

***Project Proposal for the Creation of an***  
***INDEPENDENT ECONOMIC POLICY AND***  
***BUSINESS DEVELOPMENT HUB***

***at the Catholic University in Luanda, Angola***

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## **1. Foreword**

There have been two important events that have preceded the submission of this proposal.

First, the Boston-based nonprofit Angola Educational Assistance Fund (AEAF), formed an alliance with the Catholic University of Luanda (UCAN), Angola, with Boston College (BC), and with the DC-based nonprofit business association US-Angola Chamber of Commerce (USACC), and submitted on March 31, 2003, a concept paper on the “Establishment of a Business Training Center in Luanda, Republic of Angola” to the Annual Program Statement, APS No. GDA-03-001 (sectors: education/sme/ict), USAID/GDA Washington, DC. The concept paper has been attached to this proposal as Annex B.

Second, the USAID/GDA office in Washington, DC, responded on June 17, 2003, with a letter requesting the submission of a full proposal that would be based on the concept paper presented and including recommendations to include further activities, in particular calling for the establishment of an economic think-tank associated with the business training center. The response letter has been attached to this proposal as Annex C.

In order to address the recommendations included in the GDA response letter, we have expanded the original concept to include a plan to establish a public policy focus. We have used various sources of information, and we have also largely referred to Scott Allen, a senior economist at the regional office of USAID, and his work on the notion of an economic policy institute.

The activity described in this proposal – the establishment of an Independent Economic Policy and Business Development Hub – has been therefore designed to address both the requirements for the establishment of a business training center (called hereinafter the Center for Enterprise Development, CED), and for the expansion of an existing economic research institute (the Center for Economic Studies and Scientific Research, CESSR) to include an economic policy focus.

## **2. Introduction: Angola in transition**

After over two decades of civil war, Angola is currently experiencing a fragile yet steady state of transition to peace and a stable political economy. Angola is determined to move from a warring state to a nation serving the needs of its citizens and to take its place in the global economy. There is no doubt that its greatest challenge during this transition is the country's faltering economy, which is unprepared to address the emerging demands of a post-war society. Financial and other resources from both the private and public sectors must be reprogrammed from emergency relief and rehabilitative efforts to promotion of economic policy reforms and sustainable private sector development.

One solution to Angola's problems is the government's willingness to redirect revenues derived from its main petroleum export to the development of social and educational programs. This was the case with legislation passed in 1997, which resulted in the use of oil production funds to support the Agostinho Neto University and the Catholic University<sup>1</sup>. However, in order to assume a position of authority in the region, the continent, and within the global economy, it is critical for Angola to provide its citizens with the information, technology, and skills that are needed for full development.

A large literature exists on the underlying causes and phenomenon of civil war, poverty, corruption, and economic mismanagement in Angola, and various initiatives are underway to attempt to address the obstacles of economic mismanagement (particularly the lack of transparency and accountability) and the overwhelming paucity of human resources to effectively govern Angola. Powerful vested interests are also part of the problem; the political and economic elite have obtained large rents from Angola's social structures and been reluctant to lose them<sup>2</sup>.

For example, a World Bank (IDA) credit (Economic Management Technical Assistance, EMTA) is being considered to support economic management capacity strengthening. The EMTA, is a credit of \$17 million and aims to help the Government to address its severe macroeconomic imbalances and increase transparency in public resource management by:

- Strengthening the internal control capabilities of the Ministry of Finance;
- Strengthening the ability of the Ministry to generate reliable information on the state's non-financial assets;
- Helping to improve public debt management, control and recording;
- Strengthening the overall planning process and establishing clear guidelines for monitoring and auditing the execution of the Public Investment Program; and
- Improving the collection, analysis and dissemination of key socio-economic data.

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<sup>1</sup> *Law Decrees 46/97 was approved on July 11, 1997. It specifically reserves 1¢ (0.01\$) per barrel of oil produced in Angola to support the Agostinho Neto University. A similar decree (51/97) was passed on the same day to support the Catholic University.*

<sup>2</sup> *"Transitional Support Strategy for the Republic of Angola," The World Bank, March 4, 2003.*

Not unique to Angola, economic growth demands the creation of a productive and skilled workforce and the establishment of enabling legal, financial and regulatory environment for business.

Despite having significant wealth in terms of extractive natural resources (oil and diamonds), over two-thirds of Angola's population lives in poverty, while almost one in three Angolans are extremely poor. According to the World Bank, to keep the number of poor from increasing, Angola would need to grow at a rate of about 7.3% a year. Urban poverty has worsened in recent years largely due to a large influx of Internally Displaced Persons (IDPs) and economically driven migrants. The devastating effects of poverty are even worse in rural areas.<sup>3</sup>

Undoubtedly, the availability of oil and diamond revenues in a conflict environment that lasted for decades has provided the opportunity for political and economic exploitation of resources. Privileged access to state contracts, regulatory agencies, foreign partnerships, elite health and education facilities, privatized state assets, and subsidized credit and foreign currency have enriched few at the expense of many. It also resulted in a hugely inefficient allocation of resources; high levels of consumption; and a business climate characterized by favoritism, kickbacks, connected transactions, and other distorted and opaque business practices<sup>4</sup>.

Severe weaknesses in Angola's fiduciary framework have led to the occurrence of very large unexplained discrepancies in the country's fiscal accounts, varying from 2 to 23% of GDP between 1997 and 2002. It has been estimated that total unexplained discrepancies in 2001 amounted to 10% of GDP, or more than \$900 million. The government's commitment to IMF reforms remains weak, thus inflation is expected to edge higher in the coming months as government spending is likely to rise as the 2005 elections approach.<sup>5</sup>

Appropriate economic policies to address these problems require sound economic analysis by government and an ability of economists to provide guidance with respect to decision making. It is important to create within the social structure of a country, non-governmental institutions that strengthen the public and private sectors capacity to engage in sound economic policy formation, and dialogue and debate to promote a more propitious economic environment for growth and equity. These institutions should play a crucial role in providing expanded access of persons to the broader policy process through the dissemination of their results, analysis and findings.

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<sup>3</sup> "Transitional Support Strategy for the Republic of Angola," *The World Bank*, March 4, 2003.

<sup>4</sup> *Transparency International in 2002 ranked Angola among the five most corrupt countries in the world (in a list of 102 countries).*

<sup>5</sup> "Market Update: Angola," *Economics Division, Standard Bank*, May 2003.

### **3. Purpose: establishment of an Independent Economic Policy and Business Development Hub**

Angola is slowly moving toward a peaceful future after years of devastating civil war. One of the biggest challenges ahead is the rebuilding of the country's post-war economy. Meeting immediate human needs is a necessary current focus, but belief in a recovered and thriving Angola requires attention to long-term needs. These include access to continuing education and professional training at various levels of competencies, as well as a sustained and concerted effort to involve all elements of civil society in the discussion of economic and social policies. In Angola – like elsewhere - economic growth demands not only a productive and skilled workforce, but also an inclusive and transparent dialogue among government, academia, civil society, and the private sector.

In response to this situation, the Angola Educational Assistance Fund (AEAF), the Catholic University of Angola (UCAN), Boston College (BC), and the US-Angola Chamber of Commerce (USAAC) have formed an alliance and taken the first steps to offer a comprehensive solution to these requirements<sup>6</sup>.

The fundamental idea is to use the academic excellence and autonomy of the Catholic University of Angola to create an independent economic policy business development and enterprise support hub capable of meeting the needs of both the public and private sectors in Angola. We will attempt to create and strengthen an institutional entity that can provide sound, unbiased policy advice to the public and private sectors and has a strong, practical, "hands-on" business development and professional services component that supports the policy component. It is our belief that a viable, competitive and sustainable private sector needs a favorable economic policy environment, and vice versa.

The strategic objective of this proposal is to create an environment for sound economic research and policy analysis that effectively influences macroeconomic reform, economic diversification, and long-term growth and investment in Angola through a combination of research, advocacy, training, and project design and implementation. We also aim create a practical environment where Angolans can access professional training and vocational education and where they can network, communicate, and create business partnerships.

These objectives will be reached by means of coordinated activities. The alliance will design the expansion of the existing Center for Economic Studies and Scientific Research (CESSR) of the Catholic University to include an economic policy research focus. In addition, the alliance will design a Center for Enterprise Development (CED) at the Catholic University to carry out practical activities like workshops, professional education, vocational training, Once the design and planning have been completed, the alliance will then proceed to strengthen the CESSR and actually create the CED. The two centers will be separate organization, which will share directors, staff and facilities.

