



**PROJECT TO EXPAND  
ECONOMIC RESEARCH AND POLICY DISCUSSION  
AT THE CENTER FOR ECONOMIC STUDIES AND SCIENTIFIC  
RESEARCH (CEIC) OF THE  
CATHOLIC UNIVERSITY OF ANGOLA (UCAN)**

**Luanda, Angola - June 25, 2006**

**PROPOSAL FOR CONTINUED FUNDING OF**

**USAID Grant # 654-G-00-03-00017-00**

**FOR THE PERIOD:**

**October 1, 2006 – September 30, 2007**

**NO-COST ONE-YEAR EXTENSION**

**AND**

**\$150,000 ADDITION FOR ENERGY ECONOMICS ACTIVITIES**

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## 1. Introduction

The Centro de Estudos e Investigação Científica (CEIC) at the Catholic University of Angola (UCAN) has become in less than 4 years from its inception a very active center of academic research with a growing reputation and an impressive record of accomplishments, an increasing influence over policymaking, and a remarkable list of past and planned events and publications.

CEIC's success would not have been possible without the generous support of the United States Agency for International Development (USAID), the Angola Educational Assistance Fund (AEAF), the Catholic University of Angola (UCAN), and other donors.

CEIC has continued to develop its structure, with new talented recruits recently joining the staff in a number of key positions. Today, in addition to the Executive Director and the Academic Director, the staff includes 2 Senior Researchers, a Research Associates, 2 Research Assistants, an Administrator, and 2 Administrative Assistants.

CEIC has also continued the implementation of administrative and financial management systems to ensure full compliance with USAID and other donors' reporting procedures. This has been done with the support of KPMG-Angola, which has trained internal personnel to the use of the accounting system and performs revision of accounts and financial reporting tasks. KPMG-Angola will continue to serve CEIC on a contractual basis in the future.

## 2. Milestones

- Publication in November 2005 of the **2004 Annual Report** on the Angolan Economy. The 3rd report in this series is a 2-part, 160-page bound publication. The first part is an analysis of the best available data on the Angolan macro economy, assembled each year in a database developed and maintained by UCAN researchers with the cooperation of the Instituto Nacional de Estatística, Banco Central de Angola and Ministério das Finanças. The second part is a selection of essays by Angolan and international scholars on current issues in development economics, international economics and trade, and other subjects.

- The **2005 Annual Report** on the Angolan Economy will be presented at the end of July 2006. The second part will be a thematic survey of the oil sector. Both the 2004 and the 2005 reports have been translated into English and are available for download at <http://www.aeaf.org>. This report and the previous years' reports will be available in hard copy at CEIC and at bookstores around the country, as well as in full-text online on CEIC's web site.
- Publication of the academic journal **Lucere**, the UCAN Academic Journal, continues with the fourth installment in 2006. The quality continues to improve and the number of applications and papers submitted is also increasing, and Lucere is on its way to become a highly regarded regional journal. Basic quality control measures have been implemented, including: processes of competitive article submission; independent, rigorous peer review; editorial and managerial transparency; and timely, high-quality translation into English.
- CEIC participated in the UNICEF-managed Rapid Country Assessment, Analysis, and Action Planning (**RAAAP**) Initiative On Behalf of Orphans and Other Vulnerable Children in Sub-Saharan Africa. Report was completed in the first half of 2006 and will be presented during a public conference at UCAN.
- Collaboration with the **UNDP Resource Center** continues.
- A multidisciplinary "Poverty Research Unit" at CEIC has been established, with dedicated highly competent staff. Collaboration with scholars, policymakers, and experts from a range of academic, governmental, international, and non-governmental organizations in Angola and abroad has begun. The first result of this activity will be a highly anticipated conference at UCAN on poverty alleviation in Angola. Publication of research and articles on various topics will follow.
- **Business barometer** launch planned for the second half of 2006.
- **Re-discovery of the Giant Black Sable Antelope.** Additional funding has been raised through sponsorship by ESSO, Chevron, and other donors, and this is now a well funded activity in continuing expansion. It is likely to generate very positive publicity for the Center, for the Catholic University and for Angola. The Center was awarded in February the Whitley award in recognition of the work on the Giant Black Sable Antelope and the sustained effort to conserve its natural environment. The Center has also raised over

\$200,000 of additional funding for this research project from ESSO, Chevron, and other donors.

