the agricultural sector.	<p>Accepted</p> <p>- Twinning modality could, in the future, bring added value to public policy making and reinforce institutional capacities in the agricultural sector through transfer of know-how and peer-to-peer exchange.</p>	
R.3	The EU should continue the high-level policy dialogue with Angola but should address more issues related to the bilateral	<p>Accepted</p>	

	cooperation , and in particular seek to find solutions to political and administrative bottlenecks for implementation of interventions.	High-level policy dialogue should, in the future, address issues encountered by bilateral cooperation at political level, as privileging interaction with national authorities at political level might, in the case of bottlenecks or lack ownership, bring the necessary leverage to reach expected results.	
R.4	The EU should make it clear that it is willing to accommodate any request for election observers and sees this as important for documenting improvements in the field of democratisation.	Accepted The EU did offer the Government of Angola the possibility of sending an EU Election Observation mission in the past general election as well as in the 2022 electoral cycle. During the 2017 general elections, an EU Election Expert mission could be mobilized. The offer to mobilize an EU Election Observation mission for the 2022 election was formulated already.	
R.5	The EU should establish a facility for financing Angolan contributions to quality assurance activities along the entire intervention delivery chain; support experience sharing and open learning arenas; and help build local institutional memory regarding achievements and challenges identified in EU-funded activities for better decision-making and implementation.	Accepted The E.U. interventions within the framework of cooperation are subject to regular assessments, audits and ROM, which aim not only to observe compliance with rules and contractual commitments, but also to guarantee the quality of services provided and goods supplied. Reports are shared and the information available must be quality benchmarks for beneficiaries. The quality of the experts available also allows contact with new procedures and reference frameworks that open a window for reflection on quality. Within the scope of some interventions, digital platforms were created, such as, for example, the Technical Assistance contract for the NAO Services and in the area of Justice, the regional projects PALOP/Timor Leste. These platforms collect and record the essential and most important information concerning the implemented actions, allowing not only adequate action coordination, but also the information archiving that guarantees the safeguarding of an institutional memory. Some of these platforms include training content and were also designed to support training actions. At the same time, the EUD has insisted, whenever relevant and appropriate, for the production of manuals, not only as instruments to support the training of technical consultation, but also as records that remain for the institution's memory. However, a structured reflection on how to support the quality assurance of the interventions; reinforcing the sharing of experiences and the greater openness of learning arenas, as well as the construction of local institutional memory with a view to better decision-making and implementation, could constitute an initiative of enormous added value and a mechanism for strengthening sustainability.	