

# Angola Peace Monitor

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ACTSA [<mailto:actsa@actsa.org>]  
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### **End to electoral impasse?**

Angola's President Jose Eduardo dos Santos has floated a suggestion that could unblock the electoral logjam that has stood in the way of setting the date for the next presidential and parliamentary elections. He has suggested that elections to the Angolan parliament, the National Assembly, should take place in September 2006, with presidential elections being held in 2007.

In May Angola's parliamentary opposition parties walked out of the Constitutional Commission which was drafting a new constitution. The ruling party, the MPLA, argued that a new constitution was necessary before elections, whilst the largest opposition party, UNITA, argued the opposite, that elections could take place first, with any new constitution being adopted after elections.

One of the key elements to be determined by the new constitution is the power of the President. Currently power is centralised around the President, with the Prime Minister and the Parliamentary Speaker playing important, but junior roles. There is also little decentralisation, with provincial governors being appointed by the President. In part this reflects the colonial history of the country, but it also reflects the impossibility of running local democracy under conditions of war. The new constitution would visit these issues in detail, and a draft has already been written by the Constitutional Commission.

In response to this ongoing impasse President dos Santos recently suggested that the parliamentary elections take place in September 2006 under the present constitution, with presidential elections taking place a year later under a new constitution determined by the new parliament.

Speaking in Namibe province on 11 November to mark the occasion of the 29th anniversary of the country's independence, President dos Santos stated that "there is not much time between now and the next general elections planned for 2006. After a great deal of polemics about the drafting of the Constitution, the parties with seats in the National Assembly are formulating draft laws on elections based on the current Constitution. That could be an option. The important thing is that the National Assembly approve as soon as possible the package of laws needed to prepare for holding the elections".

He continued that "the idea of holding the presidential elections a year after the legislative elections, since the Constitution would be approved after the legislative elections but before the presidential ones, could be a way out. This solution was suggested by the PLD and it certainly warrants the attention of national political forces". [The Partido Liberal Democratica, PLD, received 2.39 percent of the vote in the last national elections, which were held in 1992. It holds three seats in the National Assembly.]

This compromise would need the backing of the parliamentary opposition, and on 18 November President dos Santos met with UNITA leader Isaias Samakuva.

Following the meeting Samakuva told journalists that "I came out satisfied from this open and friendly audience, where we debated deep issues of national interest and you can believe that there was given a step towards stability".

According to the Angolan news agency Angop, Samakuva stated that elections should take place in 2006, and that "the other opinions that might emerge will deserve, naturally, the consideration of the political parties". This indicates a shift in emphasis from UNITA, which until now had been demanding that the elections take place next year. The use of the plural "elections", however, also hints at the need for more bargaining and negotiation before a firm agreement is reached.

### **President carries out reshuffle**

The meeting between President dos Santos and Isaias Samakuva also discussed the recent changes to the composition of the government and provincial authorities.

UNITA has been pressing for the replacement of those members of the Government of National Reconciliation and Unity (GURN) which were drawn from UNITA. Four UNITA ministers and seven vice-ministers were nominated by the then UNITA leader Jonas Savimbi, and appointed by the President in 1997. However, when Jonas Savimbi led UNITA back to war it effectively split UNITA between those leadership figures that remained in the GURN, those that remained in the parliament in Luanda, and those in the bush and living abroad who remained under the leadership of Savimbi. Since the death of Jonas Savimbi in February 2002 UNITA has been undergoing a period of realignment.

On 22 October President dos Santos announced that UNITA's original nominee for the position of Minister of Trade, Victorino Domingos Hossi, would be replaced by Joaquim Ekuma Muafumua, also from UNITA but nominated by Samakuva.

In a similar fashion, Diamantino Sauanbo Kungulo was replaced as Deputy Minister of the Interior by Junior Kuamutali Uambique Kanavanaqui, and Graciano Tulumo was replaced from the post of Deputy Minister of Social Communication by Fonseca Manuel Chindondo.

President dos Santos has refused to remove the Minister of Health, Albertina Hamukwaya, on the grounds that none of the people put forward by UNITA to replace her were women.

The President also removed a senior MPLA figure from his post. Fernando Faustino Muteka has been removed from the position of Minister of Territorial Administration, and replaced by Virgilio Fontes Pereira, who has been moved from the position of Minister of Town Planning and the Environment. His old position has been taken up by Diakunpuna Sita Jose.