- An **Entrepreneurship Promotion Center** will be established by CEIC at UCAN in cooperation with Chevron. This project will be a continuation of the work done on the design of the Enterprise Development Center and will be fully financed by Chevron.

### **3. 2005 Events**

In addition to its research activities, CEIC is very active in organizing events in many areas of interest, including conferences, seminars, and workshops. Researchers from CEIC also participated in several events organized by other institutions. The following is a list that outlines some of the most important events organized by CEIC that have taken place in Luanda:

#### **16 FEBRUARY 2005**

##### ***Measuring and Reducing Poverty in Angola – Applying lessons learned from Brazil***

Roundtable discussion led by Prof. André Urani of the Universidade Federal de Rio de Janeiro

#### **02-06 MARCH 2005**

##### ***2nd Annual “ProPace” Congress: “Builders of Democracy”***

ProPace is a social movement supported by all 18 of Angola’s provincial bishops and archbishops, whose mission is to strengthen democracy and consolidate peace in Angola

#### **21 APRIL 2005 (TH) at 17H00**

##### ***The Socio-Economic Impact of HIV/AIDS, Malaria, and Other Major Infectious Diseases.***

Dr. Alberto Stella, MD; Dr. Filomeno Fortes, MD; Dr. José Carlos dos Santos, PhD (Moderator)

**27 APRIL 2005 (WE) at 17H00**

*The Re-discovery of the Giant Black Sable (Palanca Negra Gigante).*

Mr. Pedro Vaz Pinto

**03 MAY 2005 (TU) at 17H00**

*The Future of Angola's Banking Sector*

Mr. Alvaro Sobrinho; Mr. Ricardo V. Abreu; Ms. Elisa Rangel (Moderator)

**11 MAY 2005**

*Globalization, Social Inequality, and Poverty*

Roundtable discussion led by Prof. Ladislav Dowbor of PUC-São Paulo organized by CEIC in collaboration with the Friedrich Ebert Foundation

**18 MAY 2005 (WE) at 17H00**

*Business Administration in Africa - Changing how managers think.*

Ms. Isabel Serrão; Mr. José Luís Alçada; Dr. J. Octávio Van-Dúnem, PhD (Moderator)

**06 JUNE 2005 (MO) at 17H00**

*Tradition and Modernity in Angolan Music - Are they in conflict?*

Mr. Jomo Fortunato; Mr. Rui Mingas; Mr. Paulo Flores (Moderator)

**21 JUNE 2005 (TU) at 17H00**

*The Degradation of the Urban Environment in Luanda - Environmental management, non-renewable resources and sustainable development.*

Ms. Angela Mingas; Ms. Maria João Telles Grilo; and Mr. João Serôdio (Moderator)

**01 JULY 2005 (FR) at 17H00**

*The Consequences of Regional Inequality Within Angola and in the SADC region*

Prof. Armando Manuel; Prof. Alves da Rocha; Prof. José Amaral (Moderator)

**21 JULY 2005 (TH) at 17H00**

***National Competitiveness, Globalization, and Development - The role of the state and the private sector in emerging market economies***

Mr. Carlos Manuel de São Vicente; Prof. Vicente Pinto de Andrade;  
Prof. Emílio Moreso Grioñ (Moderator)

**05 SEPTEMBER 2005 (MO) at 17H00**

***Should Legal Reform Lead (or Follow) Socio-Economic Development?***

Prof. Ana Paula Goudinho; Prof. Carlos Feijó; Prof. Luzia Sebastião (Moderator)

**21 SEPT 2005 (WE) at 17H00**

***The Role of Fiction Writers in the Transmission of History***

Mr. José Eduardo Agualusa; Mr. Arnaldo dos Santos; Mr. Artur Pestana  
“Pepetela”;  
Prof. Aurora Ferreira (Moderator)

**04 OCTOBER 2005 (TU) at 17H00**

***Language as an Instrument for Socio-Economic Development  
The role of Indigenous languages and lingua-francas***

Prof. Cornélio Caley, Prof. Amélia Mingas; Prof. António Costa (Moderator)

