UNITED NATIONS DEVELOPMENT PROGRAMME

# PROJECT DOCUMENT
## *Angola*

**Project Title**: Technical assistance to foster economic diversification and private sector development in Angola in the context of the graduation from LDCs and the achievement of the SDGs

**Project Number: ---**

**Implementing Partner:**

**Start Date:** March 2018 **End Date:** December 2021 **PAC Meeting date:** 9 February 2018

## Brief Description

Notwithstanding the substantial economic and political progress made since the end of the war in 2002, Angola still faces significant development challenges ahead. It needs to diversify its economy from oil dependence, which is limiting its growth capacity and resourcefulness to attend to pressing social needs, to create employment for the bulging youth and to answer to its development funding needs. This occurs in the context of two broader processes: the 2030 Agenda for Sustainable Development, which addresses 17 Sustainable Development Goals (SDGs), and the graduation of Angola from the category of Least Developed Country (LDC) by February 2021.

As the LDC graduation criteria on human assets and economic vulnerability match several SDGs, there are strong potential synergies between the two agendas. A critical process to move them forward is the diversification of Angola's economy besides the oil sector, which may unlock large opportunities to boost growth and employment for the population. The participation and development of the private sector is essential to foster economic diversification. Angola has had relative success in producing policies and programmes as well as in establishing institutions to stimulate private sector development towards employment creation and entrepreneurship. However, the implementation of these policies and programmes and the functioning of the support institutions had limited results.

Considering these development challenges, this project will provide technical assistance to Angola's economic diversification process through private sector development and institutional capacity building. This assistance will focus on the following key issues: (i) capacity development for micro, small and medium-size enterprises (MSMEs), (ii) skill development and entrepreneurship, with focus on young entrepreneurs; and (iii) policy advisory and advocacy to improve business environment and entrepreneurship.

**Contributing Outcome (UNPAF 2014-2019):**
By 2019, Angola has put into place and is implementing policies and strategies to promote inclusive and sustainable growth, leading to graduation from the least developed countries group.

**Indicative Output (CPD 2015-2019):**
Output 1: Inclusive and sustainable growth, leading to 'graduation' from the least developed countries group. (UNDP Strategic Plan, Outcome 1, with linkages to economic cooperation and diversification)

1.1 Innovative development solutions and partnerships to support positioning Angola as a middle-income country and leadership at regional and global levels

1.2 Strengthened national systems and institutions to achieve diversification, entrepreneurial development and sustainable livelihoods

| | | |
|---|---|---|
| **Total resources required:** | | USD 1,000,000 |
| **Total resources allocated:** | | |
| | **UNDP TRAC:** | USD 1,000,000 |
| | **Donor:** | |
| | **Donor:** | |
| | **Government:** | |
| | **In-Kind:** | |
| **Unfunded:** | | |

Agreed by (signatures):

| Government | UNDP | Implementing Partner |
|---|---|---|
| Print Name: | Print Name: | Print Name: |
| Date: | Date: | Date: |

# I. Development Challenge

Notwithstanding the substantial economic and political progress made since the end of the war in 2002, Angola still faces significant development challenges ahead, among others. It needs to diversify its economy from oil dependence[1] which is limiting its growth capacity and resourcefulness to attend to pressing social needs, to create employment for the bulging youth and to answer to its development funding needs.[2]

Under the leadership of President João Lourenço, the new government elected in the August 2017 general elections, has pledged to move forward the economic diversification project, which is to occur in the context of two broader processes. First, Angola subscribed to the 2030 Agenda for Sustainable Development, which addresses 17 Sustainable Development Goals (SDGs) to be achieved by 2030. As the Angolan Government will finalize its National Development Plan (NDP) 2018-2022 by the first semester of 2018, it is crucial to mainstream the SDGs into the national development strategy, including the long-term development strategy "Angola Vision 2025" that is under revision to be extended to 2050, and the Agenda 2063 of the African Union. Second, Angola is expected to graduate from the category of Least Developed Country (LDC), following the determination of its eligibility by the United Nations Committee for Development Policy (CDP) in March 2012. However, Angola became eligible for graduation thanks to the income-only criterion – Gross National Income (GNI) per capita above the required threshold – as the country did not meet the other two criteria: i) human assets, as the country performed poorly on key health and education indicators; and ii) economic vulnerability, which is very high due to low economic diversification.

As the LDC graduation criteria on human assets and economic vulnerability match several SDGs, there are strong potential synergies between the two agendas. A critical process to move them forward is the diversification of Angola's economy besides the oil sector, which may unlock large opportunities to boost growth and employment for the population.[3]

The participation and development of the private sector is essential to foster economic diversification. However, Angola ranked 175th out of 190 countries in the 2018 World Bank's ease of doing business ranking. Though the country has improved from its prior 182nd position in the ranking, Angola still has a relatively poor business climate due in large part to slow pace of reform, lack of openness to competition from the private sector, corruption, underdeveloped financial system, poor infrastructure and unskilled labour. The African Economic Outlook 2017 (p.14) highlighted specific obstacles to entrepreneurship in Angola: i) limited supplies of water and energy; ii) the outdated industrial park; iii) scarce financial capacity; iv) monetary and fiscal policies crowding out private investment; v) limitations in land titling, narrowing the possibilities for credit guarantees; vi) limited access to foreign currency; vii) lack of local managerial and technical skills and the high cost of hiring external expertise; and viii) high currency depreciation. Entrepreneurship may be considered an accelerator of SDGs, with direct contribution to several SDG targets and potential multiplier effects across the SDGs. Economic diversification through private sector development is of utmost relevance to generate new employment opportunities for the fast-growing and young Angolan population. As per the 2014 National Census, total country population was 25.8 million, with around two-thirds of Angolans aged under 24, and 47% of them below the age of 14.[4] By 2030, total population is projected to reach 41.8 million.[5] On the other hand, in 2016, unemployment rate in Angola was 20%; male 18%, female 22%.[6] To achieve the

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[1] In 2010-2016, on average, the oil sector contributed to 36.8% of Angolan Gross Domestic Product (GDP) and accounted for 97.2% of total country's export of goods. Moreover, between 2014 and 2017, on average, oil revenues accounted for 26.8% of total state budgeted revenues.

