



Conference Report

Angola as a Global Player

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Angola has changed since its civil war ended and no longer deserves its bad reputation according to Lord Malloch-Brown in his final key note address as UK Minister for Africa at Chatham House's Angola Forum conference, Angola as a Global Player. Angola has sent SADC observers to Zimbabwe, hosted a SADC standby exercise in 2009 and is prepared to engage in crisis in the Democratic Republic of Congo and Madagascar. Parliamentary elections passed peacefully in 2008 and the next key step is presidential elections. According to the Minister, the UK should not only engage with Angola bilaterally but encourage Angola to take up its responsibilities as a global power. Angola's standing though will also be tied to its ability to use its economic power to deliver for its own population.

The Luanda Urban Poverty Programme shows how international partnership with local level government can assist improving the livelihoods of Angola's poorest citizens. Angola has its own vision of its development which includes the fostering of a variety of partnerships and alliances. It takes an a la carte approach to advice, always considering first whether it works, and second whether it is threatening. If one looks at the local levels of government, a much more collaborative picture emerges – especially with civil society organizations.

Natural resources and in particular oil are the drivers of this vision, but gradually the economy is diversifying. Civil society has historically played a central role in Angola and will continue to do so. Efficiency gains have been made by the Government with the implementation of a customs reform programme and modernization of the banking sector is beginning to have an impact on business efficiency in Angola. Peace has also opened space for research and analysis, investigation of ultra deep marine life off shore Angola is pushing forward international frontiers of scientific knowledge.

While Angola is set to face challenges in the future, it will increasingly do so in a globalized world with the partnership of regional and international partners such as Germany, Sweden and the UK. What follows is a summary of the presentations at this Angola Forum conference. This conference at Chatham House on 24 July 2009 marked the tenth anniversary of the Angola Forum.

KEYNOTE ADDRESS

Lord Malloch-Brown's keynote speech, his last as Minister for Africa, Asia and the UN, was based on his June 2009 visit to the country. This trip was the first UK ministerial visit to Angola in six years. Angola has become both an economic and a political heavyweight in Africa, and according to the Minister, Angola is now playing a role in its region as an active member of the AU and SADC. Lord Malloch-Brown stated that Angola has changed and no longer deserves its bad reputation. Angola sent SADC observers to the Zimbabwe election, hosted a SADC Standby force exercise in February 2009 and partakes in the SADC's Standby Brigade, which is ready to deploy in the Democratic Republic of Congo and Madagascar, in order to restore peace and stability in those states.

The UK welcomes Angola playing an increasingly constructive role in the region. When it comes to global issues like reducing poverty, tackling conflict or making progress on human rights, it is only through multilateral engagement that individual nations can make progress, according to the minister. Despite some of the big gains, most notably fast economic growth, Angola also faces a number of governance and poverty reduction challenges. Although it has only been seven years since the end of the civil war, Angola can and will do much more, especially to reduce the income disparities between rich and poor, and to diversify its economy away from petroleum. According to Lord Malloch-Brown there already has been progress in education with rising attendance levels across the ages. Since the end of the civil war, the biggest step forward was made with the legislative elections in September 2008. The Minister was impressed with the pre-election voter registration process and importantly, the elections passed off peacefully and produced a clear, uncontested result. The UK helped with a £1million electoral education project and the EU with its most expensive monitoring mission ever, including four Foreign Office staff and two UK MEPs. The upcoming Presidential elections will be the next big step. Economic

relations between the UK and Angola are strong and growing, and the Minister's visit was a step towards strengthening the two countries' diplomatic and political relations. According to the Minister, the UK should not only engage with Angola bilaterally but encourage Angola to take up its responsibilities as a growing global player. The world has taken note of Angola's phenomenal economic growth and is increasingly seeking to engage Angola as a strategic partner. Lord Malloch-Brown stressed that one day Angola will get to where it wants to be; an economic power but also a respected political voice. But he also pointed out that this vision will materialise only if Angola can show that it can use its economic power to deliver for its own population, and if Angola steps up to take responsibility – through the regional and international institutions – on the regional and global issues that will determine our shared future.