**21 OCTOBER 2005 (FR) at 17H00**

***The Future of Angolan Industry***

Mr. Manuel Duque; Mr. José Severino; Prof. Justino Pinto de Andrade  
(Moderator)

**03 NOVEMBER 2005 (TH) at 17H00**

***Perspectives on Angolan Agriculture***

Mr. Fernando Pacheco; Prof. João Peres do Amaral; Mr. Joaquim Russo  
(Moderator)

**21 NOVEMBER 2005 (MO) at 17H00**

***Information & Communication Technologies (ICTs) In a Dynamic Social Environment***

Prof. João Beirão; Prof. José Neto Fernandes; Prof. Aires Veloso (Moderator)

**4. 2006 Events**

Building on the success of the events listed above, CEIC has planned for 2006 another series with a similar outreach objective. Some of these are still in the planning phase, although we can include here a preliminary schedule:

**10 MAIO 2006 (QUINTA-FEIRA) ÀS 17H00**

***África e Europa em Movimento***

Glauco Kalsuola; França Van-Dúnem; Palmira Tjipilica; Prof. Adérito Correia (Moderador)

**19 JUNHO 2006 (SEXTA-FEIRA) ÀS 17H00**

***SIDA um desafio para Angola: uma urgência nacional***

Lídia Galleano; João de Deus; Jorge Dupret; Regina Santos (Moderadora)

**29, 30 DE JUNHO 2006**

***O Ensino Superior em Angola e Liberdade Académica***

**17, 18 AGOSTO 2006**

***O Petróleo em Angola***

(2ª Parte do Relatório Económico Anual 2005)

**29 AGOSTO 2006 ( SEGUNDA-FEIRA) ÀS 17H00**

***Cidade saudável para Luanda - Reciclagem de resíduos e emprego - Caso do Brasil***

Helder José (Governo Provincial de Luanda); Márcio Souza Pastori Surya UFRGS –Brasil;  
Dr. Gameiro (Moderador)

**19 DE SETEMBRO 2006**

*Pesquisa e Conservação da Palanca Negra Gigante*

Pedro Vaz Pinto, CEIC

**25 SETEMBRO 2006 (QUINTA-FEIRA) ÀS 17H00**

*Que futuro para as lideranças nas empresas públicas e privadas*

Amândio Vaz Velho; José Cerqueira; Noelma Viegas D'Abreu (Moderador)

**20 DE OUTUBRO 2006**

*Lançamento do Barómetro de Conjuntura (Sector Privado em Angola)*

**27 OUTUBRO 2006 (SEXTA-FEIRA) ÀS 17H00**

*Democracia Estado de Direito e Eleições*

Adão Avelino; Adérito Correia (Moderador)

**21 NOVEMBRO (TERÇA-FEIRA) ÀS 17H00**

*Estratégias e Políticas de Industrialização: O Modelo Fundamental para Angola*

João Peres do Amaral; Joaquim David; Abraão Gourgel; Alves da Rocha (Moderador)

**28, 29, 30 DE NOVEMBRO 2006**

*A Pobreza em Angola*

(No Contexto do IX Congresso Afro-Luso-Brasileiro)

**11 DEZEMBRO 2006 (TERÇA-FEIRA) ÀS 17H00**

*Os Investimentos Chineses em África e Angola: Objectivos, Interesses, Estratégias e Efeitos sobre a nossa economia*

Economista da Embaixada da China; Dr. Emílio Grion; Alves da Rocha (Moderador)

## 5. Extension

AEAF requests a one-year no-cost extension of the current grant agreement that will allow CEIC to continue, improve, and expand its current economic research activities and publications. AEAF also requests a \$150,000 addition to the grant for Energy Economics activities to be carried out in the next fiscal year. The rationale for this request will be outlined in the next chapter.

The no-cost extension will spread the disbursement on a longer period. On one side, a slightly slower than expected growth of the capacity of CEIC translated in a slower disbursement of funds. On the other, the Norwegian Embassy has joined the donor pool of CEIC with a first instalment of funding amounting to about \$240,000 through September 2007. While this strongly validates USAID decision to funding CEIC from its inception as well as the fundraising effort by CEIC, it also allows AEAF to request a one-year no-cost extension while ensuring adequate funding of CEIC through September 30, 2007.