[2] As a result, in the aftermath of the oil slowdown of 2014, Angola economic growth shrank 0.7% in 2016; real GDP is projected to grow at a moderate 1.6% in 2018 and to remain below 2% until 2022. GDP per capita contracted from USD 4,805 in 2013, to USD 3,111 in 2016. The shrinkage of oil export earnings prompted a sharp depreciation of the kwanza versus the USD, with net international reserves tumbling to historical minimum in 2017; annual inflation reached 23.7% in 2017. Fiscal deficit is projected at 6.8% of GDP in 2017. Total public debt is expected to attain 61.2% GDP in 2017, and to remain at nearly 60% of GDP until 2020.

[3] The Angolan Government identified economic diversification as a top priority, which has been included in the Interim Plan October 2017 – March 2018, and the Macroeconomic Stabilization Programme for 2018.

[4] Source: National Institute of Statistics (INE), 2016. Population census 2014.

[5] Source: National Institute of Statistics (INE), 2016. Projecção da população 2014-2050.

[6] Source: National Institute of Statistics (INE), 2017. Relatório sobre emprego. September 2017.

SDGs and to move forward the LDC graduation process, it is also critical to promote economic diversification through innovative business models that serve the poorest. Indeed, monetary poverty is set to rise from 36.5% in 2016 to 44.1% in 2021, according to forecasts of the Catholic University Research Centre.[7] Moreover, in 2008, Gini index was at 42.7%, with the richest 20% of the population benefiting from 48.5% of national income.[8]

Angola has had relative success in producing policies and programmes as well as in establishing institutions to stimulate private sector development towards employment creation and entrepreneurship. For instance, the Programa Angola Investe (PAI) aims at fostering the establishment of micro, small and medium-sized enterprises (MSMEs)[9] through the provision of subsidized credit with public guarantee (Fundo de Garantia de Crédito do Estado), up to 70% of the investment value.[10] Also, the Angolan Government created the Instituto Nacional de Apoio às Micros, Pequenas e Médias (INAPEM) that provides training and capacity building services to foster entrepreneurship, and provides technical assistance to MSMEs. INAPEM is responsible for promoting access to credit line for youth entrepreneurship, known as Linha de Crédito de Apoio ao Empreendedor Jovem (Projovem).[11] However, the implementation of these policies and programmes and the functioning of the support institutions had limited results due to structural factors, and later on aggravated by the economic downturn. Chronic lack of budget allocations has hindered the full implementation of government initiatives, including efforts to mainstream youth into the broader employment and entrepreneurship programmes. For instance, the Balcão Único do Empreendedor (BUE) was created to foster entrepreneurship by facilitating business licensing and mediate with domestic banks for the granting of microcredit.[12] As per the Ministry of Economy of Angola, BUE supported 34,000 projects, for a total amount of AOA 14 billion.[13] However, BUE suffered from lack of funding and most of the loans provided were not recovered.[14]

Considering these development challenges, this project will provide technical assistance to Angola's economic diversification process through private sector development and institutional capacity building. This assistance will focus on the following key issues: (i) capacity development for micro, small and medium-size enterprises (MSMEs), (ii) skill development and entrepreneurship, with focus on young entrepreneurs; and (iii) policy advisory and advocacy to improve business environment and entrepreneurship.

## II. STRATEGY

The project aligns with the Partnership Framework between the Government of Angola and the United Nation System (UNPAF 2015-2019), particularly with the third area of strategic intervention on Sustainable and Inclusive Economic Development, Outcome 3: "By 2019, Angola possesses and is implementing policies and strategies for the promotion of inclusive and sustainable growth to enable Angola to leave the group of less developed countries". The project is also aligned with UNDP Country Programme for Angola 2015-2019 (CPD 2015-2019), Outcome 1: "By 2019, Angola has put into place and is implementing policies and strategies to promote inclusive and sustainable growth, leading to graduation from the least developed countries group", and Output 1.2 "Strengthened national systems and institutions to achieve diversification, entrepreneurial development and sustainable livelihoods".

The project constitutes a UNDP Country Office's core initiative to support the process of economic diversification and institutional capacity development. It is noteworthy that the project has close

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[7] Source: Angola Catholic University, 2017. Relatório Económico de Angola 2016. Note: this poverty rate in Angola was calculated at US$ 1, not based on US$ 1.90 World Bank updated poverty line.
[8] Source: World Bank, Development Research Group.
[9] The definition of MSME is set the Law 30/11.
[10] The PAI supported 480 projects, which generated around 50,000 new jobs, until 2016; Available at: <http://m.redeangola.info/bue-e-angola-investe-longe-dos-objectivos/>.
[11] Projovem is credit line of AOA 4 billion approved by the government in 2017, which is supported by the Angola Development Bank.
[12] Each project authorized by the BUE may receive a loan up to AOA 7 million.
[13] Source: Valor Economico, 2016. Projectos BUE falidos. Available at: <http://www.valoreconomico.co.ao/rss-feed/item/493-projectos-bue-falidos>.
[14] Source: Rede Angola, 2016. BUE e Angola Investe longe dos objectivos. Available at: <http://m.redeangola.info/bue-e-angola-investe-longe-dos-objectivos/>.

linkages to other relevant UNDP CO initiatives, such as private sector engagement activities related to the Global Environment Facility (GEF), and the National Volunteer Programme.

