

Angolans Commemorate Historic First Year of Peace

On April 4 Angolans throughout the world celebrated their newest national holiday. Peace and National Reconciliation Day commemorates the signing of the Memorandum of Understanding between the Angolan government and UNITA rebels that effectively ended nearly 30 years of war and instability that had plagued the country since independence.

Some 100,000 people gathered in Luanda's Cidadela outdoor stadium to participate in an ecumenical religious service to mark the first anniversary of peace. President José Eduardo dos Santos, the First Lady and numerous government officials attended the service, which was organized by church leaders. Amidst white balloons, scarves and flags, the crowd sang songs of praise, and prayed for national reconciliation. At noon a nation-wide moment of silence was observed in honor of the estimated half million victims of the war. "Several years' suffering provoked by the war will not be appeased unless we embrace justice and forgiveness," warned Catholic Archbishop of Luanda Damião Franklim.

In addition to the ecumenical service, Lusophone artists, including Brazilian singer Roberto Carlos, performed in concerts around the capital.

In an official statement marking the day, the Angolan government hailed the agreement that brought lasting peace to the nation and outlined the gains made in just one year. However it acknowledged that "we cannot reconstruct in 12 months what the war destroyed over three decades." The government called on all citizens "to set aside the resentment of the past" and work toward true national reconciliation. It reaffirmed its "determination to carry out its remaining task, namely the social reintegration of demobilized soldiers, displaced persons and refugees, without any kind of discrimination, the promotion of a policy of tolerance and the creation of conditions for the holding of general elections."

The government also pledged to expand the climate of peace throughout the national territory by working toward a peaceful solution in Cabinda.

In the US, Angolan Ambassador to the United States Josefina Pitra Diakité issued a statement highlighting the importance winning the peace. She noted that nearly 1.7 million internally displaced people have already returned to their homes, UNITA officials have been reintegrated into all levels of government and the military, and new economic initiatives are spurring development and commerce. To read the full text of Ambassador Diakité's statement, please visit www.angola.org.

In addition, there was a special discussion on Angola's first year of peace and the challenges ahead at the Ronald Reagan Building in Washington, DC. The UN's Under Secretary General and Special Advisor on Africa Ibrahim Gambari participated in the discussion and remarked that "it appears that peace is irreversible in Angola." Noting that "no single shot has been fired and no skirmishes have been reported in violation of

the cease-fire” Gambari hailed the transformation underway in Angola. Gambari pledged continued UN support for the tasks ahead, specifically with regard to reintegration of former combatants, addressing the humanitarian crisis, de-mining operations, consolidating national reconciliation, convening an international donors conference, promoting and protecting human rights and organizing future national elections.

World Bank Launches A Transition Strategy Program for Angola

The World Bank recently approved a new Transition Assistance Strategy for Angola totaling \$125 million in assistance to the country. Angola's Deputy Minister for Planning, Severim de Morais, announced that the World Bank assistance would focus on three key areas: the reintegration of former combatants into civilian life, combating HIV/AIDS, and rebuilding the administrative capacity of the Angolan government, specifically in the area of macro economic management.

World Bank Director for Angola Darius Mans said of the program: "For us this is stage one to help consolidate the peace -- demobilization and reintegration of large numbers of people into society."

Under the new strategy the World Bank will support Angola's national program to demobilize more than 100,000 UNITA and Angolan military combatants. While the money has not yet been designated for specific activities, the World Bank is considering using some of the money to rebuild community support networks, specifically medical facilities and schools, in areas where demobilized soldiers and their families are resettling.

The World Bank will also work with the government to develop programs to help combat the spread of HIV/AIDS via public awareness and prevention campaigns. Capacity building programs will include support for a diagnostic study of the oil sector, a review of the public procurement process, a study on private sector participation in infrastructure rebuilding and public expenditure management and financial accountability.

Following the announcement of the new strategy the World Bank's Country Manager in Luanda Laurence Clarke said, "From all indications the government and other interested parties are committed to lasting peace which is encouraging for the donor community. The grant signals that the World Bank supports this new dispensation and hopes to maintain this renewed trust between ourselves and the government."

In related news, the International Monetary Fund began a two-week mission to Angola at the end of April. An IMF spokesman told news reporters that the team would follow up on pending issues from the IMF's last report "and hopefully this time we'll issue a more positive assessment of economic and social policy over the past year." The team is holding meetings with the Ministries of Finance and Planning as well as with the Central Bank and Sonangol, the State oil company.

Angola Prepares for Returning Refugees

The Angolan government has been working closely with the UN High Commissioner for Refugees (UNHCR) and the neighboring countries of Namibia, Zambia and the Democratic Republic of Congo (DRC) to arrange for the orderly return of hundreds of thousands of Angolan refugees who fled the country during the war.

UNHCR estimates that 450,000 Angolan refugees will be returning home from neighboring countries. Based on surveys taken by UNHCR in Namibia, Zambia, Congo and the DRC, 80 percent of all Angolan refugees in these countries want to return home. Of these 66, percent wanted to return during 2003.