Furthermore, they will complement each other to a great extent: CED will serve as the practical outlet for the CESSR for its research activities and provide the necessary feedback to further the economic policy discussion. CESSR will in turn design and implement most of CED's training and seminar activities.

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<sup>6</sup> Please see Annex E for profile and role information of the partners in the alliance.

The Catholic University and other members of the respective advisory councils will supervise the activities and be responsible for planning and curriculum. Together, the Center for Economic Studies and Scientific Research and the Center for Enterprise Development will form the Independent Economic Policy and Business Development Hub established by the alliance.

#### **4. Program Description and Objectives**

The Angola Educational Assistance Fund (AEAF), the Catholic University of Angola (UCAN), Boston College (BC), and the US-Angola Chamber of Commerce (USAAC), have formed an alliance to create an Independent Economic Policy and Business Development Hub at the Catholic University.

Through this project, the alliance seeks to initiate a sustained and concerted effort that involves all elements of civil society (government, academia, civil society, private sector) in an inclusive and transparent dialogue of economic and social policies. Also, it seeks to address the needs for access to continuing education and professional training at various levels of competencies.

In order to reach this objective, the alliance will undertake the following coordinated activities:

- A) It will design an expansion of the existing Center for Economic Studies and Scientific Research (CESSR) to include a strong focus on economic policy discussion and research to allow the center to serve as an independent economic think-tank and have a decisive influence on economic policy decisions in Angola;
- B) It will design a Center for Enterprise Development as the other complementing component of the hub, to carry out professional training, workshop, seminar, and to offer a business incubator to your Angolans eager to become entrepreneurs and ultimately contribute to the development of a globally competitive private sector in Angola;
- C) It will then proceed to strengthen the technical and management capacity of the CESSR by recruiting various positions, including a senior policy advisor and a technical assistance consultant, and launching its activities in the area of economic policy; and
- D) It will actually proceed to the creation of the CED, by expanding the facilities, recruiting its personnel and launching its activities.

The activity to strengthen the CESSR involves providing technical assistance in the field of applied research and management tools so that CEESSR can efficiently perform policy analysis, economic forecasting and modeling, and policy planning in a variety of economic and social areas.

In addition, the CED will be designed and established to provide more practical applications of business development theories in micro, small and medium enterprise development training and employment generation services to a wide range of existing and

potential entrepreneurs, including graduates from UCAN and other Angolan Universities, and members of the community at large.

#### **4.1. Policy component of the hub: CESSR**

The Center for Economic Studies and Scientific Research (CESSR) was designed to conduct research, provide business assistance to the Angolan business community, and create a forum for Angolans to determine the best business and economic models to employ for the future development of their country. CESSR will provide economic analyses of demand and supply side markets for industry, agriculture, services sectors, and sources of unexplored revenue-generating activities that may benefit the people of Angola. Moreover, the CESSR will be providing direct services to government agencies, national and international organizations, and the private sector.

The Center for Economic Studies and Scientific Research was created in 2002 with the following objectives:

- A) Foster informed public debate on public policy issues through such means as the publication of research findings and the promotion of research seminars;
- B) Contribute to the development of socio-economic indicators to increase national capacity in the area of public policy formulation and evaluation;
- C) Develop the ability to conduct high quality research in collaboration with the Catholic University, and other Angolan and foreign universities, to publish and distribute the results; and to establish itself an internationally recognized knowledge center and research meeting point.

The Center for Economic Studies and Scientific Research is governed by a broad-based General Assembly in which the Rector of the Catholic University is the President. The Advisory Board, whose members will be drawn from international organizations, NGO's and academic, private, and public sectors, approves the curriculum of the Center as it is proposed by its management. It will be elected at the first Annual Conference of the Center to be held in September 2003.

The current management is composed by an Executive Director and an Academic Director, both extremely qualified and well respected individuals. They will form the nucleus around which the alliance seeks to expand the center. The recruitment of a senior policy advisor is seen as crucial both in the design as well as in the strengthening phase. It is important to note that the support group already involved with the CESSR includes several key, prominent public sector economists who are eager to contribute to the public policy debate and to see the pace of reform accelerate in Angola.

The CESSR is developing a number of research programs according to international academic research guidelines which will address the actual circumstances of Angolan society and economy. Dedicated research groups will prepare conceptual, analytical and policy papers that will be widely circulated.

The CESSR has initially identified the following research themes<sup>7</sup>:

- A) Governance and Transparency;
- B) Agriculture and Links to Poverty and Economic Growth;
- C) Informal Sector and Deregulation;
- D) Natural Resources, Environment ;
- E) International Economic Relations;
- F) Social Sectors, Health, Welfare State ;
- G) Economic Modeling and Forecasting;
- H) Political Reforms and Decentralization;

Two additional topics have emerged of late in the discussion on international development. One is the issue of overdependence on natural resources: Dutch disease is an important consequence of the crushing role of the oil production on the Angolan economy. Economic diversification is an important macroeconomic issue that needs to be addressed by CESSR. The other question relates to the perceived increased role that the private sector is expected to play as a contributor to the socio-economic development of a country. In the case of Angola, this issue regards mostly the oil companies. The issue of Corporate Social Responsibility will be addressed by the CESSR with research activities and the publication of an annual CSR oil survey. We add the following two activities to the list above:

- I) Dutch disease and the challenges of economic diversification;
- J) Corporate Social Responsibility of the Private Sector.

Following these broad themes, the CESSR is expected to serve as a catalyst and clearinghouse for key policy reforms. Its works are to be made publicly and widely available through a monthly newsletter and quarterly bulletin on key economic and business issues related to economic development in Angola. In addition, there is a need for a solid, viable source of information to undertake policy research and analysis as well as to promote SME development. An important aspect of the hub will be to promote transparency and accountability in both policy making and business decisions. An information clearinghouse would not only serve the information needs of CESSR and CED, but also function as a conduit for providing reliable and sound information to the Angolan public and others.

In addition to the macroeconomic policy focus, there is also great interest in exploring agricultural policy issues. The Center believes that it can make a contribution to support the agricultural recovery and food security initiatives of USAID in Angola. Thus, synergies would be created that will increase the probability of success of USAID activities in Angola.

In addition to its research, the CESSR will operate on a specific project basis:

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<sup>7</sup> *In addition, the alliance is evaluating the inclusion of other tracks into the Center's programs. In particular, we will consider: socio-economic indicators, agriculture as a vector of economic diversification, environmental issues, women's issues, and corporate social responsibility.*

- A) Annual Report on economic and social developments in the Republic of Angola (the first of these reports will be published in September 2003);
- B) Annual Conference on social and economic policy (the first conference will take place in September 2003);
- C) Business Barometer: a quarterly review of business environment and recent policy initiatives in Angola;
- D) Publication of a research working paper series;
- E) Organization of workshops, seminars and conferences.

We believe that there are a variety of renowned regional institutions that would likely welcome an affiliation with an Angolan institution like the CESSR (e.g., the Southern African Trade Research Network, SATRN, or the Food, Agriculture and Natural Resources Policy Analysis Network, FANRPAN). In addition, we need to explore the possibility of tapping into other institutional arrangements (e.g., Boston College, Cornell University, Michigan State University, etc).

In the course of its brief existence, the Center for Economic Studies and Scientific Research has already emerged as the economic think-tank where policy decisions are discussed and analyzed. Strengthening the CESSR is a crucial phase in the formation of the Independent Economic Policy and Business Development Hub.

While the GTZ has provided the initial seed funding, the CESSR has been receiving several support offers from donors that have expressed an interest in contributing to an independent economic policy think tank or institution, including the Canadian International Development Agency (CIDA). At a recent meeting of donors sponsored by USAID, strong support was expressed for promoting economic policy discussions in Angola.

#### **4.2. Business component of the hub: CED**

This proposal also calls for the design and subsequent creation of the Center for Enterprise Development (CED). The CED will provide an integrated and comprehensive range of services for micro, small and medium enterprises at a practical level using a hands-on practical approach. The CED will be closely related with the existing business sector in Angola and will seek to promote entrepreneurship among a number of key groups within the Angolan reality (e.g. women, youth, poor). The initial program design will be carried out at the Center for Economic Studies and Scientific Research. The two centers, essential components of an Independent Economic Policy and Business Development Hub, will be strongly correlated, and they will share directors, advisors, staff, technical support, and facilities.