Fostering the economic diversification process, with stronger institutional capacity, is critical to ensure the achievement of the SDGs and the criteria for LDC graduation through untapping large opportunities of income generation and employment.

The project will provide support to the implementation of the 2030 Agenda for Sustainable Development, prioritizing efforts towards SDG 1 “End poverty in all its forms everywhere”, SDG 8 “Decent work and economic growth”, SDG 10 “Reduced inequality”, and SDG 17 “Sustainable development knowledge platform”. The project will also address the following cross-cutting issues: (i) gender; (ii) human rights; and (iii) capacity development.

The project will involve the following key components that also will permeate linkages between this core initiative and CO’s other relevant development initiatives:

1. Strengthening institutional capacity for mainstreaming and implementation of LDC graduation road map, SDGs, human development and South-South and Triangular Cooperation.
2. Strengthening the supply of vocational training and re-direct towards the market.
3. Support economic diversification through private sector development and innovative business models.
4. Engage in social protection policy initiatives through the implementation of livelihood schemes.
5. Support country statistic system, through reporting and communicating results.
6. Promote public-private partnership platforms and mechanisms, such as Global Compact and Corporate Social Responsibility.

## III. RESULTS AND PARTNERSHIPS

The project seeks to provide technical assistance to Angola’s economic diversification process through institutional capacity building and private sector development. The institutional capacity building will focus on support to the country’s graduation process from LDC status, along with the mainstreaming of the 2030 Agenda for Sustainable Development. Support to private sector development will focus on capacity development for micro, small and medium-size enterprises (MSMEs), creation of funding opportunities for MSMEs, with focus on young entrepreneurs, policy advisory and advocacy to improve business environment, and promotion of business enablers.

***Expected Results***

**OUTPUT 1: STRENGTHENED INSTITUTIONAL CAPACITY OF THE KEY STAKEHOLDERS FOR MAINSTREAMING AND IMPLEMENTING THE LDC GRADUATION ROAD MAP, SDGs, HUMAN DEVELOPMENT, AND SOUTH-SOUTH AND TRIANGULAR COOPERATION**

**Activity 1.1: Support the implementation of LDC Graduation Road Map**
By the request of the Angolan Government, through the former Ministry of Planning and Territorial Development (MPDT), now Ministry of Economy and Planning (MEP), a UN high level technical mission, led by UNDP, arrived in Angola in October 2016 to provide technical assistance in the preparation of the National Smooth Transition Strategy (NSTS) towards graduation from the LDC category. In this context, several consultations among Government and key stakeholders, from different sectors, took place. The main outcome of that work was the development of a Road Map for a National Smooth Transition Strategy from the LDC Group: encapsulated in A Ten Point Agenda. In 2017, the Angolan Government submitted the First Annual Report on the Angolan Graduation Process to the Committee for Development Policy (CDP) and the UN Department of Economic and Social Affairs (UNDESA). Among others, this Report underlines the Angolan Government’s commitment to launch a national committee on LDC graduation and the SDGs, and to start implementing a Graduation Road Map. Also, the Angolan Government committed to

drafting the main pillars of the NSTS, which should be aligned with the achievement of the SDGs. The project will foster the implementation of the LDC Graduation Road Map through several partnership initiatives with the MEP.

**Activity 1.2: Advocacy and policy advice for mainstreaming SDGs into the national development strategy**

The project will support the mainstreaming of SDGs in the national development strategy. In 2013, Angola stood out among sub-Saharan African countries by launching its first National Development Plan (NDP) for the period 2013-2017. After conducting a mid-term review of the plan, the Angolan Government has started the elaboration of the new NDP 2018-2022, which is expected to be finalized by the first semester of 2018. Moreover, Angola has formulated a long-term development strategy “Angola Vision 2025”, which is under revision to be extended until 2050. The country has also subscribed to the Development Agenda 2063 of the African Union, which sets long-term development goals to be achieved by the year 2063 by the African Countries.

**Activity 1.3: Support the development of human development training and elaboration of the National Human Development Report**

Angola published its last National Human Development Report in 2005. The country is expected to publish a new report in the near future. UNDP will also support initiatives aimed at promoting training and capacity building on the Human Development approach, for instance through seminars and meeting with Angolan universities, Civil Society Organizations (CSOs), and other strategic partners.

**Activity 1.4: Support South-South Cooperation initiatives**

This project considers South-South and Triangular Cooperation as a strategic platform for knowledge development, experience exchange and a means to foster policy advocacy. UNDP has prior experience in the area. For instance, UNDP attended the “African South-South Cooperation Match-Making meeting for SDG achievement”, held in Addis Ababa, November 2017.

## OUTPUT 2: ENHANCED CAPACITY OF NATIONAL INSTITUTIONS TO PROVIDE TRAINING AND CREATE EMPLOYMENT OPPORTUNITY FOR YOUTH

**Activity 2.1: Undertake labour supply and demand analysis**

UNDP will conduct labour supply and demand analysis to support capacity building of national institutions responsible for promoting youth employment.

**Activity 2.2: Support selected vocational training centres**

UNDP will provide support to vocational training centres. Vocational training is key to create better employment opportunities.

