

Quartering Areas Officially Closed

Resettlement of Demobilized Soldiers and Families Continues as Refugees Begin Returning

In a ceremony signaling the completion of Angola's peace process, the Angolan government declared on June 19 the official closing of all quartering and sheltering areas for UNITA combatants and their families. Social Welfare Minister João Baptista Kussumua presided over the ceremony, which was held in Mavinga, in the southeastern province of Kuando Kubango.

Following the signing of the Memorandum of Understanding in April 2002 which ended the war, the Angolan government established 35 quartering areas around the country to accommodate demobilized soldiers. A similar number of sheltering camps was also established to provide support to their family members.

Although the government and UNITA originally expected and planned for 50,000 UNITA troops to be demobilized, some 85,550 UNITA troops arrived at quartering areas. While in operation, these quartering and sheltering areas housed 480,000 former UNITA soldiers and their families. In total, the Angolan government spent more than \$138 million in support of the camps.

As stipulated by the peace agreement with UNITA, a number of former UNITA combatants were incorporated into the Angolan Armed Forces (FAA) and National Police. At the end of this process, 5,007 UNITA soldiers were incorporated into the FAA, including four generals, eight lieutenant generals, and 18 brigadiers. Another 40 UNITA generals were incorporated into the National Police.

Over the past ten months, former combatants and their families have been moved from quartering areas to transit centers en route to their areas of origin or resettlement. In light of the high number of demobilized soldiers and dependents that have required resettlement, some transit centers remain in operation in Benguela, Huambo, Huila and Kuando Kubango provinces to continue resettlement assistance. To date, the Angolan government has provided 91,752 resettlement kits to support this effort.

As demobilized soldiers and their families continue to leave transit areas, Angola is poised to welcome back some 400,000 Angolan refugees currently living in the Democratic Republic of Congo (DRC), Zambia and Namibia.

Voluntary repatriation of the first group of 500 refugees from the DRC began on World Refugee Day, June 20. This initial group returned to Angola via reception centers in Mbanza Congo (Zaire province) and Luau (Moxico province.) Upon arrival at the reception centers the refugees are provided with food, shelter, and medical assistance and will receive training on HIV/AIDS prevention and landmine awareness. When they leave the centers, the World Food Program will provide them with food support and a

resettlement kit that includes cooking utensils, plastic, canvas and blankets. Refugees will also receive agricultural material at the end of the year.

In early July the next phase of voluntary repatriation began with Angolan refugees from Namibia and Zambia returning to the country. Refugees from Namibia will be transported to reception centers in Kuando Kubango province, while refugees from Zambia will be transported to Moxico province. As additional roads are cleared and conditions improve, the UN High Commissioner for Refugees (UNHCR), which is spearheading the repatriation effort, anticipates adding additional reception points.

UNHCR is working in concert with the Angolan Ministry of Social Welfare and a number of international non-governmental organizations to complete the repatriation effort. However, the entire operation may take up to two years to complete. The UN organization has pledged \$200 million toward the Angolan refugee repatriation program.

The Angolan government estimates that 130,000 Angolan refugees spontaneously returned home since April 2002, when hostilities ended.

UNITA Chooses New Party Leader; Samakuva Elected in Party Congress

At the end of June, Isaias Ngola Samakuva was elected the leader of UNITA, Angola's largest opposition political party.

Some 1,200 delegates from all of Angola's 18 provinces elected Samakuva who received 1,067 votes, defeating Lukamba Paulo Gato, UNITA's interim leader and Eduardo Chingunji who had 277 and 20 votes, respectively.

Samakuva, a former leader of UNITA's overseas offices, announced, "this is a victory for democracy, for UNITA, for everyone," following the vote count. "We all win. This is a victory for the Angolan people," he added. Samakuva also invited both of his opponents to join him in leading UNITA in a new direction.

President dos Santos congratulated Samakuva on his election as UNITA's president and expressed his hope that "under your leadership, UNITA will continue to give its contribution to the strengthening of democracy and reconciliation...." He added that UNITA should strive for "the confrontation of ideas in a climate of tolerance and respect for differences." President dos Santos also hailed the success of the UNITA congress, noting that "the organization of this congress and the way it went on are obvious signs that UNITA has embraced ideals of peace and thus can legitimately come to terms with its current status as the largest opposition party in Angola."