It is worth noting that the Catholic University has signed on July 10, 2003, a Memorandum of Understanding with the ChevronTexaco Sustainable Development Company (CTSDC), a wholly owned subsidiary of ChevronTexaco Corporation. This agreement followed a number of meetings between executives of ChevronTexaco and representatives of UCAN and AEAF and it establishes the interest of ChevronTexaco to contribute to the creation of a new center for professional training and vocational learning as part of CTSDC's Angola Partnership Initiative. The alliance intends to develop this partnership further, as it greatly increases its ability to leverage resources, technical, human, and financial. We have

determined that ChevronTexaco is particularly interested in carrying out professional training and vocational learning activities in support of university graduates, small business start-ups, youth, women entrepreneurs, and other members of the Angolan community<sup>8</sup>.

The alliance will also design and implement the Center for Enterprise Development not only as a facility to provide training and education of future business professionals, but also to serve as an incubator for ideas and projects, and a place where people can discuss ideas and network. The Center aims to prepare Angolans with basic and advanced business skills to drive productivity and economic growth.

A particular emphasis will be given to utilizing part of the Center for Enterprise Development capacity to reach out to marginalized groups (i.e. women, youth, poor) to address their professional training requirements. The Center for Enterprise Development will openly encourage women's enrollment and will include specific programs for women in its curriculum.

According to a recent document by UNDP, the unemployment rate in Angola – although difficult to measure – is believed to be at around 45%. Hoping for effective macroeconomic decisions, and a decisive improvement of the economy, the Center will help many to acquire basic and advanced job skills, and by creating an environment where potential entrepreneurs can discuss and test their ideas, the Center is expected to make an important contribution in preparing a better future.

Over the past few years, the Angola Educational Assistance Fund and the Catholic University have organized a number of professional training classes for private sector companies and teachers of schools in Luanda<sup>9</sup>. The CED will build up on this experience and provide learning opportunities for Angolans who are interested in establishing, maintaining, or expanding micro-enterprises, and small-to-medium businesses. By providing an appropriate outlet for individuals in the community to network and become educated on topics like banking and accounting practices, labor investment, marketing, and import/export regulations, the CED will act as an information clearinghouse.

This type of integrated learning will provide a process in which larger pools of Angolans have the potential to become successful business leaders while creating a network of future business ventures and partnerships under the auspices of the two centers at the Catholic University.

The Center for Enterprise Development will initially provide services and programs in the area of Business Administration:

- A) Recognition of Business Opportunities;
- B) Preparation of a Business Plan;

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<sup>8</sup> Copy of this Heads of Agreement is attached as Annex D.

<sup>9</sup> These training programs included classes in Information and Communication Technology (at various levels) and English as a Second Language. Although these interventions were useful, they were not part of a coordinated effort: the CED will provide an institutional framework in which to carry out these activities, and will speed up knowledge acquisition in a number of key business development areas for entrepreneurs, instructors, students, and practitioners.

- C) Business Management Training;
- D) Financial and Accounting Procedures;
- E) Facilitation of Access to Credit;
- F) Developing Business Partnership.
- G) English as a Second Language
- H) Human Resources Management

Another strategic area is Information and Communication Technology. Courses and activities on office automation, system administration, web design, and multimedia will be organized.

CED will adopt a training of trainers approach to extend best practices in micro-enterprise and SME development to a range of entrepreneurs, including graduates of Angolan universities, unskilled laborers, youth out of formal education, women.

It will also design and host regular workshops on current topics of direct relevance to these target groups, such as the Africa Growth and Opportunity Act (AGOA), the New Partnership For Africa's Development (NEPAD), new trade and investment laws, etc.

The CED will collaborate closely with the Center for Economic Studies and Scientific Research at Catholic University. This collaboration is the centerpiece of the Independent Economic Policy and Business Development Hub. The CESSR will help design programs at a theoretical level and will be able to test them in practice at the Center for Enterprise Development. The Center for Enterprise Development will greatly benefit from the analytical framework and dialogue provided by the CESSR and necessary to improve the enabling environment for business in the country<sup>10</sup>.

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<sup>10</sup> This can be a way to compare the roles of the two centers as component of the Independent Economic Policy and Business Development Hub:

*CESSR is Theory, Macroeconomics, Research, Development*  
*CED is Practice, Microeconomics, Teaching, Marketing*

## **5. Implementation Schedule**

A detailed work plan and implementation schedule shall be prepared by the design team formed by alliance partners and technical assistance consultants within three months from the start of the project. We anticipate major phases for the implementation of an Independent Economic Policy and Business Development Hub.

Phase 1: October 1, 2003 to December 31, 2003

- A) Organization of the first stakeholders meeting: USAID, alliance partners, government, private sector, donor agencies, NGOs.
- B) Selection of design team, definition of respective functions and responsibilities;
- C) Development of a detailed design and implementation proposition for the various components of the Independent Economic Policy and Business Development Hub;
- D) Design comprehensive strengthening plan for CESSR;
- E) Identification of core economic think-tank activities and research tracks;
- F) Start in-country personnel search targeting Angolan nationals, expatriates, Angolans in the diasporas (faculty, administration, teaching, technical support, etc);
- G) Develop a preliminary schedule of workshops and seminar for CESSR;

Phase 2: January 1, 2004 to March 31, 2004

- A) Organize second stakeholders meeting; share experience of Phase 1 with stakeholders and other groups;
- B) Start recruiting management, technical, and administration personnel;
- C) Start implementation of strengthening plan for CESSR;
- D) Design comprehensive establishment plan for CED;
- E) Develop a preliminary schedule of training activities and professional training for CED;
- F) Surveys of constituent groups, including agencies affecting policy and regulatory environment;
- G) Faculty and postgraduate researcher recruitment and development.

Phase 3: April 1, 2004 to September 30, 2004

- A) Organize third stakeholders meeting; share experience of Phase 2 with stakeholders and other groups;
- B) Start developing formal institutional relationships;
- C) Finalize implementation of strengthening plan for CESSR;
- D) Start implementation;
- E) Ensure the financial sustainability of the Independent Economic Policy and Business Development Hub.
- F) Organize internship opportunity and exchange programs for students of UCAN and other schools.

Phase 3: October 1, 2004 to September 30, 2005

- A) Organize fourth stakeholders meeting; share experience of Phase 3 with stakeholders and other groups;
- B) Carry out joint activities with other research groups, universities, stakeholders' affiliates;
- C) Move the Independent Economic Policy and Business Development Hub to a new dedicated facility in Luanda;
- D) Finalize implementation of the Center for Enterprise Development.

## **6. Project Review**

The first stakeholders meeting will take place in Luanda during the first month of the project. A project management staff will be identified and will assume the responsibility of reviewing, reporting and evaluate the activity.

Two types of meeting will be arranged. First, review meetings of alliance partners and stakeholders will take place bi-annually every six months; the first one will be arranged in the first half of 2004.

Second, a general forum of alliance partners and stakeholders open to third parties (government, NGOs, civil society, private sector) will take place on an annual basis, preferably at the end of each project year (i.e. at the end of September, with the first one in September 2004).

Before each of these meetings (bi-annual partners meeting and annual forum), the project management staff will prepare a performance evaluation report. A quarterly project review will be prepared for the end of each three-month period. It will be concise and to the point, but it will briefly report on all activities and give an assessment of the design and implementation process.

A regular monthly conference call of alliance partner and stakeholders will be arranged by the project management staff.

AEAF will provide extensive financial information, including disbursement statements, accounting activities, budgetary assessment, and so on.

## **7. Budget considerations**

The overall duration for the design and implementation of an Independent Economic Policy and Business Development Hub at the Catholic University has been set over a period of 2 years (24 months) starting on October 1, 2003 and ending on September 30, 2005.

The total projected revenues for this activity amount to \$1,636,400 (USD):

- 1) \$720,000 represents the contribution of USAID, of which \$600,00 will be allocated to the economic policy component of the hub (CESSR), and \$120,000 to the business development component (CED);
- 2) The amount of \$60,000 represents AEAFF's cost-sharing contribution for CED, and \$60,000 represents UCAN's cost-sharing contribution for CED;
- 3) ChevronTexaco contribution amounts to \$103,000 for the activity of the Environment and National Resources group of the CESSR;
- 4) Program activities from both components (CESSR and CED) will produce an income of \$693,400.