**Activity 2.3: Support rollout of the National Volunteer Programme**

This project will provide technical support to the implementation of the first National Volunteer Programme in Angola.

## OUTPUT 3: ECONOMIC DIVERSIFICATION THROUGH PRIVATE SECTOR DEVELOPMENT AND INNOVATIVE BUSINESS MODELS SUPPORTED

**Activity 3.1: Support training and capacity building Centre for Entrepreneurs**

Within the context of private sector development reforms announced by the Angolan Government, UNDP will support training and capacity building Centre for Entrepreneurs.

**Activity 3.2: Support development and delivery of business development centres for MSMEs**

The project will promote the development and delivery of business development centres for Angolan SMEs as key element to foster private sector development and inclusive business models.

**<u>Activity 3.3:</u> Support promotion of cooperatives development initiatives**
UNDP will provide support to the promotion of cooperatives development initiatives.

**<u>OUTPUT 4</u>: SOCIAL PROTECTION POLICY INITIATIVES IMPLEMENTED THROUGH UNDP LIVELIHOOD SCHEMES**

**<u>Activity 4.1:</u> Support value chain development and livelihood diversification initiatives**
UNDP will support targeted initiatives to foster value chain development and livelihood diversification. In this action, UNDP may partner with other stakeholders, particularly IFIs and international corporations to leverage resources.

**<u>Activity 4.2:</u> Support income generation schemes through smallholder farmer and market mechanisms**
With the support of the Regional Service Center for Africa's IGSD Cluster and Private Sector Team, UNDP has pursued a national African Agribusiness Supplier Development Programme (ASDP) since 2016. The ASDP approach aims to improve the quantity and quality of supply of agricultural products by farmers and SMEs to markets, provide smallholder farmers and SMEs with support in accessing the growing agricultural supply chains of lead firms, and contribute to the development of national African economies by developing agricultural products that meet market quality standards.

The Angola ASDP seeks to improve income generation, health and wellbeing of smallholder farmers in a sustainable way by working on inclusive horticultures and coffee value chains. Within this approach, the Family Agriculture Programme in Malanje province, launched in 2010 by a private company, was extended with UNDP support, through the project "Kukula Ku Moxi", which benefited more than 750 families through the Integrated Programme of Social Development of the Company for the Development of Capanda Agro-industrial Pole (SODEPAC). The first stage of the project aimed at finding new partners to support the overall programme and to create a cooperative of smallholder farmers. The project is expected to provide further technical assistance to SODEPAC with the launch of a second phase, which is expected to start in 2018.

Based on UNDP expertise and knowledge acquired through the first phase of the project with SODEPAC, other initiatives may be launched to support income generation schemes through smallholder farmer and market mechanisms, with potential involvement of partners from IFIs, international cooperation, and private sector.

**<u>Activity 4.3:</u> Support the Ministry of Social Action, Family and Promotion of Woman (MASFAMU) to develop an inclusive social protection policy**
Through this activity, UNDP will continue to provide support to the Ministry of Social Action, Family and Women's Promotion (MASFAMU) to develop an inclusive social protection policy.

**<u>OUTPUT 5</u>: STRENGTHENED THE NATIONAL STATISTICS SYSTEM THROUGH REGULAR REPORTING AND COMMUNICATION OF RESULTS**

**<u>Activity 5.1:</u> Support INE in collection of data for LDC Graduation process and national voluntary reviews (NVRs) on SDGs**
UNDP will provide technical assistance to the National Statistics Institute (INE) to elaborate and publish the first national report on the baselines of SDG targets and indicators. Moreover, Angola is expected to publish its voluntary national reviews (VNRs) on the SDGs, which aim to facilitate the sharing of experiences, including successes, challenges and lessons learned, with a view to accelerating the implementation of the 2030 Agenda. These national reviews are expected to serve as a basis for the regular reviews by the High-Level Political Forum (HLPF), meeting under the auspices of ECOSOC.

**<u>Activity 5.2:</u> Support institutional capacity of the Academia for research and analysis on the SDGs 1, 10 and 16, and on the incoming national surveys by INE on agriculture, and on expenditure, income and employment in Angola**

UNDP will support institutional capacity of Angolan universities to conduct high-quality research and analysis focused on the SDGs 1, 10, and 16. Moreover, UNDP will support academic investigation related to Human Development and to the results of the incoming surveys planned by the National Statistics Institute (INE) on Agriculture, and on Expenditure, Income and Employment in Angola (IDREA)

**OUTPUT 6: PUBLIC-PRIVATE PARTNERSHIP MECHANISM PROMOTED THROUGH GLOBAL COMPACT AND CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

**Activity 6.1: Support the development of Corporate Social Responsibility (CSR) and Local Global Compact Network**
UNDP has extensive prior experience in providing technical assistance for public-private partnerships by leveraging on Corporate Social Responsibility activities funded by private companies in Angola. For instance, from 2004 to 2013, UNDP partnered with Chevron to implement the Angola Enterprise Programme (AEP) to promote enterprise development in Angola by supporting a process to build consensus around a common vision and a national strategy for enterprise development. This public-private partnership focused on four key areas, namely, enabling environment, micro-finance, vocational training and business development services.

The United Nations Global Compact is a voluntary initiative based on CEO commitments to implement universal sustainability principles and to undertake partnerships in support of the UN's ten ethical principles for business and the realization of the Agenda 2030. In Angola, Global Compact is at an incipient stage, with large potential to widely mobilize private companies and businesses to join and contribute to the establishment of the Global Compact Local Network in Angola. This initiative may leverage additional financial resources from private companies to contribute to specific initiative of youth and female entrepreneurship and employment creation.