Party delegates also agreed that UNITA would remain in the Government of National Unity and Reconciliation until national elections could be held. The group also agreed to maintain its presence abroad by maintaining the "external wing" of the party.

In one of his first official acts, Samakuva attended the July 2 meeting of the Council of the Republic, a Presidential advisory body comprised of political and civic leaders. This was the first time UNITA was represented at such a meeting. During the meeting, which focused on electoral issues, Samakuva called for early presidential and legislative elections.

President dos Santos Attends SADC Conference on AIDS

President José Eduardo dos Santos traveled to Maseru, Lesotho to address the Southern African Development Community (SADC) Summit on HIV/AIDS in early July. At the Summit, President dos Santos called on the group to identify a regionally integrated policy and strategy aimed at preventing, treating and providing those infected with HIV/AIDS access to medication.

The President told Summit participants that the AIDS pandemic “cannot be dissociated from the efforts leading to sustainable development and the fight against poverty.” The President argued that SADC’S strategy for combating AIDS should be multi-sectoral and part of an overall program of good governance. He added that “only [good governance] can correctly deal with the threat that is diverting our attention and huge sums of money from other crucial problems that could have contributed to our development.”

At the conclusion of the Summit SADC nations adopted the “Maseru Declaration on HIV/AIDS in the SADC region,” which identified access to care, testing and treatment, prevention and social mobilization as priority areas in order to fight the virus. In addition, SADC heads of state promised to allocate at least 15 percent of their countries’ annual budgets to improve health services. SADC leaders also urged the international community to assist the region by substantially increasing bilateral and multilateral financial and technical support. The group also pledged to simplify mechanisms for disbursing assistance to ensure that all communities had adequate access to funds to fight HIV/AIDS.

To read the complete text of President dos Santos’ speech, please visit www.angola.org.

President dos Santos' Official Visit to Botswana Paves Way for Returning Refugees

President José Eduardo dos Santos paid a three-day official visit to Botswana from June 3 to June 6, which culminated in the signing of a tripartite agreement that paves the way for the voluntary repatriation of 850 Angolan refugees in Botswana.

President dos Santos was met upon arrival by Botswana President Festus Mogae. The two leaders met privately to discuss bilateral relations, such as enhancing cooperation on water management issues, as well as challenges facing the Southern African Development Community (SADC), such as the Democratic Republic of Congo and Zimbabwe.

Commenting on his visit, the first by an Angolan head of state to Botswana, President dos Santos said that Angola could learn a great deal from its neighbor in terms of good governance and managing natural resources. Noting that both countries were already cooperating in the areas of trade, industry and environmental conservation, President dos Santos expressed the hope that his visit would strengthen these ties and develop new opportunities for cooperation, including the areas of diamond sales, agriculture, and human resource development.

President Mogae commended President dos Santos for restoring peace in Angola and noted that peace would pave the way for development. He called for stronger cooperation between the two countries, especially in the areas of trade and management of wildlife and shared water resources. "As two of the leading countries in the diamond industry, there is obviously a particular need for closer collaboration between us," said President Mogae.

As the current chairman of SADC, President dos Santos visited the regional organization's headquarters in the Botswana capital and stressed the need for the organization to play a positive role in the development of the region. "We intend to join efforts for the integrated development of our region. We want to continue to overcome together the great common challenges of this era of globalization and establish our positions in the matters relating to southern Africa and the rest of our continent," the President said.

During the visit, ministers from both countries met to discuss a number of bilateral issues. Most notably, Angolan Vice Minister of Foreign Affairs George Chicoty signed a tripartite agreement with the Botswana government and the United Nations High Commissioner for Refugees (UNHCR) on the voluntary repatriation of Angolan refugees living in Botswana. After signing the agreement, Vice Minister Chicoty said, "the agreement shows that there is no war in the country, there is a peace process, national reconciliation, national reintegration and accommodation of Angolans for reunification of families...." Botswana Minister for Presidential Affairs and Public Administration Daniel Kwelagobe used the occasion to call on the international community to contribute to Angola's reconstruction and development.