Henrique Andre Junior was removed from being Deputy Minister for Fisheries, being replaced by Victoria Francisco Lopes de Barros Neto.

Several changes have also been made at the provincial level. Isalino Mendes has been removed from the position of governor of Bengo province, and replaced by Jorge Inocencio Dombolo. Manuel Pedro Pacavira has been replaced as governor of Kwanza Norte by Henrique

Andre Junior. The vice-governor of Zaire province is now Jose Simao Helena, replacing Domingos Dilu Kumbo.

The head of Luanda's Management Commission, Higino Carneiro, who effectively was running the vacant post of Governor of Luanda, has been released from the position to concentrate on his other role as Minister of Public Works. He has been replaced by Job Capapinha, with Francisca de Espirito Santo joining the team. The Management Commission was set up in January to deal with the crisis in the Luanda administration which led to the sacking of the Governor, Simão Paulo, on 9 January.

President dos Santos has also appointed Manuel Helder Vieira Dias Junior as head of the newly created National Reconstruction Office.

### **FNLA Congress reaches compromise**

The third largest political party in Angola, the FNLA, has chosen Alvaro Holden Roberto to lead it until he retires from political life before the country's presidential elections.

Alvaro Holden Roberto was the founder of the FNLA, and led the movement in its armed struggle against Portuguese colonialism. However in September 1998 there was a very public split in which leading figures in the party appointed Lucas Ngonda leader - a move that Roberto refused to accept.

Since then there have been continued manoeuvres by both sides, but with national elections looming a compromise has been reached.

On 21 October in Luanda a special congress agreed that Roberto would hold the position of FNLA President until a leadership contest is run, which will be within ten months. Ngonda will now serve as one of two vice-presidents.

The Congress also elected 321 members to the FNLA Central Committee, which in turn elected 51 members to serve on its Politburo.

In the 1992 elections the FNLA received 2.4 percent of the votes and gained five seats in the National Assembly. Despite his historic leadership role in fighting against Portuguese colonialism from the 1950s until independence, Roberto only received 2.11 percent of the votes in the presidential elections of 1992, coming in fourth position.

### **Deputy Prime Minister promotes transparency**

Angola's Deputy Prime Minister, Dr Aguinaldo Jaime, has expressed optimism that agreement will be reached with the International Monetary Fund, which will pave the way for Angola to borrow on the international markets to finance much needed reconstruction and development.

Dr Jaime was speaking at a seminar organised by the British Angola Forum on 16 November at Chatham House in London. On the issue of transparency, he spoke of praise given by the IMF earlier this year for statistical reforms and accounting clarification.

He also referred to the two-day visit to Angola at the beginning of November of IMF Deputy Managing Director, Takatoshi Kato, who said he was pleased with the country's achievements.

On the issue of further improving transparency and good governance, Dr Jaime noted that USAID and the IMF were funding a special unit in the Ministry of Finance to oversee financial flows, and that there had been significant progress in transparency and in macro-economic management. In particular, he drew attention to the publishing of the "Oil Diagnostic" and the endorsement by the Council of Ministers (the Angolan cabinet) of its main findings. The Council of Ministers had also agreed a "road map" for the implementation of the diagnostic's recommendations.

The Government has also taken the step of publishing the Chevron/Texaco "Block 1" oil agreement, and planned to publish more.

Dr Jaime pointed out that inflation has been markedly reduced (with a projected target of 30 percent for 2004). He stated that on the central issue of social, health and education spending, the 2005 Budget proposes a dramatic rise.

Concluding, Dr Jaime said there were no "quick fixes" to overcome the legacies of nearly 30 years of war when there had been only two years of peace. Reconciliation was moving well, as was the democratic process leading to Assembly Elections in 2006 and Presidential Elections in 2007.

## **Fuel price hike for IMF**

The Angolan government on 15 November announced a huge jump in fuel prices, in line with demands from the International Monetary Fund for a reduction in state subsidies. The IMF has warned Angola that, in line with its entrenched dogma, the country will need to cut state subsidies before the Bretton Woods institution will agree to a full structural adjustment programme. Without this agreement the Angolan government will not have access to competitive loans on the international capital markets for the reconstruction and development of the war-torn economy.

The move came after a two-day visit to the country by the IMF Deputy Managing Director Takatoshi Kato, who arrived on 31 October. This was the first trip to Luanda by such a senior member of the IMF, and it will be followed by an IMF mission to the country at the beginning of next year.