**Activity 6.2: Develop an engagement strategy with the private sector to promote resource mobilization**
Overall, the project will strengthen the relation between UNDP and private sector, with potential impact on resource mobilization to fund initiatives aimed at private sector development and institutional capacity building.

***Resources Required to Achieve the Expected Results***
This project provides a core framework for UNDP support to economic diversification, private sector development and the implementation of the Agenda 2030, requires a total financial resource of USD 1,000,000. This amount will be funded by UNDP core resources, and will primarily contribute to the provision of knowledge resources and expertise to support the planned project activities, for which UNDP will utilize its vast experience in working with smallholder farmers, value chains development, corporate social responsibility, private sector development and economic policy advisory and assistance.

The operationalization of the specific activities will rely on additional financial resources from funds of the different related UNDP initiatives and projects that will be strategically guided by this core framework project. Further resources may also be mobilized through the development of strategic partnerships with the Ministry of Economy and Planning (MEP), the Technical Unit for Private Investment (UTIP), the Balcao Único do Empreendedor (BUE), the Guichê Único da Empresa (GUE), the Instituto Nacional de Apoio às Micros, Pequenas e Médias (INAPEM), the Instituto de Fomento Empresarial (IFE), international cooperation partners, International Financial Institutions (IFIs) and the private sector in general.

***Partnerships***
As stated in the UNDP Strategic Plan 2018-2021, the private sector is a "critical development partner, for example, by partnering with governments and others on the implementation of Sustainable Development Goals related policies and programmes, as a significant source of investment (especially domestic investment) for the Goals and by adopting business practices that move communities towards inclusive sustainable development".

UNDP positions partnerships and capacity development as the organization's core contribution to economic diversification and sustainable development. UNDP will work to facilitate an institutional environment that is conducive to closer collaboration with the Angolan Government, private sector, CSOs and IFIs – such as, African Development Bank, Work Bank, International Fund for Agricultural Development (IFAD), and Japan International Cooperation Agency (JICA) – to build the foundation for effective partnerships development. The project will work with IFIs to promote joint action plans, mapping opportunities for cooperation and organizing events and technical discussions.

A major component of the project will be to promote UNDP's expertise and value added to actual development challenges facing Angola. The Programme Manager will be responsible for coordinating the programme activities with donors, implementing partners and government's ministerial departments. Strategic alliances will be established with Ministry of Economy and Planning (MEP), Ministry of Trade, Ministry of Finance, Ministry of Industry, Ministry of Hotel and Tourism, Ministry of Public Administration, Labour and Social Security (MAPTESS), and Provincial and Local administrations, Academia, Civil Society Organizations (CSOs) and IFIs. The project may also generate potential partnerships in relation to the Programme to Support Production, Diversification of Exports and Substitution of Imports (Programa de Apoio à Produção, Diversificação das Exportações e Substituição de Importações, PRODESI), which aims at fostering private sector to increase export and national production in targeted sectors. For the successful implementation of the project, there is a need for effective communication, coordination and cooperation among all the partners to ensure common expected results.

### *Risks and Assumptions*

The project identifies two major assumptions that will positively contribute to the achievements of the projected results: i) continuous commitment of the Angolan Government in moving forward the achievement of the SDGs, enhancing Human Development, and the process of graduation of Angola from the LDC category; and ii) implementation of political initiatives and actions aimed at fostering economic diversification in Angola.

Few key risks can threaten the achievement of the projected results in view of the adopted strategy and the identified contributing assumptions. The first risk concerns the reducing size of UNDP core funding that is essential to support the core technical support envisaged for the duration of the project. UNDP will mitigate this risk by mobilizing financial contributions from strategic partners interested in supporting relevant core actions envisaged in the project. The second risk relates to the maintenance of the strategic vision of the project through the operationalization of the Programme Steering Committee (PSC). The PSC will meet once a year for project strategic review, but there may be considerable challenges in making it function on a regular basis. To mitigate this risk, the involvement of the project stakeholders from the beginning and conceptualization of the project is critical to create strong national ownership.

### *Stakeholder Engagement*

The Ministry of Economy and Planning (MEP) and Angolan MSMEs are the first target group that will be engaged in the activities set by the project. Other potentially affected groups include multilateral and bilateral partners, Ministry of Public Administration, Labour and Social Security (MAPTESS), Ministry of Finance (MINFIN), Ministry of Youth and Sport, INAPEM, BUE, PAI, and universities, among others.

### *South-South and Triangular Cooperation (SSC/TrC)*

As stated in the UNDP Strategic Plan 2018-2021, "UNDP will continue to work closely with the United Nations Office for South-South Cooperation and Member States to implement the UNDP strategy on South-South and Triangular Cooperation as an essential instrument to support the implementation of the 2030 Agenda. A key element will be the launch of a global development solutions exchange within the global South".

### *Knowledge*

The Project Management Unit (PMU) that will support the operationalization of the project activities will produce and publish quarterly reports on its activities and new partnerships and policy developments, which will provide strategic inputs on the experiences and lessons learned for national planning and policy development. The knowledge produced related to LDC graduation, SDGs and Human Development, as well as other activities, under these areas will be documented to share the experiences and lessons learned with other Country Offices in Africa.

***Sustainability and Scaling Up***

In the long term and with advent for graduation of Angola from LDC status, most of the UNDP resources will be channelled through partnership agreements and implementation of the loans attributed to the government by IFIs. The bedrock for sustainability of the initiatives rests on: i) building strategic partnerships; ii) networks of clients; and iii) resource mobilization, including South-South and Triangular cooperation. The strategies are elaborated below.