SESSION 1

Old challenges and new opportunities

José Patricio, Country Director of BP for Angola, presented Angola as one of the six new profit centres worldwide for BP. The company has been present in Angola for several decades already, and is looking to produce 350 thousand barrels of oil per day by 2012. BP has invested US\$10 billion so far in Angola and is expected to invest another US\$3 billion per year for the next few years. BP operates Block 18 and 31, but is also part of the contractor group for Blocks 15 and 17 and the Angola LNG plant run by Chevron. According to Patricio, the challenges in Angola are to develop business, but at the same to contribute to Angolan growth and development. BP aims to achieve both for example through participating in a local enterprise centre initiative, which oil companies use for contracting, but also through building staff capacity and technical know-how. The “Young Offshore Technician Programme” is an example. Other contributions to Angolan society are through direct and indirect job creation, as well as community and social investments. BP supports a variety of initiatives ranging from education to health, homeless youth programmes, enterprise development, and a successful micro-credit scheme. BP, together with other oil industry players supports the DELOS project which was presented in detail by Dr. Phil Bagley.

Dr. Phil Bagley showed how the off-shore deep-water fields off the coast of Angola have become some of the most exciting and cutting edge experimental grounds for research into the world's oceans and human impact on this remote biosphere. The Deep-ocean Environmental Long-term Observatory System (DELOS) is set to run for 25 years, and is the first of its kind. As part of this project, some of the most sophisticated measuring devices and tools are submersed off the coast of Angola at depths of 1400 meters, recording and capturing data on ocean currents, water

temperature, salt content, concentration of oxygen, pressure, and many other aspects of life in the deep sea. Measuring and recording deep ocean biodiversity is also one of the key goals of the DELOS project. Photographs taken by this project provided the conference audience with a fascinating insight into the aquatic life on the bottom of the sea off the shores of Angola. This project is essential to develop an understanding of deep ocean natural variability over the long-term.

In his presentation, Ted Giletti, Director of Banco Africano de Investimentos, highlighted the extent of the evolution of the Angolan financial system. In the past the National Bank of Angola (BNA) performed central bank as well as commercial bank functions, as few local banks were present. The main functionality of banks was loans and deposits. This has given way to a situation today where there are over 18 different banks present in Angola, in addition to 19 exchange houses, and the full range of banking services are available to the client. Angola is constantly upgrading and modernising its financial system, with the BNA looking to ensure that financial institutions active in the country not only operate in accordance with best practice, but also maintain high standards of professional capabilities – especially in accountancy and management – develop quality business plans with a focus on solvency, and maintain high standards of risk control. The future for the Angolan Banking sector holds continued improvement on information for risk management (“central de risco”), continued internationalisation of Angolan banks, and continued capital markets development. A major test for the BNA came this year when the global financial and economic downturn reached Angola. The reduction in oil prices materially affected foreign exchange positions, but the BNA reacted quickly, adjusting reserve requirements in order to stabilise the economy and to defend the Kwanza – the national currency.

Just how much of an impact targeted efforts can have in a country like Angola was

shown by Vivienne Davies on the Crown Agents' Angola Customs Expansion and Modernisation Programme. One year after the programme started revenue collections were up on the preceding year by 63%, and by 2008, revenue collected rose by a staggering 1634% against a year 2000 baseline; despite a reduction in customs tariffs across a wide range of imports. Revenue collected in 2008 represented 10.71% of GDP. This is an important revenue stream for government, especially as the price of diamonds and oil has been hit in the global recession. The total additional revenue collected (above rate of economic growth) equals \$6.8 billion, and the programme has a benefits to cost ratio of 35 times to 1. Customs processing times have been reduced from 28 days to an average of 48 hours, and revenues for the first quarter of 2009 are already 72% greater than that of 2008. These gains have been made possible by Angola's decision to introduce IT systems and risk management, reform of law and procedures, investment in human resources and reinforcement of integrity programmes. Some of the achievements of the programme to date have been the introduction of mobile support groups and scanners, better trader intelligence, integrated enforcement, specialist valuation and classification of goods, post-entry audits, international co-operation, human resource development, and business planning.