Following his visit, Kato stated that "I reiterated that the IMF stands ready to work with Angola to secure an environment of high-quality growth and low inflation. Such an environment is necessary to reduce poverty and make progress towards the Millennium Development Goals".

However, he also highlighted one of the major differences with the Angolan government; the rate at which reconstruction should be carried out. He stressed the need for low inflation, arguing that this would help "the poor". On the government's side, the emphasis is on rapidly rehabilitating the country's infrastructure to increase production and lessen the endemic poverty.

Kato also "emphasised that fiscal deficits had to be brought down to low levels, even assuming that oil prices fall back to their long-term levels, to ease the burden on monetary policy and to provide room for private sector growth". Subsidies form a large part of these fiscal deficits, but their reduction will, in the short term, increase the burden on the poor. However, orthodox economists - in favour with the Bretton Woods institutions - argue that in the long term such subsidies form a market distortion, and funds would be better used in targeted poverty reduction programmes.

The reduction in subsidies has resulted in petrol jumping from Kz20 to Kz34 a litre (which is only 38 US cents a litre). Although Angola produces around one million barrels of crude oil per day, it still has to import refined products such as petroleum due to its lack of refineries. The price of a litre of diesel has risen from Kz14 to Kz25, and paraffin has risen from Kz13 to Kz22. By comparison, petrol in Mozambique - which has an agreement with the International Monetary Fund - costs around 86 US cents per litre. In the United States petrol prices are around 52 cents per litre.

Without a price realignment the amount of subsidy on fuel was steadily increasing as the price of crude oil has risen to over \$50 a barrel. Much of Angola's oil is of a high quality with a low sulphur content, unlike much of the oil found on the Arabian peninsula. However, the Angolan government has not benefited proportionally to the price rises due to the structure of oil production finance (whereby investments prior to production are repaid before revenue sharing hits its peak).

The revenue rise is also limited by the heavy loans that the government has taken out that are often to be repaid by a set number of barrels of oil per month. As oil prices increase, these loans are repaid at a faster rate, which in the long run will be beneficial to the people of Angola, but in the short run constrains the government's social spending.

#### *Oil pays for development*

The government is using the oil-backed loans, including a loan from China totalling two billion dollars, to rebuild the infrastructure of the country.

In Benguela province the Chinese funds are being used for the rehabilitation of the "17 de Setembro" airport. In Chibia, Huila province, Chinese funds are being used to finance the construction of a hospital.

Elsewhere, the government is spending \$13.5 million on renewing power supply lines between Kifangondo, Caxito and Mabubas in Bengo province. In Bie province, the town of Chitembo is now receiving electricity for the first time since 1992.

In Huila province, water wells, bridges, schools and medical posts are being rehabilitated in Chicomba as part of a community rehabilitation programme that has so far cost \$400,000 this year. The provincial government is also rehabilitating the hospital in Gambos at a cost of \$400,000.

In Huambo province, the town of Longonjo will soon have its first hospital which is being built at a cost of \$320,000.

In Kwanza Norte province the commune of Camabatela is getting a new water supply system costing \$500,000.

The Social Support Fund, FAS, set up by the government but also receiving donations from the World Bank, the European Union and corporations such as Chevron, BP and Shell, is working on social facilities in nine provinces, and has this year spent over \$8 million.

The government has been accused by some of being too slow with its plans for reconstruction. However, the budget for next year's state expenditure shows a large increase in social spending, especially in the provision of basic services and the rehabilitation of infrastructure. It has also set aside large amounts for the consolidation of national reconciliation (including the reintegration of returnees) and for the extra expenses in the run up to the 2006 elections.

The government is working on the assumption that Gross Domestic Production (GDP) will grow by 12 percent in 2004, compared with 3.4 percent last year.

### **Donor conference on horizon**

A senior official at the World Bank has stated that an international donors conference to raise funds for Angola's reconstruction and development will take place in 2005.

The UN news service, IRIN, on 19 November quotes World Bank representative for Angola, Michael Baxter, as saying that "the World Bank and other donors very strongly support [a conference]. It will happen certainly within the next year, but we're not quite sure when".

A prerequisite to a successful donors conference has been the implementation of an IMF staff monitored programme, leading to a full agreement between the government and the IMF.