The total projected expenses for this activity amount to \$2,750,570:

- 1) \$526,000 are spent on the design and planning of the activity (100% contribution by USAID);
- 2) \$331,000 will be spent on staff and consultants for the Center for Economic Studies and Scientific Research (no USAID contribution);
- 3) \$401,000 will be reserved for operating expenses for the Center for Economic Studies and Scientific Research (USAID will fund \$50,000 for textbooks and other learning media like CDROMs, DVDs, etc);
- 4) \$380,800 will be spent on program expenses for the Center for Economic Studies and Scientific Research (with a contribution by USAID of \$28,800 for workshop and seminar activities);
- 5) \$224,200 will be spent on staff and consultants for the Center for Enterprise Development (no USAID contribution);
- 6) \$406,000 will be reserved for operating expenses for the Center for Enterprise Development (no USAID contribution);
- 7) \$122,800 will be spent on program expenses for the Center for Enterprise Development activity (fully covered with USAID's contribution);
- 8) \$245,820 (CESSR) and \$112,950 (CED) are overhead calculated at 15% for the total expenses of the two components.

Please note that the overall budget presents a negative balance of \$1,114,170. The alliance will consider activities to develop additional external resources. In particular:

- 1) It will work toward establishing a strong relationship with the ChevronTexaco Sustainable Development Company, which has already signed a Memorandum of Understanding with the Catholic University to support the establishment of a business training center and is therefore a prime candidate to be asked to participate in this project;
- 2) The alliance feels that an endorsement of this project by USAID will make this project an attractive opportunity for potential stakeholders to participate and contribute; talks have already taken place with UNDP, GTZ, IDRC, and other organizations.
- 3) Another way to raise the income for this activity is to increase the program activities; we recognize that there is a considerable market for professional services and training programs, as government institutions, national and international organizations and private sector companies strive to educate their workforce. Using the resources of the hub and extending the offer of fee-based professional services at CESSR and training programs at CED will be the basis to ensure its sustainability.
- 4) The alliance is considering a Scholarship Fund program based on a model already successfully implemented at the Catholic University. Private and public companies and international donors are making significant contributions to UCAN's Scholarship Fund, allowing academic programs to be offered at a subsidized cost or at no cost at all, depending on the financial needs of students. Replicating this program for the economic and business hub will allow us to reach out to marginalized groups (women, youth, poor) to address their training requirements.

## **8. Results of this activity**

Given the wide range of activities proposed for the creation of an Independent Economic Policy and Business Development Hub at the Catholic University, it is anticipated that the project will have a dramatic impact in both areas of intervention.

On the economic policy level, it is expected that the Government of Angola will recognize and consult with the Center for Economic Studies and Scientific Research. The result will be an increased ability of the Government of Angola to successfully design and implement its macroeconomic policies. This in turn will create the enabling environment in which the various sectors of the economy - in particular micro, small and medium enterprises - can operate successfully.

On the business development side, we expect the hub to become a pilot center for people from diverse backgrounds - women, poor, youth, young graduates, adults seeking to develop business skills – and produce a dramatic increase in the numbers of participants in private sector development who are well-trained and prepared to more fully engage in the economy. As a result, we look ahead to:

- A) considerably increase the number of women that will be involved in micro enterprise development that leads to the creation of larger businesses in various traditional and nontraditional markets;
- B) Make programs accessible to other marginalized groups through curriculum adaptation and sliding scale fees;
- C) Considerably increase the number of individuals engaged in business that will adopt correct and appropriate business practices that will improve profit margins and solvency;
- D) Contribute to the creation of partnerships in the public and private sectors;
- E) Significantly increase the research material available in Angola and produced by Angolans on labor policy, natural resource development, economic competitiveness/strategic advantage, and other topics;

In order to reach these targets, we will initiate an awareness campaign of how the CESSR and CED are available to assist in country development policies (through aggressive marketing campaigns and education brochures/fliers, conferences, etc.)

The targets cited are indicative of the long-term (five year) goals of the CESSR and the CED. Over the course of the first year, the most intensive areas of improvement will be reasonably attuned to practical realities of budget, program, and social needs. However, regardless of scope, each target will be addressed and will be measured for improvement in both participation and access.

**ANNEX A – Budget**

**INDEPENDENT ECONOMIC POLICY AND BUSINESS DEVELOPMENT HUB**

**OVERALL REVENUE vs. EXPENSES**

**Operational Budget 10/1/2003-9/30/2005 (24 months)**

INDEPENDENT ECONOMIC POLICY AND BUSINESS DEVELOPMENT HUB		Year One	Year Two	Project Duration	
Item Description		Income	Income	Units	Income
<b>Revenues</b>		<b>\$705,700</b>	<b>\$930,700</b>		<b>\$1,636,400</b>
<b>Grants</b>		<b>\$471,500</b>	<b>\$471,500</b>		<b>\$943,000</b>
USAID Grant for economic policy institute / economic think-tank		\$300,000	\$300,000		\$600,000 USAID
USAID Grant for business training center		\$60,000	\$60,000		\$120,000 USAID
Universidade Catolica matching grant for business training center		\$30,000	\$30,000		\$60,000
Angola Educational Assistance Fund matching grant for business training center		\$30,000	\$30,000		\$60,000
ChevronTexaco Grant for Environment and Natural Resources Group		\$51,500	\$51,500		\$103,000
<b>Income from Program Activities (services, training, etc)</b>		<b>\$234,200</b>	<b>\$459,200</b>		<b>\$693,400</b>
Center for Economic Studies and Scientific Research (CESSR)		\$155,000	\$272,000		\$427,000
Center for Economic Studies and Scientific Research (CESSR)		\$79,200	\$187,200		\$266,400

INDEPENDENT ECONOMIC POLICY AND BUSINESS DEVELOPMENT HUB		Year One	Year Two	Project Duration	
Item Description		Expense	Expense	Units	Expense
<b>Expenses</b>		<b>\$1,257,640</b>	<b>\$1,492,930</b>		<b>\$2,750,570</b>
Center for Economic Studies and Scientific Research (CESSR)		\$946,680	\$937,940		\$1,884,620
Center for Economic Studies and Scientific Research (CESSR)		\$310,960	\$554,990		\$865,950

INDEPENDENT ECONOMIC POLICY AND BUSINESS DEVELOPMENT HUB		Year One	Year Two	Project Duration
<b>Balance</b>		<b>-\$551,940</b>	<b>-\$562,230</b>	<b>-\$1,114,170</b>

**USAID's contribution covers various budget items for this total amount: \$727,600 USAID**

**INDEPENDENT ECONOMIC POLICY AND BUSINESS DEVELOPMENT HUB**

**Center for Economic Studies and Scientific Research (CESSR) Component**

**REVENUES vs. EXPENSES / Operational Budget 10/1/2003-9/30/2005 (24 months)**

Center for Economic Studies and Scientific Research (CESSR)			Year One		Year Two		Project Duration	
Item Description	Price	Unit	Units	Income	Units	Income	Units	Income
<b>Revenues</b>				<b>\$506,500</b>		<b>\$623,500</b>		<b>\$1,130,000</b>
<b>Grants</b>				<b>\$351,500</b>		<b>\$351,500</b>		<b>\$703,000</b>
USAID Grant				\$300,000		\$300,000		\$600,000 USAID
ChevronTexaco Grant for Environment and Natural Resources Group				\$51,500		\$51,500		\$103,000
<b>Income from Programs</b>				<b>\$155,000</b>		<b>\$272,000</b>		<b>\$427,000</b>
Sales of Annual Report (2 issues)				\$30,000		\$42,000		\$72,000
Annual Academic Magazine (2 issues, subscriptions, donations)				\$15,000		\$20,000		\$35,000
Quarterly Business Barometer (8 issues)				\$20,000		\$30,000		\$50,000
Workshops and Seminars: Economics, Laws and government regulations, other	\$7,500	day	12	\$90,000	24	\$180,000		\$270,000
Center for Economic Studies and Scientific Research (CESSR)			Year One		Year Two		Project Duration	
Item Description	Price	Unit	Units	Expense	Units	Expense	Units	Expense
<b>Expenses (total, see itemized list in the following pages)</b>				<b>\$946,680</b>		<b>\$937,940</b>		<b>\$1,884,620</b>
Design Expenses				\$313,000		\$213,000		\$526,000
Staff				\$139,600		\$191,400		\$331,000
Operating Expenses				\$189,000		\$212,000		\$401,000
Program Expenses				\$181,600		\$199,200		\$380,800
Overhead on the totals above 15%				\$123,480		\$122,340		\$245,820
Center for Economic Studies and Scientific Research (CESSR)			Year One		Year Two		Project Duration	
<b>Balance</b>				<b>-\$440,180</b>		<b>-\$314,440</b>		<b>-\$754,620</b>
<b>USAID's contribution covers various budget items for this total amount:</b>							<b>\$604,800</b>	USAID
USAID will fund the design and implementation of the INDEPENDENT ECONOMIC POLICY AND BUSINESS DEVELOPMENT HUB							\$526,000	
USAID will fund the acquisitions of textbooks and other medias							\$50,000	
USAID will support the workshops and seminars program activities							\$28,800	