As a next step, representatives from UNHCR and the governments of Angola and Botswana will form a commission to study the logistical requirements for resettling the refugees in Angola.

While in Botswana President dos Santos also met with members of the Angolan community living in Botswana and heads of diplomatic missions in the country. First Lady Ana Paula dos Santos accompanied the President on his visit as did a number of cabinet –level officials.

Economic Notes

Oil Discovered in Block 32

Total Fina Elf, the operator of Angola's ultra-deep water Block 32, announced in mid-May that it had made a "promising" discovery in the block. The Gindungo-1 discovery tested at the rate of 7,400 barrels per day and 5,700 barrels per day in two distinct zones. The discovery is located approximately 102 miles offshore. An additional exploration well on the block is due to be drilled soon, according to a Total Fina Elf spokesman. Total Fina Elf owns a 30 percent stake in the block. Other partners in the block are: Marathon (30 percent), Sonangol (20 percent), Exxon Mobil (15 percent) and Petrogal (five percent).

Contracts Awarded to Develop Block 14 Fields

ChevronTexaco announced in early June that it had awarded three major contracts for the first phase of development of the Benguela, Belize, Lobito and Tomboco (BBLT) fields in Block 14. Under the BBLT development plans, an integrated drilling and production platform hub facility will be built to develop the Benguela and Belize fields. First production from these two fields is expected by the end of 2005. The Lobito and Tomboco fields will be tied into the central production hub via sub sea wells and are expected to begin production in early 2007. The combined annual production for the BBLT development will peak at 200,000 barrels of oil per day by 2009. ChevronTexaco is the operator of Block 14 and holds a 31 percent interest. Agip, Sonangol and Total Fina Elf each hold a 20 percent interest and Galp holds the remaining 9 percent interest.

UK Summit Focuses on Angolan Oil and Gas Sector

In the wake of the very successful 7th African Oil and Gas Conference in Luanda (see the March/April edition of O Pensador) Angola's oil and gas sector was again in the spotlight at the international Angola Oil and Gas Summit held in London in mid-June. Sonangol officials attending the conference announced that foreign investment into the Angolan petroleum sector could total some \$23 billion over the next five years. Field development investment will account for \$17 billion, while the remaining \$6 billion will be invested in a new liquefied natural gas plant and refinery. A final decision on whether to proceed with the LNG plant will not be made until 2005. A detailed engineering study on the feasibility of the project is slated for the fourth quarter of 2003 and will take one year to complete.

As new fields begin production, Angolan officials expect oil production to increase from about 900,000 barrels of oil per day to 1.6 million b/d by 2006. US oil imports from Angola are also increasing, from \$2.3 billion in 1998 to \$3.2 billion in 2002. Angola now supplies 16.7 percent of US oil imports from Africa.

Phase Two of Catoca Diamond Project Begins

Russia's Alrosa diamond mining company announced in May that it has launched phase two of the Catoca diamond mining development. Under the second phase of development, Alrosa is constructing a new diamond ore mill that will be operational in December 2004. The new mill will double output at the Catoca mine to 7.5 million tons of ore per year. Alrosa estimates that diamond sales revenues will be \$350 million annually. Last year, the Catoca mine produced \$185 million worth of diamonds. Alrosa and Angola's national diamond mining company Endiama each own a 32.8 percent stake in the Catoca Mining Company. Odebrecht Mining Services and the Leviev Group hold 16.4 percent and 18 percent interests, respectively.

Petra Diamonds Resumes Diamond Exploration in Lunda Norte

Petra Diamonds restarted exploration of the Alto Cuilo kimberlite in Lunda Norte province in May, following the lifting of force majeure from the area. Petra's 2003 work program calls for two drill rigs: one operating on the Alto Cuilo kimberlite discovered by Petra in 1998 and the other crossing the concession area to explore other known kimberlites. Initial exploration has already resulted in the discovery of three new diamond kimberlite pipes. All were found within a 2-kilometer radius of the Alto Cuilo kimberlite. Petra's chief operating officer David Gadd-Claxton told reporters that the company is "looking forward to rapid progress on what we believe is one of the best diamond projects in the world." Petra declared force majeure in 1998 as a result of the security situation in Angola.