With regards to strategic alliances, the model is built on the principle of developing a strong, proactive multiple stakeholder coalition or consortium of key private sector companies, government, public institutions, non-governmental organizations and international donor agencies. This ensures that a full complement of resources, skills and expertise are available to support the implementation of the programme. That compliments well with forging network of clients. This strategy will service a larger client base, a network of local consultants will be established to support the staff of the Programme Management Unit (PMU) in the delivery of coaching, mentoring and business advisory services. The existence of a strong network of clients guarantees a continuous demand for the services of the programme.

It is expected that most of the expected results of the project implemented through DIM modality will be scaled up through the involvement of other partners and to continue the activities through National Implementation Modality (NIM).

## IV. PROJECT MANAGEMENT

***Cost Efficiency and Effectiveness***

Annual work plans and budget would be prepared and presented to the Programme Steering Committee (PSC) for approval. Quarterly implementation reports with financial statements indicating variances, if any, would be prepared for validation by the PSC. Procurement of resources would be undertaken using UNDP procurement guidelines to ensure cost efficiency, effectiveness and transparency.

***Project Management***

his initiative will be implemented under the direct implementation modality (DIM). The DIM modality relies on UNDP’s capacities to undertake the functions and activities of the intervention, namely, technical, managerial, administrative and financial capabilities. UNDP Programme and Operations Policies and Procedures (POPP) guide the implementation of DIM projects, and the below management arrangement can apply to this specific intervention.

A Programme Steering Committee (PSC) will be constituted as the highest coordination and decision-making body, responsible for strategic vision of the project. The PSC will act as Project Board to ensure that the project remains on course to deliver the desired outcomes of the required quality. It will also ensure strategic coordination among different projects. The PSC will be chaired by MEP of the Government of Angola and co-chaired by UNDP Country Director. Representatives of other stakeholder groups may be included in the PSC, as considered appropriate and necessary. The PSC will meet at least three times per year.

The Programme Management Unit (PMU) will be located at the UNDP in Angola. The projects would seek collaboration with, and support from all implementing partners by using Direct Implementation Modality (DIM). The PMU will be constituted by a project manager and focal persons at UNDP, plus focal points at MEP. UNDP will provide the overall day-to-day operational management and coordination of the projects. It is expected that UNDP will provide necessary support to the PMU, consolidate/document and share information and lessons learnt, attract and provide funding for the project, communicate and report on progress to the UNDP Regional

Service Centre for Africa (RSCA) and other project partners. Moreover, the PMU will maintain informed the Senior Economic Advisor of UNDP, as well as the designated focal point at the MEP.

## V. RESULTS FRAMEWORK[15]

**Intended Outcome as stated in the UNDAF/Country [or Global/Regional] Programme Results and Resource Framework: By 2019, Angola has put into place and is implementing policies and strategies to promote inclusive and sustainable growth, leading to graduation from the least developed countries group.**

**Outcome indicators as stated in the Country Programme [or Global/Regional] Results and Resources Framework, including baseline and targets: Inclusive and sustainable growth, leading to 'graduation' from the least developed countries group**

**Applicable Output(s) from the UNDP Strategic Plan: Outcome 1, with linkages to economic cooperation and diversification**

**Project title and Atlas Project Number: -------------**

| EXPECTED OUTPUTS | OUTPUT INDICATORS[16] | DATA SOURCE | BASELINE | | TARGETS (by frequency of data collection) | | | | | | DATA COLLECTION METHODS & RISKS |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Value | Year | Year 1 | Year 2 | Year 3 | Year 4 | Year … | FINAL | |
| **Output 1** *Strengthened institutional capacity of the key stakeholders for mainstreaming and implementing the LDC graduation Road Map, SDGs, Human Development, and South-South and Triangular Cooperation* | ***1.1*** *number of people from Angolan Government, Academia and CSOs trained on LDC graduation, the SDGs and the Human Development* | *Project reports* | *0* | *2017* | *0* | *25* | *25* | *0* | | *50* | M&E procedures |
| | ***1.2*** *Number of analytical documents and reports on LDC graduation and the SDGs published* | *Project reports* | *0* | *2017* | *1* | *1* | *1* | *0* | | *3* | M&E procedures |
| | ***1.3*** *Number of national reports and high-level meetings on LDC graduation of Angola conducted* | *Project reports* | *1* | *2017* | *1* | *2* | *2* | *1* | | *6* | M&E procedures |

[15] UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audience clearly understand the results of the project.

[16] It is recommended that projects use output indicators from the Strategic Plan IRRF, as relevant, in addition to project-specific results indicators. Indicators should be disaggregated by sex or for other targeted groups where relevant.