**INDEPENDENT ECONOMIC POLICY AND BUSINESS DEVELOPMENT HUB**

**Center for Economic Studies and Scientific Research (CESSR) Component**

**EXPENSES / Operational Budget 10/1/2003-9/30/2005 (24 months)**

Center for Economic Studies and Scientific Research (CESSR)			Year One		Year Two		Project Duration	
Item Description	Price	Unit	Units	Expense	Units	Expense	Units	Expense
<b>Design Expenses</b>			<b>\$313,000</b>		<b>\$213,000</b>		<b>\$526,000</b>	
Stakeholders workshops	\$20,000	event	3	\$60,000	1	\$20,000	4	\$80,000 USAID
Planning and Design Consultants	\$400	day	400	\$160,000	250	\$100,000	650	\$260,000 USAID
Senior Public Policy Advisor	\$400	day	60	\$24,000	60	\$24,000	120	\$48,000 USAID
Senior Public Policy Advisor (lodging and meals allowance, est.)	\$100	day	60	\$6,000	60	\$6,000	120	\$12,000 USAID
Senior Public Policy Advisor (travel allowance, est.)	\$3,500	trip	2	\$7,000	2	\$7,000	4	\$14,000 USAID
Technical Assistance Consultant	\$4,500	month	9	\$40,500	9	\$40,500	18	\$81,000 USAID
Technical Assistance (lodging and meals allowance, est.)	\$1,500	month	9	\$13,500	9	\$13,500	18	\$27,000 USAID
Technical Assistance (travel allowance, est.)	\$2,000	trip	1	\$2,000	1	\$2,000	2	\$4,000 USAID

Center for Economic Studies and Scientific Research (CESSR)			Year One		Year Two		Project Duration	
Item Description	Price	Unit	Units	Expense	Units	Expense	Units	Expense
<b>Staff</b>			<b>\$139,600</b>		<b>\$191,400</b>		<b>\$331,000</b>	
Executive Director	\$4,500	month	10	\$45,000	12	\$54,000	22	\$99,000
Research Director	\$3,800	month	8	\$30,400	12	\$45,600	20	\$76,000
Research Assistant	\$2,400	month	8	\$19,200	12	\$28,800	20	\$48,000
Information and Statistics Clearinghouse	\$3,000	month	6	\$18,000	12	\$36,000	18	\$54,000
Administrator	\$2,100	month	6	\$12,600	6	\$12,600	12	\$25,200
Technical Support (part time 50%)	\$1,200	month	12	\$14,400	12	\$14,400	24	\$28,800

Center for Economic Studies and Scientific Research (CESSR)			Year One		Year Two		Project Duration	
Item Description	Price	Unit	Units	Expense	Units	Expense	Units	Expense
<b>Operating Expenses</b>			<b>\$189,000</b>		<b>\$212,000</b>		<b>\$401,000</b>	
Dedicated facilities rented fully equipped (*)	\$8,000	month	9	\$72,000	12	\$96,000	21	\$168,000
Telephone/Mail	\$1,000	month	9	\$9,000	12	\$12,000	21	\$21,000
Equipment (Computers, Printers, Scanners, VCR, DVD, TV, etc)	\$10,000	bulk	2	\$20,000	1	\$10,000	3	\$30,000
Office Supplies, Photocopying	\$1,000	month	12	\$12,000	12	\$12,000	24	\$24,000
Textbooks & other media	\$25	unit	1000	\$25,000	1000	\$25,000	2000	\$50,000 USAID
Teaching/student supplies	\$2,000	month	12	\$24,000	12	\$24,000	24	\$48,000
Taxi, Bus, Rental Car	\$500	month	12	\$6,000	12	\$6,000	24	\$12,000
Travel (International)	\$3,000	trip	6	\$18,000	8	\$24,000	14	\$42,000
Travel (Domestic)	\$500	trip	6	\$3,000	6	\$3,000	12	\$6,000

(\*) The facilities includes offices, 2 classrooms, 2 fully equipped computer classrooms, access to Auditorium, Library, and other structures  
It also include Internet permanent access, email/web server (from UCAN), Facility Management (Security, Cleaning)

Center for Economic Studies and Scientific Research (CESSR)			Year One		Year Two		Project Duration	
Item Description	Price	Unit	Units	Expense	Units	Expense	Units	Expense
<b>Program Expenses</b>			<b>\$181,600</b>		<b>\$199,200</b>		<b>\$380,800</b>	
Annual Conference (Hosting, Keynote speaker exp., hosting & ads, etc.)				\$23,500		\$23,500		\$47,000
Annual Report (Preparation, Translation, Publication and Distribution)				\$44,000		\$44,000		\$88,000
Annual Academic Magazine (Preparation, Publication and Distribution)				\$21,000		\$21,000		\$42,000
Quarterly Business Barometer	\$4,000	issue	4	\$16,000	4	\$16,000	8	\$32,000
Economic Policy and other research topics papers	\$2,000	paper	8	\$16,000	12	\$24,000	20	\$40,000
Environment and Natural Resources (incl. all expenses, financed by ChevronTexaco)				\$51,500		\$51,500		\$103,000
Workshop and Seminar: Economics, Laws and government regulations, other to	\$800	day	12	\$9,600	24	\$19,200	36	\$28,800 USAID

## INDEPENDENT ECONOMIC POLICY AND BUSINESS DEVELOPMENT HUB

### Center for Enterprise Development (CED) Component

#### REVENUES vs. EXPENSES / Operational Budget 10/1/2003-9/30/2005 (24 months)

Center for Enterprise Development (CED)			Year One		Year Two		Project Duration	
Item Description	Price	Unit	Units	Income	Units	Income	Units	Income
<b>Revenues</b>				<b>\$199,200</b>		<b>\$307,200</b>		<b>\$506,400</b>
<b>Grants</b>				<b>\$120,000</b>		<b>\$120,000</b>		<b>\$240,000</b>
USAID Grant (used to fund training programs, see list below))				\$60,000		\$60,000		\$120,000 USAID
Universidade Catolica				\$30,000		\$30,000		\$60,000
Angola Educational Assistance Fund				\$30,000		\$30,000		\$60,000
<b>Income from Programs</b>				<b>\$79,200</b>		<b>\$187,200</b>		<b>\$266,400</b>
Business: Management (*)	\$3,600	class	4	\$14,400	8	\$28,800		\$43,200
Business: Accounting (*)	\$3,600	class	4	\$14,400	10	\$36,000		\$50,400
Business: Human resources (*)	\$3,600	class	4	\$14,400	8	\$28,800		\$43,200
ICT: Basic office automation (*)	\$3,600	class	6	\$21,600	10	\$36,000		\$57,600
ICT: System administration (*)	\$3,600	class	2	\$7,200	8	\$28,800		\$36,000
ICT: Web design (*)	\$3,600	class	2	\$7,200	8	\$28,800		\$36,000

(\*) Income is calculated as fee per participant, with average fee = \$150 and average number of participant = 24, i.e. income = \$3600

Center for Enterprise Development (CED)			Year One		Year Two		Project Duration	
Item Description	Price	Unit	Units	Expense	Units	Expense	Units	Expense
<b>Expenses (total, see breakup in the following page)</b>				<b>\$310,960</b>		<b>\$554,990</b>		<b>\$865,950</b>
Staff				\$95,800		\$128,400		\$224,200
Program Expenses				\$35,600		\$87,200		\$122,800
Operating Expenses				\$139,000		\$267,000		\$406,000
Overhead on the totals above 15%				\$40,560		\$72,390		\$112,950