In tripartite meetings with UNHCR and Namibian government representatives, Angolan officials discussed the registration, transportation and logistics process for repatriating 20,000 Angolans currently living in Namibia. The assisted repatriation process for this group is set to start in the second half of the year. It is expected that 70 percent of these refugees will be returning to the southern province of Cuando Cubango.

Similar tripartite discussions were held in Kinshasa and Lusaka regarding Angolans living in the DRC and Zambia respectively. UNHCR expects that approximately 165,000 Angolan refugees in the DRC will return to Angola via convoys to the provinces of Moxico, Uige and Zaire. Returning refugees from Zambia are expected to number more than 150,000.

In preparation for the organized repatriation program UNHCR has already opened seven offices in northern Angola where many of the refugees are expected to return. UNHCR will organize the transportation of people from the refugee camps to reception areas in Angola. Initially, refugees will be given food kits and construction materials to help them reintegrate into Angolan communities. As a follow up these individuals will receive agricultural tools and seeds to help them become self-reliant.

Some refugees are not waiting for the formal repatriation process to begin in June. Already some 130,000 Angolans have voluntarily returned home from Zambia, the DRC and Namibia.

As Angola prepares for returning refugees, the government is also trying to address the needs of the internally displaced and demobilized soldiers and their families. In all, nearly half of the 4 million displaced persons in the country have returned to their homes during the first year since the end of the war, according to Minister João Baptista Kussumua, Minister of Assistance and Social Reintegration. This number is three times higher than the figure that had originally been forecast for this period. As with the refugee populations, many displaced people have returned to their homes on their own rather than wait for government programs to assist them in their return.

Demobilized soldiers and their families are also returning to their homes. As of March 31, only two of the 35 reception areas for former UNITA combatants and their families remained open. Both are located in Cuando Cubango province where difficult access to the reception areas is delaying their return home. About 75,000 former soldiers and 350,000 family members have so far been resettled in Uige, Bengo, Moxico, Huambo, Kwanza Sul, Kwanza Norte, Benguela, Zaire and Cuando Cubango provinces.

Economic Notes

US Overseas Private Investment Corporation to Support Angolan Reconstruction

The Chairman of the US Overseas Private Investment Corporation (OPIC) Peter Watson visited Luanda in early April and met with President dos Santos to discuss how the US investment agency could participate in the country's reconstruction. Following his meeting with Angolan officials, Mr. Watson said that OPIC "intends to help the Angolan people and the private sector in the reconstruction and development" of Angola. Watson added that OPIC had identified housing, transportation, rehabilitation of infrastructure and the petroleum sector as areas of potential OPIC investment.

In related news, the US Export-Import Bank recently added Angola to its list of countries eligible for its short-term insurance program.

Government Passes New Investment Legislation

The Angolan Parliament voted in favor of proposed legislation that would create three special development and economic zones in the country. The Law on Incentives and Fiscal and Customs Tariffs complements a new private investment law that Parliament recently enacted. The new law will also promote technological diversification, scientific development, domestic competition and, ultimately, boost Angolan exports. In addition, the law identifies priority sectors for investment. These include cattle-breeding, manufacturing, fisheries, civil engineering, health, education, transportation infrastructure, telecommunications, energy and water.

Block 17 Yields Two New Discoveries

Sonangol, the Angolan state oil company, and TotalFinaElf, operator on Angola's offshore Block 17, announced the discovery of two new deepwater oil deposits, bringing the total number of successful oil wells drilled in the block to 15. The Acacia-1 well tested at an initial flow rate of 13,712 barrels of oil per day (b/d), while the second well, Hortensia-1, tested at a rate of 5,092 b/d. Both discoveries lie close to the Perpetua field, discovered in 2000, and the Zinia field discovered in December 2002.

In addition to TotalFinaElf, ExxonMobil, BP, Statoil and Norsk Hydro also have interests in Block 17.

Alrosa to Invest \$85 Million in Two New Projects in Angola

Russia's diamond mining company Alrosa announced plans to invest \$85 million in two new projects in Angola this year. First, the company is a co-founder in the Camachia-Camajicu Mining Company, which will develop the Camachia and Camajicu diamond kimberlite pipes in Luo. Alrosa and Espirito Santo (a Portuguese financial group) own a 45 percent interest in the new company. This is the second mining project for Alrosa in

Angola. The company is also a partner in the Catoca Mining Company, which is developing the Catoca diamond mine.

Alrosa also will invest in a project to build a hydroelectric dam along the Chicapa River that will supply power to the Catoca diamond mine. Alrosa owns a 55 percent interest in the newly-formed HydroChicapa.

New Diamond Mine Begins Operations

The Luarica diamond mining project launched operations at the end of April in a ceremony presided over by Minister of Geology and Mining Manuel Africano. The project, located in Lunda Norte province, is a joint venture between Endiama, the Angolan state diamond company, and South Africa's Trans Hex.

Minister Africano announced that the new project is expected to produce approximately \$3 million worth of diamonds a month. Also in attendance at the launch ceremony were Angolan Finance Minister José Pedro de Morais, Chairman of the Board of Endiama Manuel Arnaldo Calado, and Trans Hex Chairman Tokyo Sewale as well as the South African Ambassador to Angola.