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | ***1.4*** *Number of national commissions or committee on LDC graduation and SDGs established* | *Project reports* | *0* | *2017* | *0* | *1* | *0* | *0* | | *1* | M&E procedures |
| | ***1.5*** *Number of preliminary analysis of the pillars of the National Smooth Transition Strategy (NSTS) for the LDC graduation of Angola identified* | *Project reports* | *0* | *2017* | *0* | *1* | *0* | *0* | | *1* | M&E procedures |
| **Output 2** *Enhanced capacity of national institutions to provide training and create employment opportunity for youth* | ***2.1*** *number of people who beneficiate from vocational training* | *Project reports* | *200* | *2017* | *200* | *200* | *200* | *200* | | *800* | M&E procedures |
| **Output 3** *Economic diversification through private sector development and innovative business models supported* | ***3.1*** *number of business start-ups and business cooperatives established* | *Project reports* | *1* | *2017* | *1* | *1* | *1* | *2* | | *5* | M&E procedures |
| | ***3.2*** *number of schemes to expand and diversify employment and livelihood opportunities for youth and women enabled* | *Project reports* | *2* | *2017* | *0* | *1* | *1* | *1* | | *3* | M&E procedures |
| **Output 4** *Social protection policy initiatives implemented through UNDP livelihood schemes* | ***4.1*** *number of initiatives to enhance access to social protection for the poor and other risk groups adopted* | *Project reports* | *1* | *2017* | *1* | *1* | *0* | *0* | | *2* | M&E procedures |
| **Output 5** *Strengthened the national statistics system through regular reporting and communication of results* | ***5.1*** *number of National statistical SDGs baseline report published* | *Project reports* | *0* | *2017* | *1* | *0* | *0* | *0* | | *1* | M&E procedures |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | ***5.2*** *number of national voluntary review (NVR) on SDGs in Angola published* | *Project reports* | *0* | *2017* | *0* | *0* | *1* | *0* | | *1* | M&E procedures |
| | ***5.3*** *number of partnership with Angolan universities established* | *Project reports* | *0* | *2017* | *2* | *1* | *0* | *0* | | *3* | M&E procedures |
| | ***5.4*** *number of research papers and reports on the SDGs by Angolan universities published* | *Project reports* | *0* | *2017* | *1* | *1* | *1* | *1* | | *4* | M&E procedures |
| **Output 6** *Public-private partnership mechanism promoted through Global Compact and Corporate Social Responsibility initiatives* | ***6.1*** *number of implementing financial partnerships agreement signed* | *Project reports* | *1* | *2017* | *1* | *1* | *1* | *1* | | *4* | M&E procedures |

## VI. Monitoring And Evaluation

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans: *[Note: monitoring and evaluation plans should be adapted to project context, as needed]*

### Monitoring Plan

| Monitoring Activity | Purpose | Frequency | Expected Action | Partners (if joint) | Cost (if any) |
|---|---|---|---|---|---|
| **Track results progress** | Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs. | Quarterly, or in the frequency required for each indicator. | Slower than expected progress will be addressed by project management. | | |
| **Monitor and Manage Risk** | Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk. | Quarterly | Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken. | | |
| **Learn** | Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project. | At least annually | Relevant lessons are captured by the project team and used to inform management decisions. | | |
| **Annual Project Quality Assurance** | The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project. | Annually | Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance. | | |
| **Review and Make Course Corrections** | Internal review of data and evidence from all monitoring actions to inform decision making. | At least annually | Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections. | | |

| | | | | | |
|---|---|---|---|---|---|
| **Project Report** | A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period. | Annually, and at the end of the project (final report) | | | |
| **Project Review (Project Board)** | The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences. | Specify frequency (i.e., at least annually) | Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified. | | |

## Evaluation Plan

| Evaluation Title | Partners (if joint) | Related Strategic Plan Output | UNDAF/CPD Outcome | Planned Completion Date | Key Evaluation Stakeholders | Cost and Source of Funding |
|---|---|---|---|---|---|---|
| e.g., Mid-Term Evaluation | | | | 2020 | | USD 10,000 |

## VII. MULTI-YEAR WORK PLAN [17][18]

*All anticipated programmatic and operational costs to support the project, including development effectiveness and implementation support arrangements, need to be identified, estimated and fully costed in the project budget under the relevant output(s). This includes activities that directly support the project, such as communication, human resources, procurement, finance, audit, policy advisory, quality assurance, reporting, management, etc. All services which are directly related to the project need to be disclosed transparently in the project document.*

| EXPECTED OUTPUTS | PLANNED ACTIVITIES | Planned Budget by Year | | | | RESPONSIBLE PARTY | PLANNED BUDGET | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Y1 | Y2 | Y3 | Y4 | | Funding Source | Budget Description | Amount (USD) |
| **Output 1**<br>*Strengthened institutional capacity of the key stakeholders for mainstreaming and implementing the LDC graduation Road Map, SDGs, Human Development, and South-South and Triangular Cooperation* | 1.1 Support the implementation of LDC Graduation Road Map | 15,000 | 10,000 | 10,000 | 10,000 | UNDP | TRAC<br>TRAC | | |
| | 1.2 Advocacy and policy advice for mainstreaming SDGs into the national development strategy | 15,000 | 10,000 | 8,000 | 8,000 | UNDP | TRAC | | |
| | 1.3 Support the development of human development training and elaboration of the National Human Development Report | 5,000 | 15,000 | 5,000 | 5,000 | UNDP | TRAC | | |
| | 1.4 Support South-South Cooperation initiatives | 5,000 | 5,000 | 2,000 | 2,000 | UNDP | TRAC | | |
| | Sub-Total for Output 1 | 40,000 | 40,000 | 25,000 | 25,000 | UNDP | TRAC | | |
| **Output 2**<br>*Enhanced capacity of national institutions to provide training and create employment opportunity for youth* | 2.1 Undertake labour supply and demand analysis | 5,000 | 10,000 | 5,000 | 5,000 | UNDP | TRAC | | |
| | 2.2 Support selected vocational training centres in two Angolan provinces | 5,000 | 5,000 | 5,000 | 5,000 | UNDP | TRAC | | |
| | 2.3 Support rollout of the National Volunteer Programme | 10,000 | 10,000 | 5,000 | 5,000 | UNDP | TRAC | | |
| | Sub-Total for Output 2 | 20,000 | 25,000 | 15,000 | 15,000 | UNDP | TRAC | | |
| **Output 3**<br>*Economic diversification through private sector development and innovative business models supported* | 3.1 Support training and capacity building Centre for Entrepreneurs | 25,000 | 30,000 | 10,000 | 10,000 | UNDP | TRAC | | |
| | 3.2 Support development and delivery of business development centres for MSMEs | 10,000 | 10,000 | 10,000 | 10,000 | UNDP | TRAC | | |
| | 3.3 Support to the development of the cooperatives promotion initiative | 5,000 | 10,000 | 5,000 | 5,000 | UNDP | TRAC | | |