CEIC will continue to provide monthly progress reports which will include metric analysis of the results of its activities. This will include, among others, the number of events, the number of attendees, the number of publications, etc.

CEIC will continue to establish a quality assurance procedure, peer review analysis, linkages with other established institutions.

CEIC is working with KPMG-Angola to establish accepted accounting procedures and train its personnel in the use of an accounting system. KPMG will continue to provide assistance and will review CEIC's accounts. An audit will be considered later on.

CEIC is completing the process of strengthening its capacity, and it has now the following staff on payroll (for a total of 10):

- Executive Director
- Academic Director
- Senior Researcher (2)
- Research Associate
- Research Assistant (2)
- Administrator
- Administrative Assistant (2)

The expansion of capacity of current facilities will continue, as additional space at the Catholic University site of Kinaxixi will become available as the University moves some of its activities to the new campus in Palanca.

## **6. Funding for Energy Economics activities**

We request an addition of \$150,000 to the current grant agreement to finance Energy Economics activities at CEIC. This is an area that has enormous importance and relevance to Angola. We intend to work with the Center for Energy Economics (CEE) of the University of Texas (UT). CEIC staff has already attended a 2-weeks workshop organized by the CEE in Houston. We intend to build on and expand this expertise by means of a close collaboration.

This is a list of activities that we are planning:

- Develop a curriculum of energy courses that is most appropriate to circumstances and needs in Angola
- Prepare an Energy Economics Outlook for Angola, a comprehensive study of the energy situation of Angola, its policy and revenue planning, and future scenarios and developments. The Outlook may eventually become an annual publication
- Publish public education and survey materials on energy issues of most immediate relevance to Angola
- Promote discussion of Angola's oil and gas strategy and revenues and an analysis of re-investment scenarios could be of great value to initiate a public debate on this issue that has great importance for the country's future
- Hold public outreach activities using the public education materials and energy courses to provide background and discussion opportunity on current energy issues
- Hold specialized training sessions for journalists, industrial users of energy, bankers and other professional groups that may be more immediately involved in energy issues than the general public
- Organize advanced technical sessions for companies from the industry such as Sonangol (this will require assistance from CEE and/or other consultants in the early stages, but could be organized locally later on)

To form the foundation for these activities, CEE will be involved in planning and executing, and will provide the necessary training and know-how transfer to CEIC faculty. This may be achieved through the following:

- CEE may host CEIC faculty members in Texas for a period of time, where they will have a chance to work with CEE team and other UT faculty
- In order to strengthen research capacity of CEIC/UCAN faculty, joint research projects will be conducted in Houston and Luanda, and access to data and information will be provide
- A devoted partnership website will be developed. Communication among the partners is crucial to effective research, training and outreach. The website will provide access to necessary partnership documents, and research and training materials, and foster close contact and communication
- An Energy Database will be built (on the basis of “Macroeconomic Database” already built by CEIC, <http://www.ceic-ucan.com/DBMacro.aspx>)
- Establish internships at energy companies (Sonangol, oil and service companies) for students interested in energy

Budget Energy Economics 01OCT06-30SEP07

Personnel (CEIC)	\$24,000
Consultancy (90 days @ \$350)	\$31,500
Travel (8 int’l trips @\$6000)	\$48,000
Energy Economics Outlook (incl. publication of report)	\$6,500
AEAF Overhead (% 10 of allocation)	\$15,000
<u>Energy Economics Conference (July 2007)</u>	<u>\$25,000</u>
<b>Total</b>	<b>\$150,000</b>

## 7. Cost share

**AEAF Cost Share.** AEAF will have contributed a total of \$60,000 to the project under the current grant agreement, over the current three-year period. There is no cost share contribution planned by AEAF under the grant extension.