Coca Cola Expands Operations in Angola

During a four-day visit to Angola, Coca Cola's head of South and East Africa operations Douglas Jackson announced that the US company would invest more than \$50 million in Angola over the next five years.

Jackson was in the country to inaugurate a new Coca Cola distribution center in Luanda Sul. The new \$4.5 million facility will create at least 50 new jobs and will be able to store 600,000 crates of soft drinks.

Coca-Cola has been present in Angola for five years. During that time, the company has invested \$42.5 million in its operations and has generated about 400 direct jobs and more than 100,000 indirect jobs. At the same time the company has quadrupled its production levels from 2 million crates per year to 8 million.

At inauguration ceremonies Jackson said that Angola is among the ten best African markets for the soft drink company and he noted that Coca Cola's objective is to increase its market share to put Angola within the top five African markets. To reach its goal Coca Cola is investing \$50 million over five years to expand operations.

South Africa to Boost Investment in Angola

South Africa's private sector is looking to boost trade and investment relations with Angola. A new Angola-South Africa Chamber of Commerce was formed in order to identify and promote trade and investment opportunities between the two nations.

In a related development, representatives from the South Africa-based Development Bank of Southern Africa (DBSA) were in Angola in early April to identify investment and loan opportunities. DBSA officials met with Angola's Minister of Planning Ana Dias Lourenco, Deputy Minister of Public Works Jose Ferreira and representatives of the Angolan Credit and Savings Bank (BPC) to discuss Angolan economic policies and priorities. DBSA officials have indicated their interest in funding reconstruction projects in agriculture fisheries, transportation, electricity and telecommunications sectors. In a meeting with Angola's National Electricity Company (ENE), DBSA officials learned about the Angolan government's plan to restore energy production capacity in the southern and central parts of the country.

Angola Launches Major Public Health Initiative

In its first nationwide vaccination program since the end of the war, the Angolan government launched a campaign to immunize Angolan children against measles on April 21. The campaign is being coordinated by Angola's Ministry of Health with support from the World Health Organization (WHO) and the United Nations Children's Fund (UNICEF).

The three-phased program will vaccinate seven million children between the ages of nine months and 15 years, more than half of the country's 13 million people. More than 10,000 Angolan children die each year from measles. While in the developed world 999 children out of 1,000 will survive measles, in Angola 10 percent of children who contract measles die from the disease.

Twenty-four thousand health workers have been trained to administer the vaccine nationwide. Another 35,000 workers from government, non-governmental organizations, churches and other civil society groups will be advocates and educators for the measles campaign.

According to UNICEF officials, 100,000 pamphlets have been distributed to educate the people involved in the campaign. In addition radio and television spots have been produced in 12 indigenous languages and traditional village leaders have been brought into the process to gain their support for the program.

In addition to saving the lives of children, the program will also help Angola rebuild its health care system by establishing a network of cold storage facilities used to store the vaccine throughout all 18 provinces.

UNICEF's Executive Director Carol Bellamy and WHO's Angolan representative Paolo Balladelli joined Angolan President José Eduardo dos Santos at the launch of the campaign, which will continue through May. WHO provided a \$4.5 million grant to the Angolan government for the measles vaccination campaign. WHO is also providing support for anti-retroviral treatment to curb the transmission of HIV/AIDS from pregnant women to their unborn children.

Angolan Ambassador Receives Peace Award

Angolan Ambassador to the United States Josefina Pitra Diakité received the Dag Hammarskjold Security and Peace Award from Jackson State University in Mississippi. Citing her commitment to actions aimed at bringing people together and promoting understanding, Jackson State University Chancellor Ronald Mason presented the award to Ambassador Diakité before a crowd of 500 professors, students and dignitaries.

In her remarks, the Ambassador thanked the many American organizations that have are contributing to Angola's reconstruction and that had supported Angola throughout its difficult path to peace. She urged local officials in Mississippi to work with Angolans to help develop the country. Specifically, the Ambassador suggested that the Embassy and University officials should work toward a cooperation agreement between Angola's Agostinho Neto University and Jackson State University. Both Chancellor Mason and Jackson State University's Director for International Programs Ally Mack expressed their interest in finding ways to increase cooperation and support for Angola.

Angola Hosts African Oil and Gas Conference

Angola's capital of Luanda hosted the 7th African Oil and Gas, Trade and Finance Conference organized by the UN Conference on Trade and Development (UNCTAD) from May 20-23rd.

The event drew 600 representatives from African countries, corporations and international institutions working in the energy sector. Official delegations from the governments of Chad, Congo, Equatorial Guinea, Kenya, Morocco, Mozambique, Namibia, Niger and Senegal participated in the conference as did representatives from APPA, NEPAD and the US Departments of Commerce and Energy. Private sector participants included major oil and gas corporations, such as ChevronTexaco, TotalFinaElf, ExxonMobil, Shell and ConocoPhillips.

The conference focused on policies that affect energy project development, investment, and finance and offers an opportunity for key actors in the sector to learn about new opportunities and sign new contracts.

The next conference will be held in 2004 in Morocco.