Petra is the operator of the concession. Its partners include the Angolan State diamond mining company Endiama and a private Angolan partner, Moyoweno LDA. The concession covers about 3,000 square kilometers.

US Export Import Bank Includes Angola in Pilot Program for Short Term Insurance

The United States Export Import Bank (Ex-Im) announced recently that it was extending its pilot program for short term insurance for public and private transactions to Angola. Under the program, US suppliers or financial institutions doing business in Angola can obtain short term insurance to cover the risk of non-payment for either commercial or political reasons. With the introduction of the pilot program, Ex-Im will now be able to secure credit transactions, including credit card payments.

World Bank Provides \$16.6 Million Credit for Angolan Economic Reform

The World Bank announced in June that it would be providing Angola with a \$16.6 million financial credit to assist the government in improving transparency and adopting best management practices. The financial credit will be used toward capacity building in macroeconomic planning, statistics, public finances and the national financial system.

Capacity building in these areas will enhance transparency, improve financial management, and promote a better investment climate.

UN Security Council Delegation Consults with President dos Santos on Crisis in DRC

As ethnic violence continues in the northeastern Ituri province in the Democratic Republic of Congo (DRC), the UN Security Council authorized a more robust multinational peacekeeping force with a new mandate to use force to protect civilians. The Angolan government supported the Council resolution authorizing the use of force. Angola's Permanent Representative to the UN, Ismael Martins, said of the vote, "One lesson we have learned in situations like the Congo is that sending an observer mission is clearly not the answer. We needed a more robust response."

In addition, a special UN Security Council delegation, led by France's Permanent Representative to the Council Jean-Marc de la Sabliere, traveled to the region and met with President dos Santos in Luanda to request Angolan government political support for the DRC peace process.

In private meetings with the delegation, President dos Santos stressed the importance of integrating rebel fighters as quickly as possible into a new national army. Ambassador de la Sabliere noted that President dos Santos' positive role in bringing peace to Angola and his stature and influence in the southern African region make him an important voice in international efforts to bring peace to the Great Lakes region.

Following the meeting, Ambassador Martins, who was also part of the Security Council delegation, announced that the Angolan government would continue to talk with all parties in the conflict, "to persuade them and help to find the necessary agreements to reestablish stability, particularly in the eastern part of Congo." Ambassador Martins added that it was possible that in the future Angola might provide military support to the international peacekeeping force, should the situation in the DRC worsen.

More Rebel Defections in Cabinda

In early June six senior officials from the Front for the Liberation of the Enclave of Cabinda (FLEC-FAC) surrendered to Angolan government authorities in Cabinda. Among the defectors was FLEC-FAC's military chief of staff Francisco Luemba. Luemba said he and the five other military leaders were tired of war and that the Angolan Armed Forces' offensive against the insurgents had largely dismantled FLEC-FAC's military capabilities. "I felt that I had to come to the government to have dialogue with them and therefore abandon the war," Luemba told news reporters.

Luemba led the FLEC-FAC insurgency for nearly twenty years. Following his surrender, he recounted for reporters the dire situation in Cabinda as a result of the unrest. He said it was his desire to end the misery that "made me come here to call on the attention of the other companions who are still in the bush, to surrender and come forward and discuss the issue of peace in the Cabinda province with the government. We need to discuss peace so that our people live in peace," Luemba said.

Joining Luemba were FLEC-FAC's chief of counter-military intelligence, Jorge Gomes Macaia, secretary for logistic affairs, Joaquim de Almeida, chief of operations, Miguel Zamba, adviser to the Buco Zau region's commander, Agostinho Mombo and the education ministry's administrative secretary Celestino Paka. All the men called for peaceful negotiation to resolve the Cabinda issue.

New Chief of Staff of the Armed Forces

At the end of June the Angolan Armed Forces (FAA) Deputy Chief of Staff for Planning, General Agostinho Fernandes Nelumba “Sanjar” replaced General Armando da Cruz as Chief of Staff of the FAA. General Cruz resigned his post for health reasons.