SESSION 2

International partners

Former member of the UN Monitoring Mechanism for the sanctions against UNITA, and former Swedish Ambassador to Angola, Ambassador Lena Sundh, presented an analysis of the role of the international community in the wake of the Lusaka Protocol. Sundh argued that when the international community enters into a conflict as it did in the case of Angola, it has an impact on how the conflict unfolds. The Lusaka Protocol required that its military provisions be implemented and UNITA declare itself demilitarized before the process could move to the political level. The understanding at the time was that the conflict would be solved at the political level and that military disarmament was merely a formality. A concrete outcome of this 'strategy' was that the international community took an asymmetrical approach to the parties involved: Motivated by an urge to appear balanced, the international community felt the need to criticize the MPLA (usually for the human rights situation in the country, corruption or bad governance) when they needed to criticize UNITA for non-compliance with the Lusaka Protocol. Sundh argued that this was a gross mistake as faulty analysis and therefore strategy, combined with the cunning of UNITA leader Jonas Savimbi, allowed UNITA to obtain its strongest military strength ever in spite of an arms embargo and in front of thousands of UN military troops and observers. According to Sundh, negotiations with international facilitation between the MPLA and UNITA failed utterly, due to a lack of analysis, an underestimation of Jonas Savimbi's determination to be a spoiler, and dogmatic faith in the political process.

Dr. Dane, German Ambassador to Luanda from 1998 to 2000, and current advisor to DAWI, the German – Angolan Business Initiative, discussed German – Angolan

relations and Angola's role as a global player and strategic partner. According to Dane, Angola is important for the development of Southern Africa. He argued that Angola's modernity and openness is evident in the number of women who hold public offices and youth that speak foreign languages. Angola is helping stabilize the region: Zambia expects the finalizing of the Benguela Railway for its copper exports, and Namibia increasingly exports to Angola – its own products or goods which pass through Namibian ports quicker than through Angolan ports. Angola's political influence is also visible in Congo Kinshasa, Zimbabwe or even Madagascar as well as in SADC. South of the Sahara, Angola is the third largest of Germany's African trading partners. Angola is seen today by Germany as a strategic partner.

Wendy Ngoma, Africa Regional Coordinator for One World Action, presented on the Luanda Urban Poverty Programme (LUPP) and civil society in Angola. In a post-conflict urban environment some of the major challenges include urban poverty, forced migration, destruction of social and physical infrastructure, dependence on the informal sector, rapid urban population growth, weak civil society organisations, little history of state-citizen cooperation, and a large number of women-headed households. The LUPP strategy has as its aim, to strengthen and build lasting democracy and accountability through focus on basic needs. This may include testing and researching approaches with clients (e.g. women and the position of water pumps), drawing on solutions developed by citizens in war, strengthening communities and organised civil society to work together for collective solutions, assisting central and local government bodies to build capacity, and encouraging citizen-state engagement. While it is still unclear how strong local organised civil society really is, and the economic crisis may make it more difficult for government to deliver promises and may undermine democratic gains and restrict citizen participation, LUPP is on track. LUPP has delivered basic needs and also strengthened citizen-state engagement. In addition, according to Ngoma, the

Angolan government has been responsive to civil society engagement, and the MPLA agenda shows positive civil society influence.