Center for Enterprise Development (CED)			Year One		Year Two		Project Duration	
<b>Balance</b>				<b>-\$111,760</b>		<b>-\$247,790</b>		<b>-\$359,550</b>

**USAID's contribution covers the cost for program activities listed on this budget for a total amount of: \$122,800 USAID**

## INDEPENDENT ECONOMIC POLICY AND BUSINESS DEVELOPMENT HUB

### Center for Enterprise Development (CED) Component

#### EXPENSES / Operational Budget 10/1/2003-9/30/2005 (24 months)

Center for Enterprise Development (CED)			Year One		Year Two		Project Duration	
Item Description	Price	Unit	Units	Expense	Units	Expense	Units	Expense
<b>Staff</b>				<b>\$95,800</b>		<b>\$128,400</b>		<b>\$224,200</b>
Executive Director	\$4,200	month	10	\$42,000	12	\$50,400	22	\$92,400
Program Director	\$3,200	month	8	\$25,600	12	\$38,400	20	\$64,000
Administrator	\$2,100	month	10	\$21,000	12	\$25,200	22	\$46,200
Technical Support (part time 50%)	\$1,200	month	6	\$7,200	12	\$14,400	18	\$21,600

Center for Enterprise Development (CED)			Year One		Year Two		Project Duration	
Item Description	Price	Unit	Units	Expense	Units	Expense	Units	Expense
<b>Operating Expenses</b>				<b>\$139,000</b>		<b>\$267,000</b>		<b>\$406,000</b>
Dedicated facilities rented fully equipped (*)	\$12,000	month	6	\$72,000	12	\$144,000	18	\$216,000
Telephone/Mail	\$1,000	month	6	\$6,000	12	\$12,000	18	\$18,000
Equipment (Computers, Printers, Scanners, VCR, DVD, TV, etc)	\$10,000	bulk	2	\$20,000	1	\$10,000	3	\$30,000
Office Supplies, Photocopying	\$1,000	month	6	\$6,000	12	\$12,000	18	\$18,000
Textbooks & other media	\$50	unit	200	\$10,000	400	\$20,000	600	\$30,000
Teaching/student supplies	\$4,000	month	3	\$12,000	12	\$48,000	15	\$60,000
Taxi, Bus, Rental Car	\$500	month	12	\$6,000	12	\$6,000	24	\$12,000
Travel (International)	\$3,000	trip	2	\$6,000	4	\$12,000	6	\$18,000
Travel (Domestic)	\$500	trip	2	\$1,000	6	\$3,000	8	\$4,000
(*) The facilities includes offices, 2 classrooms, 2 fully equipped computer classrooms, access to Auditorium, Library, and other structures It also include Internet permanent access, email/web server (from UCAN), Facility Management (Security, Cleaning)								

Center for Enterprise Development (CED)			Year One		Year Two		Project Duration	
Item Description	Price	Unit	Units	Expense	Units	Expense	Units	Expense
<b>Training Program Expenses</b>				<b>\$35,600</b>		<b>\$87,200</b>		<b>\$122,800</b>
Business: Management (***)	\$2,000	week	4	\$8,000	8	\$16,000		\$24,000 USAID
Business: Accounting (***)	\$1,600	week	4	\$6,400	10	\$16,000		\$22,400 USAID
Business: Human resources (***)	\$1,600	week	4	\$6,400	8	\$12,800		\$19,200 USAID
ICT: Basic office automation (***)	\$1,200	week	6	\$7,200	10	\$12,000		\$19,200 USAID
ICT: System administration (***)	\$2,000	week	2	\$4,000	8	\$16,000		\$20,000 USAID
ICT: Web design (***)	\$1,800	week	2	\$3,600	8	\$14,400		\$18,000 USAID
(***) Classes can be of various length, but in this budget they are considered to be 1 week								

## ***ANNEX B – Concept Paper submitted to USAID/GDA on March 31, 2003***

Mary Tyler Holmes  
Global Development Alliance Secretariat  
United States Agency for International Development  
Rm. 6.08.026  
1300 Pennsylvania Ave., NW  
Washington, DC 20523

Boston, March 31, 2003

### Reference:

Establishment of a Business Training Center in Luanda, Republic of Angola  
Annual Program Statement, APS No. GDA-03-001 (sectors: education/sme/ict)

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### Summary:

The Angola Educational Assistance Fund (AEAF), a nonprofit organization based in Boston, has formed an alliance with the Catholic University of Luanda (UCAN), Angola, with Boston College (BC), and with the US Angola Chamber of Commerce (USACC), to establish a Business Training Center in the city of Luanda, Angola.

The essential goal of the Center is to prepare Angolans with basic and advanced business skills to drive productivity and economic growth. Over the past few years, the Catholic University of Angola has organized a number of professional training classes for private sector companies and teachers of schools in Luanda. The classes offered included Information and Communication Technology courses at various levels, and English as a Second Language programs.

The Center will provide a formalized framework to expand these activities. It will use a higher education partnership and a network of concerned private sector companies to strengthen the Catholic University's ability to link with small and medium enterprises to foster economic growth and community development.

A particular emphasis will be given to addressing the professional training requirements of women. The Center will openly encourage women's enrollment and will include specific programs for women in its curriculum.

## Description:

Angola is slowly moving toward a peaceful future after years of devastating civil war. One of the biggest challenges ahead is the rebuilding of the country's post-war economy. Meeting immediate human needs is a necessary current focus, but belief in a recovered and thriving Angola requires attention to long-term needs as well, including the possibility for all to have access to professional training at various levels of competencies. In Angola – like elsewhere - economic growth demands the creation of a productive and skilled workforce.

In response to this situation, the Angola Educational Assistance Fund and the Catholic University of Angola have taken the first steps toward the creation of a Business Training Center, to be established in Luanda. The Center will serve the needs for conventional access to professional training, and - by allowing many to acquire basic and advanced job skills - it is expected to make an important contribution in building a better future for the Angolan people.

In order to ensure the success of this initiative, the Angola Educational Assistance Fund and the Catholic University of Luanda, Angola, have formed an alliance with the Business School at Boston College (BC), and with the US Angola Chamber of Commerce (USACC). Each partner will contribute to the project in a specific capacity, thus ensuring that each component of the project will be competently and effectively addressed.

## Project focus:

The Business Training Center will be the first institution of its kind to be established in Luanda. The goal of the Center is to offer professional and business training at various levels to a target group that includes:

- ⇒ Unskilled and unemployed people of different ages searching to better their opportunities in an expanding economy;
- ⇒ People employed looking to update their expertise or acquire new skills;
- ⇒ Employees of national and international companies furthering their education;
- ⇒ Start-up business owners;
- ⇒ Small business owners.

A particular attention will be given both to the recruitment of women attendance, and to programs specifically designed for developing women's skills. Initially, the target will be to reach 50 people with a growth rate of at least 100% each year for five years thereafter. The list of classes that the Business Training Center plans to offer includes:

- ⇒ Basic office skills;
- ⇒ Basic business skills;
- ⇒ Accounting, Financial Management, Human Resources;
- ⇒ Information and Communication Technology at various levels (office automation network, web, multimedia, etc);
- ⇒ Program/Project Management;

- ⇒ English as a Second Language;
- ⇒ Management.

The Center will work with companies from the private sector and other interested organizations in order to appropriately expand the offering of classes.

#### Strategy and Objectives:

In the course of 2003 the alliance has three major goals:

- ⇒ De-facto establishment of the Center within the structure of the Catholic University in Luanda;
- ⇒ Development of a comprehensive curriculum and schedule of classes;
- ⇒ Delivery of the first round of classes to 50 participants.

The Catholic University will host the Center within its campus facilities in the center of the city of Luanda. Office space will be allocated for the staff and the administrative activities of the Center. Educational activities will make use of the University infrastructure, including both its conventional and computer equipped classrooms. Students of the Business Training Center will have access to the University's conference facilities, library, wireless Internet, cafeteria, etc.

#### Partners in the alliance:

##### *Angola Educational Assistance Fund (AEAF)*

The AEAF (<http://www.aeaf.org/>) is a 501(c)(3) nonprofit organization based in Boston. It was created in 1996 by Citizens Energy (<http://www.citizensenergy.com/>), in order to promote higher standard of academic education in Angola through the establishment of a Catholic University. AEAF is expected to contribute in the following areas: program management, logistics, fundraising, and financial support.