**Catholic University of Angola (UCAN) Cost Share.** Under the current grant agreement, UCAN will have contributed about \$126,000 to the project over the three-year period. Under the proposed extension, UCAN will make the following contribution over a one-year period:

Contribution to overhead costs	\$35,000
<u>Rent, Internet, telephone (equivalent)</u>	<u>\$36,000</u>
<u>TOTAL UCAN COST SHARE</u>	<u>\$71,000</u>

**AEAF USAID Grant Pipeline Analysis (page 13)**

	<b>Total Budget</b>	<b>Q4-03</b>	<b>Q1-04</b>	<b>Q2-04</b>	<b>Q3-04</b>	<b>Q4-04</b>	<b>Q1-05</b>	<b>Q2-05</b>	<b>Q3-05</b>	
Design Expenses (CEIC)	\$189,300	\$42,549	\$55,330	\$31,286	\$33,034	\$21,209		\$5,892		
Personnel (CEIC)	\$560,350	\$33,368	\$30,989	\$45,369	\$36,011	\$38,416	\$23,742	\$31,941	\$109,914	
Other Direct Costs (CEIC)	\$159,350						\$0	\$16,375	\$38,425	
Program Expenses (CEIC)	\$166,750				\$53,681	\$16,416	\$41,975	\$54,678		
Training (former CED budget, now Entrepreneurship Center)	\$59,400									
Travel	\$32,000									
Equipment	\$17,500									
Research/Publications (Translations)	\$135,350									
2007 extension (Energy Economics)	\$150,000									
<b>Total</b>	<b>\$1,470,000</b>	<b>\$75,917</b>	<b>\$86,319</b>	<b>\$76,655</b>	<b>\$122,726</b>	<b>\$76,041</b>	<b>\$65,717</b>	<b>\$108,886</b>	<b>\$148,339</b>	

<b>Total to date</b>		<b>\$75,917</b>	<b>\$162,236</b>	<b>\$238,891</b>	<b>\$361,617</b>	<b>\$437,658</b>	<b>\$503,375</b>	<b>\$612,261</b>	<b>\$760,600</b>	
<b>Balance to date</b>		<b>\$1,394,084</b>	<b>\$1,307,765</b>	<b>\$1,231,110</b>	<b>\$1,108,384</b>	<b>\$1,032,343</b>	<b>\$966,626</b>	<b>\$857,740</b>	<b>\$709,401</b>	

**AEAF USAID Grant Pipeline Analysis (page 14)**

(\*) Estimate

		<b>Q4-05</b>	<b>Q1-06 (*)</b>	<b>Q2-06 (*)</b>	<b>Q3-06 (*)</b>	<b>Q4-06 (*)</b>	<b>Q1-07 (*)</b>	<b>Q2-07 (*)</b>	<b>Q3-07 (*)</b>	<b>Total Spent (30SEP07)</b>
Design Expenses (CEIC)										\$189,300
Personnel (CEIC)		\$90,175	\$39,679	\$39,679	\$39,679	\$39,679	\$39,679	\$39,679	\$39,679	\$717,678
Other Direct Costs (CEIC)		\$20,730			\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$125,530
Program Expenses (CEIC)										\$166,750
Training (former CED budget, now Entrepreneurship Center)					\$10,000	\$10,000	\$10,000	\$12,000	\$17,400	\$59,400
Travel			\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$35,000
Equipment		\$1,645							\$7,066	\$8,711
Research/Publications (Translations)						\$4,408	\$4,408	\$4,408	\$4,408	\$17,632
2007 extension (Energy Economics)						\$30,000	\$40,000	\$40,000	\$40,000	\$150,000
<b>Total</b>		<b>\$112,550</b>	<b>\$44,679</b>	<b>\$44,679</b>	<b>\$64,679</b>	<b>\$99,087</b>	<b>\$109,087</b>	<b>\$111,087</b>	<b>\$123,553</b>	<b>\$1,470,000</b>

<b>Total to date</b>	<b>\$873,150</b>	<b>\$917,829</b>	<b>\$962,508</b>	<b>\$1,027,187</b>	<b>\$1,126,274</b>	<b>\$1,235,361</b>	<b>\$1,346,448</b>	<b>\$1,470,000</b>	
<b>Balance to date</b>	<b>\$596,851</b>	<b>\$552,172</b>	<b>\$507,493</b>	<b>\$442,814</b>	<b>\$343,727</b>	<b>\$234,640</b>	<b>\$123,553</b>	<b>\$0</b>	