Chatham House Associate Fellow, Nick Shaxson, co-author of the Angola 'Drivers of Change' analysis for the Department for International Development, presented his insights on power and influence in Angola. There is a common discourse amongst (western) observers, that Angola is resistant to outside influence, advice and reform. While it certainly is the case that direct pressure on the Angolan leadership is un- and possibly counter-productive, if one analyses government policy, one finds that much of the advice given by international institutions, NGOs, etc. is in fact taken up. According to Shaxson, the Angolan leadership takes an *a la carte* approach to advice, always considering firstly whether it works, and secondly whether it is threatening. If one however looks at the local levels of government, a much more collaborative picture emerges – especially with regard to civil society organisations (CSOs). According to Shaxson, there is an understanding that CSOs can be useful partners – an understanding which has its roots in the times when CSOs were maybe the only service providers to rural populations and were seen as standing shoulder to shoulder with local populations in times of war. Shaxson also differentiated Angola's 'top-down' development strategy which includes large-scale investment for infrastructure projects etc., from the more citizen - and rights based - development vision of traditional western donors. Shaxson argues that the roots of Angola's state-driven development strategy are found in the efficiency of the international oil-backed financing mechanisms which the Angolan leadership developed and honed during the war, as well as in an understanding of development which was fashionable in the 1970s. He suggested that it may be easier for Angola to develop the country in this way.

HE Pat Phillips, British Ambassador to Angola echoed the opening address of Lord

Malloch Brown in that Angola will decide which direction its development will take. She suggested that Angola was at a cross-roads with two scenarios possible: either Angola will end up like Zimbabwe or like Brazil. The outcome depends to a large degree on the decisions of the leadership and the propensity for the regime to accept change. HE Ana Maria Carreira, Angolan Ambassador to the UK, extended her thanks to the Angola Forum for its efforts to increase the visibility and understanding of Angola in the UK, and beyond; especially during the years of civil war, but also now. Ambassador Carreira particularly highlighted the Forum's ability to bring together individuals, businesses, academics, and NGOs to debate Angola and the progress made as well as the challenges ahead. She also thanked the sponsor of the conference – Sonangol – and the sponsor of the pre-conference dinner – Crown Agents – for their support.

VOTE OF THANKS

To end the conference, Alex Vines, Director of Regional and Security Studies and Head of the Africa Programme at Chatham House, thanked some of the notable personalities who have supported the Angola Forum over the years. In particular, the time and effort of former Angola Forum board members Dame Margaret, John Flynn, the Reverend Michael Clarke, Ann Johns, Professor Birmingham, Bishop Donald Arden, HE Ana Maria Carreira and HE Pat Phillips. The former Conservative Minister, Baroness Chalker was also a helpful Board member and in the early days Sir Mareck Goulding, a former UK ambassador to Angola and later a UN Under-Secretary General. Elizabeth Wild, Rikard Scoufias, Lillian Wong, Bob van der Winden, Maria Neto, and Steve Kibble of Progressio were also thanked for their support and participation on the Board of Advisors. Furthermore he extended his thanks and those of the Angola forum to José Patricio, Shawn McCormick, Lindsay Croswell, Clare Bebbington, Teresa O'Shanassy, Liz Horn, Manuel Paulo, Indira Campos, and past ambassadors, including Caroline Elmes, John Thompson, Ralph Publicover and Tony da Costa Fernandes, now Angola's ambassador in India. Vines also paid tribute to the late Lord Deedes whose interest in Angola was due to its landmine contamination. Bill Deedes contributed to the decision of Diana, Princess of Wales, to visit Angola. Thanks were also extended to past Chairs of the Angola All Party Parliamentary Group Hilton Dawson and Jeremy Corbyn MP as well as current chair John Robertson MP for their partnership. The Angola Forum provides administrative support to the Angola All Party Parliamentary Group. Finally, Vines thanked Sonangol and Vivienne Davies of the Crown Agents for sponsoring the conference and extended special thanks to BP and HSBC Equator Bank (now HSBC) for being founding members of the Angola Forum.

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