[17] Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

[18] Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Sub-Total for Output 3 | 40,000 | 50,000 | 25,000 | 25,000 | UNDP | TRAC | | |
| **Output 4** *Social protection policy initiatives implemented through UNDP livelihood schemes* | 4.1 Support value chain development and livelihood diversification initiatives | 45,000 | 40,000 | 20,000 | 20,000 | UNDP | TRAC | | |
| | 4.2 Support income generation schemes through smallholder farmer and market mechanisms | 30,000 | 25,000 | 10,000 | 10,000 | UNDP | TRAC | | |
| | 4.3 Support the Ministry of Social Action, Family and Promotion of Woman (MASFAMU) to develop an inclusive social protection policy | 5,000 | 5,000 | 5,000 | 5,000 | UNDP | TRAC | | |
| | Sub-Total for Output 4 | 80,000 | 70,000 | 35,000 | 35,000 | UNDP | TRAC | | |
| **Output 5** *Strengthened the national statistics system through regular reporting and communication of results* | 5.1 Support INE in collection of data for LDC Graduation process and national voluntary reviews (NVRs) on SDGs | 25,000 | 25,000 | 10,000 | 10,000 | UNDP | TRAC | | |
| | 5.2 Support institutional capacity of the Academia for research and analysis on the SDGs 1, 10 and 16, and on the incoming national surveys by INE on agriculture, and on expenditure, income and employment in Angola | 5,000 | 5,000 | 5,000 | 3,000 | UNDP | TRAC | | |
| | Sub-Total for Output 5 | 30,000 | 30,000 | 15,000 | 13,000 | UNDP | TRAC | | |
| **Output 6** *Public-private partnership mechanism promoted through Global Compact and Corporate Social Responsibility initiatives* | 6.1 Support the development of Corporate Social Responsibility (CSR) and Local Global Compact Network | 3,000 | 3,000 | 1,000 | 2,000 | UNDP | TRAC | | |
| | 6.2 Develop an engagement strategy with the private sector to promote resource mobilization | 2,000 | 2,000 | 1,000 | 2,000 | UNDP | TRAC | | |
| | Sub-Total for Output 6 | 5,000 | 5,000 | 2,000 | 4,000 | UNDP | TRAC | | |
| **Monitoring and evaluation** | EVALUATION | 5,000 | 0 | 3,000 | 3,000 | UNDP | TRAC | | |
| **General Management Support** | | 80,000 | 80,000 | 80,000 | 80,000 | UNDP | TRAC | | |
| **TOTAL** | | **300,000** | **300,000** | **200,000** | **200,000** | UNDP | TRAC | | **1,000,000** |

## VIII. Governance and Management Arrangements

A Programme Steering Committee (PSC) will be constituted as the highest coordination and decision-making body, responsible for strategic vision of the project. The PSC will act as Project Board to also ensure strategic coordination among different projects. The PSC will be chaired by MEP of the Government of Angola and co-chaired by UNDP Country Director.

The Programme Management Unit (PMU) will be located at the UNDP CO in Angola. The projects would seek collaboration with, and support from all implementing partners by using Direct Implementation Modality (DIM). The PMU will be constituted by a project manager and focal persons at UNDP, plus focal points at MEP. UNDP will provide the overall day-to-day operational management and coordination of the projects.

The programme assurance role supports the PSC by carrying out objective and independent programme oversight and monitoring functions. This role ensures that appropriate project management milestones are managed and completed.

**Project Organisation Structure**

**Programme Steering Committee (PSC)**

**UNDP Country Director;**
**Minister of Economy and Planning (MEP)**

**Programme Management Unit (PMU)**
Inclusive Growth and Sustainable Development Team Leader at UNDP CO (as programme manager);
Focal point at UNDP CO
Focal point at the Ministry of Economy and Planning (MEP)

# IX. Legal Context and Risk Management

Select the relevant one from each drop down below for the relevant standard legal text:

1. Legal Context:

- ☐ Country has signed the Standard Basic Assistance Agreement (SBAA)
- ☐ Country has not signed the Standard Basic Assistance Agreement (SBAA)
- ☐ Regional or Global project

2. Implementing Partner:

- ☐ Government Entity (NIM)
- ☐ UNDP (DIM)
- ☐ CSO/NGO/IGO
- ☐ UN Agency (other than UNDP)
- ☐ Global and regional projects

Or click here for the MS Word version of the standard legal and risk management clauses.

# X. ANNEXES

1. **Project Quality Assurance Report**

2. **Social and Environmental Screening Template** [English][French][Spanish], including additional Social and Environmental Assessments or Management Plans as relevant. *(NOTE: The SES Screening is not required for projects in which UNDP is Administrative Agent only and/or projects comprised solely of reports, coordination of events, trainings, workshops, meetings, conferences, preparation of communication materials, strengthening capacities of partners to participate in international negotiations and conferences, partnership coordination and management of networks, or global/regional projects with no country level activities).*