According to Baxter, the World Bank is continuing its assistance to Angola and is extending its work in Angola with a \$200 million credit facility from 2005 for 18 months, known as the Emergency Multisectoral Reconstruction Programme. This will replace the 18-month \$125 million programme that ends this year.

### **Further FLEC desertions**

The armed group, FLEC-FAC, has suffered another blow to its efforts to force the Angolan government into granting the oil-rich Cabinda province independence, when on 15 November the government presented to the media 52 former FLEC-FAC troops who had surrendered recently in Buco-Zau.

The leader of the group is Colonel Estevao Bungo Alberto who stated that he was the commander for the Cabinda north and east zone.

In a sign that the security situation has been greatly stabilised, albeit at a heavy price for people living in the province, the Australian oil company Roc Oil has announced that it is to conduct onshore oil exploration in Cabinda province.

Roc Oil and its partner will pay a \$6 million signature bonus to the Angolan oil company Sonangol, a fact that has been published in line with the Angolan governments determination to improve its transparency record.

According to Roc Oil, "due to the civil war in Angola, the Block has not been explored since the early 1970s. The end of the civil war in 2002 means that the area is potentially accessible for exploration, using modern technology, for the first time in more than 30 years".

## **Parliamentary visit to Angola**

Four British parliamentarians visited Angola in October through the Inter-Parliamentary Union. The delegation was led by Jeremy Corbyn MP and included Ronnie Campbell MP, John Cummings MP, and ACTSA President, Lord Hughes of Woodside. In 1975 Lord Hughes was the first British parliamentarian to visit the newly liberated country, as part of an Anti-Apartheid Movement delegation.

During the trip the parliamentarians met with several government ministers, and visited the town of Kuito that suffered extreme damage during the war. They also visited Dundo, in Kwanza Sul, where they saw the Luachimo hydroelectric power station.

Lord Hughes and Jeremy Corbyn will be giving a report of their visit to a meeting organised by the Mozambique Angola Committee (MAC) and Liberation on Wednesday 24 November in the House of Commons. They will be joined by Mike Gapes MP, who also visited Angola recently.

## **Blue Peter launch appeal for Angola**

The British children's programme, Blue Peter, has launched an appeal to raise £250,000 to help fund the Red Cross programme to reunite Angolan families separated during the war.

On 8 November Blue Peter launched its Welcome Home Appeal ([www.bbc.co.uk/cbbc/bluepeter/show/welcomehome/about.shtml](http://www.bbc.co.uk/cbbc/bluepeter/show/welcomehome/about.shtml)), with viewers asked to donate a bag of unwanted clothes to be resold at Red Cross shops throughout Britain.

Already 2,500 bags have been collected, which represents ten percent of the target.

The Red Cross tracing and messaging service seeks to reunite families by proactively searching for lost relatives. Once someone is reunited with their family they are given a reintegration kit to help the family with the extra cost of another family member, including clothes, an exercise book and pencils, soap, toothbrush and toothpaste and food such as pasta, rice, salt, cooking oil, flour, beans and sugar.

## **Accord criticises "one bullet" solution**

The non-governmental organisation Conciliation Resources has published its latest issue of Accord ([www.c-r.org/accord/ang/accord15](http://www.c-r.org/accord/ang/accord15)), entitled "From military peace to social justice? The Angolan peace process".

The introduction to the issue states that "it seems dangerous to accept uncritically the thesis that eliminating the leader of the armed rebellion and militarily defeating the insurgency will provide better prospects for sustainable peace and future stability than a negotiated settlement".

For Christine Messiant, writing the chapter "why did Bicesse and Lusaka fail?", the root of the failure of the 1991 Bicesse accords was the belief of the United States that "peace was not the first and only aim. The peace process was perceived more as a route for UNITA to come to power".

Similarly, she states that "UNITA only wanted peace because it was certain - as was almost everyone else at the time, including the MPLA - that it would win the elections, and achieve its aim of gaining state power".

Other chapters cover the land issue, the role of Angolan women, demobilisation and disarmament, and a careful analysis of Cabinda and the many factions and differences within the province.

The Angola Peace Monitor is produced every month by ACTSA - Action for Southern Africa.

ACTSA,  
28 Penton Street,  
London N1 9SA,  
e-mail [actsa@actsa.org](mailto:actsa@actsa.org),

[www.actsa.org/angola/apm](http://www.actsa.org/angola/apm)

fax +44 20 7837 3001,  
telephone +44 20 7833 3133.