##### *Catholic University of Angola (UCAN)*

The Catholic University (<http://www.ucan.edu/>) is the first non-governmental university in Angola. It is based in Luanda and has been operating since 1999. It currently has a Department of Law, a Department of Economics and Management, and a Department of Computer Engineering, with future plans to expand its courses to other areas. Its mission is to provide human, academic and professional education to the Angolan people. As an open university, it is ruled by principles of absolute liberty of access, regardless of race, gender, religion and social and economic conditions, with the only limits being those deriving from available space and academic selection criteria. UCAN will contribute in the following critical areas: faculty, staffing, logistics, space allocation, and financial support.<sup>11</sup>

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<sup>11</sup> Over the past few years, AEAF and UCAN have successfully collaborated on a wide variety of projects. Initially, AEAF contributed \$400,000 to the refurbishment of a building designated to host the Catholic University. Since then, the focus has been on improving technical capacity at UCAN. For example, AEAF established a state of the art

*Boston College (BC)*

Founded in 1863, Boston College (<http://www.bc.edu/>) is one of the oldest Jesuit, Catholic universities in the United States. Boston College confers more than 3,800 degrees annually in more than 50 fields of study through 11 schools and colleges. Its student body represents all states and 95 countries.

The Carroll School of Management offers undergraduate and graduate management education to meet the needs of students interested in business. The Lynch School of Education endeavors to improve the human condition through education and also offers undergraduate and graduate programs. The role of BC in the alliance will be focused on the development of the Business Training Center curriculum, and on the selection of the faculty. It will also ensure the highest standard of educational programs, while providing access to international higher education and networking.

*US Angola Chamber of Commerce (USACC)*

Founded in 1990, the U.S. Angola Chamber of Commerce (<http://www.us-angola.org/>) is a non-profit membership organization with a mandate to broaden U.S. and Angolan business opportunities. With offices in Washington and Luanda, the chamber has 75 member organizations that are united in promoting trade and investment between the U.S. and Angola. The chamber, together with various partners, holds yearly trade missions to Angola, policy seminars, briefings and other events that bring together members and other interested individuals who work with and in Angola. The US Angola Chamber of Commerce will promote the activities of the Business Training Center among its member base of US and Angolan companies, while providing valuable feedback in terms of the educational content offering and needs.

Sustainability:

The Business Training Center will achieve sustainability by offering fee-based classes. This will be particularly attractive for private sector companies seeking to educate their workforce. Another source of funding will derive from a scholarship program based on a model successfully implemented at UCAN, allowing programs to be offered at a subsidized cost or at no cost at all, pending financial needs of students or the institution they represent.

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computer network with over 200 personal computers, several computer classrooms, Internet public access areas, and a wireless link to Ebonet, a local Internet Service Provider (ISP), allowing a broadband permanent Internet connection. These activities have greatly enhanced the Catholic University educational objectives as well as its various academic activities. AEAFF has also conducted a review of the university accounting practices and assisted with the implementation of the ensuing recommendations.

Support from GDA/USAID:

The alliance requests the financial support of GDA/USAID in the amount of \$120,000 to establish the Business Training Center in Luanda and to carry out the initial educational activities. This phase is expected to last until the end of 2003. The requested amount is reflected in the following operational budget:

2003 REVENUES:

FINANCIAL CONTRIBUTIONS	
AEAF .....	\$60,000
UCAN .....	\$60,000
GDA/USAID	\$120,000
<u>TOTAL REVENUES</u>	<u>\$240,000</u>

2003 EXPENSES:

PROGRAM MANAGEMENT (*)	
AEAF .....	(\$40,000)
UCAN .....	(\$40,000)
CURRICULUM DEVELOPMENT (*)	
AEAF .....	(\$20,000)
UCAN .....	(\$20,000)
BOSTON COLLEGE .....	(\$40,000)
USACC .....	(\$10,000)
INFRASTRUCTURE (**)	
UCAN .....	(\$40,000)
TRAVEL (***)	
AEAF .....	(\$10,000)
UCAN .....	(\$10,000)
BOSTON COLLEGE	(\$10,000)
<u>TOTAL EXPENSES</u>	<u>(\$240,000)</u>

(\*) Cost estimate is based on number of days per staff / consultant / faculty at an average rate of \$400/day

(\*\*) Cost estimate for office equipment, furniture, occupancy cost, classrooms rent, etc.

(\*\*\*) Cost estimate is based on the number of 2 week long travel for 1 person to/from USA/Angola at \$5000 incl. air/lodging/meals

## ***ANNEX C – USAID/GDA Response to Concept Paper on June 17, 2003***

June 17, 2003

Filippo Nardin  
President  
Angola Educational Assistance Fund  
530 Atlantic Avenue, 5th Floor  
Boston, MA 02210

Dear Mr. Nardin:

We have completed our selection phase of the Global Development Alliance's Annual Program Statement and invite you to submit a full proposal for your concept paper: "Establishment of a Business Training Center in Angola." **Be advised that this does not constitute in any way a guarantee of funding through this mechanism.** We have circulated your concept paper for comments to the country missions mentioned in your concept paper, and we are now ready to receive the more detailed proposal as described in the Annual Program Statement.

In the preparation of your more detailed proposal, please follow the specific instructions and format detailed under the Tier Two Proposal Stage section in the APS, and incorporate the responses to the more detailed issues raised below in the most pertinent section(s) of the application.

Below are some issues that the mission would like you to address in your proposal:

- Please discuss how the activity will link to local business groups and associations and financiers.
- Please discuss how the University will design training programs without having solid knowledge on the type and number of targeted businesses in Angola.
- Please elaborate on how the University will cost the training.
- Please explain how the Business Center could serve as a source of information on enabling environment for SMME businesses in other part of Angola.
- Please discuss how the activity's scholarship system can work.
- Given the lack of proven success elsewhere and the insufficient knowledge of the business climate in Angola presented here, there should be alternative consideration of a needs assessment of different entrepreneurial groups for training to determine how the center should target its services, what fees it could glean, and whether this center could work with the many private training institutions and individual consultants providing services to small businesses in Luanda. Following this, an

initial plan for one training center with careful targeting and potential “extension outreach” to both public and private training centers should be considered.

The following issues are program recommendations that the mission would like you to consider:

- USAID/Angola proposes that at some later date, the activity considers incorporating or adding to the curriculum a trainer of trainers programs to increase outreach outside of Luanda.
- The Consortium could increase local knowledge of appropriate enabling environments, and could encourage expansion of SME engagement in business associations and across various entrepreneur groups for business deals and policy advocacy. They could also help expand interest and capacity of the CCIA and Catholic University to support such activities.
- USAID/Angola proposes that the concept paper be expanded to incorporate an economic policy and capacity strengthening component. Because of an extreme scarcity of economic policy research and analysis capability, it is proposed that an independent economic policy institute be established at the Catholic University in order to build upon and expand the nascent institutional structure the IMF has established. This would also provide the analytical framework and dialogue necessary to make the proposed Business Center a component of the Economic Policy Institute.

USAID/ANGOLA’s Gail Spence (gspence@usaid.gov) and Scott Allen, RCSA (sallen@usaid.gov) will be your technical points of contact. Please contact them upon receipt of this letter.

Again, **be advised that submission of a full proposal does not guarantee funding.** All proposals must be in English in hard copy and 3.5” disk (Microsoft Word format) forms and should be submitted directly to Dan Runde, Global Development Alliance Secretariat, Room 6.8.026, 1300 Pennsylvania Avenue, NW, Washington, DC 20523 or you may also submit your proposal electronically to drunde@usaid.gov. Please submit your proposal by July 29th, 2003.

Sincerely,

Daniel F. Runde  
Outreach and Alliance Development Manager  
Global Development Alliance Secretariat, USAID

***ANNEX D – Memorandum of Understanding between the  
Catholic University and ChevronTexaco***

**DRAFT**

**Heads of Agreement ( “HOA” )**

Between:

**UNIVERSIDADE CATOLICA DE ANGOLA**, an Angolan private academic institution hereinafter referred to as “UCAN”, on the one part;

And:

**CHEVRONTEXACO SUSTAINABLE DEVELOPMENT COMPANY**, a wholly owned subsidiary of ChevronTexaco Corporation, hereinafter referred to as “CTSDC”, on the second part.

Hereinafter UCAN and CTSDC shall be referred to as the “Parties”.

**WHEREAS**, the first contact between the Parties, made during a visit on April 16, 2003, to UCAN’s new campus facility in Palanca (Luanda), led to a follow up meeting which was held at UCAN’s main building in Kinaxixi (Luanda) on May 19 2003, where areas of mutual interests were discussed, including the establishment of a new center for professional training and vocational learning as part of CTSDC’s Angola Partnership Initiative, hereinafter referred to as “API”.

**WHEREAS**, the framework of the API specifies the following key areas of intervention: Education, Training, and Small Business Development in Angola.

**WHEREAS**, UCAN was established to provide the Angolan community with a strong and respected in-country institution of higher learning, and to contribute to Angola's social, economic and political recovery.

**WHEREAS**, UCAN and CTSDC wish to undertake a joint program to combine their capacities and leverage their core missions.

**NOW THEREFORE**, the parties agree that this HOA sets forth the understandings and intentions of the Parties with regard to their shared goals as follows:

1. The Parties will work together to create the Center for Enterprise Development (Centro de Desenvolvimento Empresarial), hereinafter referred to as “CED”, to carry out professional training and vocational learning activities in support of university graduates, small business start-ups, youth, women entrepreneurs, and other members of the Angolan community.
2. UCAN’s Center for Economic Studies and Scientific Research (Centro de Estudos e Investigação Científica), hereinafter referred to as “CESSR”, will work with CTSDC to provide the initial project analysis, design, and implementation recommendations.
3. The Angola Educational Assistance Fund, hereinafter referred to as “AEAF”, a 501(c)(3) organization based in Boston created with the sole purpose of supporting the establishment of UCAN, will assist and advise UCAN and CTSDC, and work with CESSR on the initial project recommendations. AEAF may also serve as a simple and transparent vehicle for CTSDC to direct project funds to UCAN. In addition, AEAF will also serve as a reference point for establishing partnerships with foreign universities and development organizations.
4. CTSDC will seed fund the initial phase of the project in an amount to be determined. Subsequent funding will be provided in a matching fashion by CTSDC and by other sources. CTSDC and AEAF will work on a fundraising strategy that will use the strategic value of the UCAN/CTSDC partnership to attract additional funding. The Parties specifically acknowledge that this HOA is not an obligation of funds, nor does it constitute a legally binding commitment by any Party.
5. It is recognized that this HOA is a statement of intent and is being signed to allow the participants to start working on the project recommendations for the CDE, to pursue matching funds opportunities with potential donors, and to explore possible partnership with other organizations. The parties agree to consult their respective legal departments to discuss if any additional legal documents need to be signed before the actual project can be officially started.
6. The Parties will attempt to establish a public communication program for the project. A public announcement/press release regarding the establishment of CDE will be considered as a follow up to the signature of this HOA.

**IN WITNESS WHEREOF**, of their agreement, each party has caused its duly authorized representative to sign this instrument on the date indicated below such representative’s signature.

## ***ANNEX E – Profile of Partners in the Alliance***

### ***Angola Educational Assistance Fund (AEAF)***

The AEAF (<http://www.aeaf.org/>) is a 501(c)(3) nonprofit organization based in Boston. It was created in 1996 by Citizens Energy (<http://www.citizensenergy.com/>), in order to promote higher standard of academic education in Angola through the establishment of a Catholic University. The AEAF is part of Citizens Energy's group of companies (<http://www.citizensenergy.com/>). In 1994, a Citizens Energy's affiliate, Citizens Corporation, was awarded a USAID grant for a project in Eastern Europe.

Since the beginning of their collaboration in 1996, AEAF and UCAN have successfully worked on a wide variety of projects. Initially, AEAF contributed \$400,000 to the refurbishment of a building designated to host the Catholic University. Since then, the focus has been both on funding and on improving technical capacity at UCAN.

In 1998 to 2000, AEAF established a state of the art computer network with over 200 personal computers, several computer classrooms, Internet public access areas, and a wireless link to Ebonet, a local Internet Service Provider (ISP), thus establishing a broadband permanent Internet connection that has been up since 1997.

In 1998, the AEAF funded a review of the university accounting practices by Ernst & Young and assisted with the implementation of the ensuing recommendations

In 1999, the AEAF organized the collection of 80,000 selected titles for UCAN's library and two container shipments to transport them to Luanda. It also provided training for UCAN's library personnel on how to catalog and manage a public library.

These activities have greatly enhanced the Catholic University educational objectives as well as its various academic activities.

AEAF is expected to contribute in the following areas: program design and management, logistics, fundraising, and financial support.

### ***Catholic University of Angola (UCAN)***

The Catholic University (<http://www.ucan.edu/>) is the first private university created in Angola. It is based in Luanda and has been operating since 1999. It currently has a Department of Law, a Department of Economics and Management, a Department of Public Administration, and a Department of Computer Engineering, , with future plans to expand its curriculum to other areas.

The University is located near the Kinaxixi Square in the center of Luanda, and is has opened in 2002 another campus in Palanca (on the road to Viana), which is being currently expanded.

Its mission is to provide human, academic and professional education to the Angolan people. It is ruled by principles of absolute liberty of access, regardless of race, gender, religion and social and economic conditions, with the only limits being those deriving from available space and academic selection criteria.

In a short time, the Catholic University has established itself as an institution of excellence. It often hosts seminars, workshops and conferences, attracting large audiences and highly regarded speakers.

In 2002, the University launched the Center for Economic Studies and Scientific Research (CESSR), designed to conduct research, provide professional services to the Angolan Government and the business community, and create an open discussion forum for socio-economic policy discussion.

UCAN will contribute in the following critical areas: faculty, staffing, logistics, space allocation, and financial support, while the CESSR will offer program design and implementation, project management, and reporting.

## ***Boston College (BC)***

Founded in 1863, Boston College (<http://www.bc.edu/>) is one of the oldest Jesuit, Catholic universities in the United States. Boston College confers more than 3,800 degrees annually in more than 50 fields of study through 11 schools and colleges. Its student body represents all states and 95 countries.

The Carroll School of Management offers undergraduate and graduate management education to meet the needs of students interested in business. The Lynch School of Education endeavors to improve the human condition through education and also offers undergraduate and graduate programs.

In 2001, Boston College has hosted a delegation from the Catholic University to discuss a comprehensive collaboration agreement. Faculty fellowships and student exchange programs were discussed, as well as joint research programs in the fields of Business, Management and Administration, International Law, Information and Communication Technology, International Higher Education.

The role of Boston College in the alliance will be advising on the development of the economic policy institute component of the Center for Economic Studies and Scientific Research, as well as on the development of a comprehensive business training curriculum for the Center for Enterprise Development.

Boston College will also ensure the highest standard of educational programs, while providing access to international higher education and networking.

## ***US Angola Chamber of Commerce (USACC)***

The U.S. Angola Chamber of Commerce (<http://www.us-angola.org/>) is a non-profit membership business association with a mandate to promote trade and investment between the US and Angola, to broaden U.S. and Angolan relations in various areas, and to provide outreach to and awareness of Angola. It was founded in 1990, at a time when diplomatic relations between the US and Angola did not yet exist.

With offices in Washington and Luanda, the chamber has 75 member organizations from the US and Angola. Among the services that the USACC provides are networking opportunities and research, briefings, policy seminars, and other events that bring together members and other interested individuals working with and in Angola. The Chamber also organizes yearly trade missions from the US to Angola and from Angola to the US.

The USACC is mandated by its charter to assist in humanitarian relief. It has assisted in building awareness and raising funds on behalf of projects providing social marketing and education programs combating the spread of HIV/AIDS in Angola.

In its 12 years of operation, the USACC has developed a firm understanding of the many social and economic issues affecting Angola and it has built a solid reputation for delivering on its mission.

The USACC will promote the activities of the Center for Enterprise Development among its membership and provide feedback in terms of the educational content and the needs of its members. It will provide support to the Center for Enterprise Development by assisting in fundraising and resource development. It will also play a role in assisting the career development of graduating students by developing internship programs with member companies, where graduates can obtain hands-on training.

The USACC will serve as a liaison between the Center, the US and the Angolan community of private sector/business advocacy membership organizations, such as the Corporate Council on Africa, the Council of Foreign Relations, the Angolan Chamber of Commerce and Industry, and the Angolan Industrial Association.